

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

BETWEEN:

UDAYAN PANDYA

Plaintiff

-and-

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants

In the Matter of the *Class Proceedings Act, 1992*

**MOTION RECORD  
(Returnable August 4, 2006)**

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

Lincoln Caylor / M. Joanne MacMillan  
LSUC No. 37030L / 43529J)  
Tel: 416.777.6121 / 4629  
Fax: 416.863.1716

Solicitors for the receiver

TO: Courtney Wallis Simpson, Wallis Simpson & Associates,  
and Courtney Wallis Simpson c.o.b. as York Management Group,  
Camco Developments and York Group  
[Address removed at Ms Simpson's request]

AND TO: York Region Realty Inc.

AND TO: Beard Winter LLP  
Barristers and Solicitors  
130 Adelaide Street West  
Suite 710  
Toronto, ON M5H 2K4

David Rothwell  
Tel: 416-306-1775  
Fax: 416-593-7760  
Email: rothwell@beardwinter.com

AND TO: Govedaris Professional Corporation  
Barristers and Solicitors  
6383 Main Street  
Stouffville, ON L4A 1G4

Gregory Govedaris  
Tel: 905-642-2090 ext. 302  
Fax: 905-642-2101  
Email: gregory@govedaris.com

AND TO: Berkow Cohen LLP  
141 Adelaide Street West, Suite 400  
Toronto, ON  
M5H 3L5

Mr. Glenn E. Cohen  
Tel: 416-364-4900  
Fax: 416-364-3865

AND TO: Kenneth Wayne Simpson  
195 Ramona Blvd.,  
Markham, Ontario  
L3P 2L1

Tel: 905-472-2624  
Fax: 905-472-8750

## **Index**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

BETWEEN:

UDAYAN PANDYA

Plaintiff

-and-

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants

In the Matter of the *Class Proceedings Act, 1992*

**INDEX**

<b>Tab</b>	<b>Document</b>	<b>Page</b>
1.	Notice of Motion	1
A.	Schedule – Draft Vesting Order	7
2.	Sixth Report of the Receiver	16
	<b>Exhibits</b>	
A.	Copy of the Opinion of Value dated January 20, 2006	22
B.	Copy of the Listing Agreement with Chestnut Park dated June 8, 2006	26
C.	Copy of the real estate listing for 1038 Kawagama Lake Road, Dorset (the "Cottage")	29
D.	Copy of the Cottage Agreement of Purchase and Sale dated July 17, 2006	30
E.	Copy of the Mortgage Information Statement dated June 12, 2006	36
F.	Copy of the consent received from Mr. Pahwa's counsel dated August 1, 2006	38
G.	Copy of the Affidavit of Kenneth Wayne Simpson (sworn August 2, 2006) and the cover letter	39

**Tab 1**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**B E T W E E N:**

**UDAYAN PANDYA**

Plaintiff

-and-

**COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP**

Defendants

In the Matter of the *Class Proceedings Act, 1992*

**NOTICE OF MOTION  
(Motion Returnable August 4, 2006)**

The court appointed receiver will make a motion on August 4, 2006 at 10:00 a.m. to a judge presiding over the Commercial List at 393 University Avenue in Toronto or as soon after that time as a motion can be heard.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. An order approving the sale of 1038 Kawagama Lake Road, Dorset, Ontario (the "Cottage") to Colin William Job (the "Cottage Purchaser") for the price of \$375,000;
2. An order that, upon closing of the sale of the Cottage on August 18, 2006, title is vested in the names of Colin William Job and Kevin Walter Job;

3. That time for service of the notice of motion and the motion record be abridged to the date and time of actual service and that such service is valid service of the materials filed in support of this motion;
4. Leave of the court to bring this motion, if necessary; and
5. Such further and other Order as this Honourable Court may deem just.

#### **THE GROUNDS FOR THE MOTION ARE:**

##### **Background**

1. The defendant, Courtney Simpson ("Simpson"), is a member of the Real Estate Council of Ontario ("RECO"), a broker under the *Real Estate and Business Brokers Act* and is the principal broker and controlling mind of the defendant, York Region Realty Inc. ("York Realty") and also of the other defendant entities.
2. This proceeding has been commenced as a class action against the defendants for fraud, unjust enrichment, breach of fiduciary duty and/or misrepresentation with respect to a large number of victims or class members.
3. By Order of the Honourable Mr. Justice Ground dated November 17, 2005 (the "Initial Order"), Michael J. Quilling (the "Receiver") was appointed receiver, pursuant to section 101 of the *Courts of Justice Act* and rule 41.02 of the *Rules of Civil Procedure*, over the assets of Simpson and York Realty.

##### **Sale of the Cottage**

4. Stephen Leonard, the listing agent with Chestnut Park Real Estate Limited Brokerage ("Chestnut Park"), provided an opinion as to the value of the Cottage to the Receiver in January

2006. In Mr. Leonard's opinion, \$375,000 was the highest price that the Cottage would be sold for.

5. On or about June 8, 2006, the Cottage was listed for sale with Chestnut Park at their offices in Dwight, Ontario. The Cottage was initially listed at \$449,000 at the Receiver's insistence based on information received from Simpson, with the agreement that if no offers were received on the Cottage within 3 weeks, that the list price would be reduced to \$395,000.

6. The Cottage had been on the market for approximately 4 weeks when the first of 3 offers was received. The first offer was in the amount of \$360,000. Second and third offers in the amounts of \$350,000 and \$365,000 were received.

7. Following receipt of the first offer by the Receiver, Simpson advised him that she would confirm with a real estate colleague in the Muskoka area that the offer was for an appropriate amount given the current market conditions. Despite several assurances that she would provide the information to the Receiver, the promised information was never received. Simpson also advised the Receiver that her husband, Kenneth Wayne Simpson, wished to make an offer on the Cottage. Mr. Simpson eventually submitted an offer in the amount of \$365,000 with a \$1,000 deposit payable on acceptance.

8. The Receiver instructed the listing agent to reject the offers and request better offers from the three prospective purchasers on a confidential basis. One revised offer, in the amount of \$375,000 with a \$25,000 deposit, was received and accepted by the Receiver.



9. The Cottage Purchaser and the Receiver entered into an agreement of purchase and sale dated July 17, 2006 for the purchase price of \$375,000, the listing agent's original assessment of the highest price that the Cottage would sell for.

10. Based on the receiver's past experience with land registry offices, it is likely that the Land Registry Office of Haliburton (No. 19), Minden will require an override of paragraph 10 of the Initial order in order to register the transfer of title of the Cottage to the purchaser. As such, notwithstanding the terms set out in paragraph 10 of the Initial Order, upon closing of the Cottage, title must vest in the name of: (a) Colin William Job (d.o.b. September 8, 1972); and (b) Kevin Walter Job (d.o.b. April 18, 1971). The draft vesting order is attached as Schedule "A" to this notice of motion.

#### **Further Grounds**

11. Rule 2 of the *Rules of Civil Procedure*.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. The Receiver's Sixth Report;
2. Such other material as counsel may advise and this Honourable Court may permit.

DATE: August 2, 2006

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

Lincoln Caylor / M. Joanne MacMillan  
LSUC No. 37030L / 43529J  
Tel: 416.777.6121 / 4629  
Fax: 416.863.1716

Solicitors for the receiver

TO: Courtney Wallis Simpson,  
Wallis Simpson & Associates,  
and Courtney Wallis Simpson  
c.o.b. as York Management Group,  
Camco Developments and  
York Group  
[address removed at Ms. Simpson's request]

AND TO: York Region Realty Inc.

AND TO: Beard Winter LLP  
Barristers and Solicitors  
130 Adelaide Street West  
Suite 710  
Toronto, ON M5H 2K4

David Rothwell  
Tel: 416-306-1775  
Fax: 416-593-7760  
Email: rothwell@beardwinter.com

AND TO: Govedaris Professional Corporation  
Barristers and Solicitors  
6383 Main Street  
Stouffville, ON L4A 1G4

Gregory Govedaris  
Tel: 905-642-2090 ext. 302  
Fax: 905-642-2101  
Email: gregory@govedaris.com

AND TO: Berkow Cohen LLP  
141 Adelaide Street West, Suite 400  
Toronto, ON  
M5H 3L5

Mr. Glenn E. Cohen  
Tel: 416-364-4900  
Fax: 416-364-3865  
Email: gcohen@berkowcohen.com

AND TO: Kenneth Wayne Simpson  
195 Ramona Blvd.,  
Markham, Ontario  
L3P 2L1

Tel: 905-472-2624  
Fax: 905-472-8750

**Schedule "A"**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE ) THURSDAY, THE 4<sup>th</sup> DAY OF  
 )  
JUSTICE ) AUGUST, 2006

**B E T W E E N:**

UDAYAN PANDYA

Plaintiff

- and -

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants

In the Matter of the *Class Proceedings Act, 1992*

**VESTING ORDER**

**THIS MOTION**, heard this day, was made by Michael J. Quilling, in his capacity as court-appointed receiver (the "Receiver") of the property and assets of the defendants in the within action, pursuant to the Order of this court dated November 17, 2005 (the "Initial Order") seeking a vesting order in respect of 1038 Kawagama Lake Road, Dorset, Ontario (described in paragraph 4 below) (the "Property") pursuant to the agreement of purchase and sale dated as of July 17, 2006 (the "Agreement") between the Receiver as vendor and:

- (a) Colin William Job (d.o.b. September 8, 1972); and
- (b) Kevin Walter Job (d.o.b. April 18, 1971).

as purchasers ("Purchasers") a copy of which is appended as **Schedule "A"** to this order was heard this day at 393 University Avenue, Toronto, Ontario.

**ON READING** the materials filed and upon hearing the submissions of counsel for the receiver,

#### **Service**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record, herein, be and it is hereby abridged to the date and time of actual service and that such service is valid service of the materials filed in support of this motion;

#### **Sale and Vesting of the Real Property**

2. **THIS COURT ORDERS** that upon the purchase price having been paid and all conditions to closing having been satisfied or waived, the receiver shall deliver to the Purchasers a certificate, substantially in the form of the draft Receiver's Certificate appended as Schedule "C" hereto, confirming the same ("Receiver's Certificate") and the Receiver shall forthwith:

- (a) file a copy of the Receiver's Certificate with this Court; and
- (b) provide a copy of the Receiver's Certificate to the Land Registry Office of Haliburton (No. 19), Minden;

after such delivery.

3. **THIS COURT ORDERS** that upon the delivery of the Receiver's Certificate to the Purchaser pursuant to paragraph 2 hereof, all right, title and interest in and to the Property shall vest and is hereby vested in the Purchasers absolutely and forever as tenants in common:

- (a) free and clear of and from any and all estate, title, right, benefit, interest and claims of the defendants in the above-noted action and the Receiver; and
- (b) free and clear of and from any and all right, title, interest, security interests, mortgages, charges, hypothecs, indentures, loan agreements, instruments, leases, estates, licenses, pledges, trusts or deemed trusts (whether contractual statutory or otherwise), benefits, assignments, rights of distress, executions, options, adverse claims (including claims provable if any of the defendants should be adjudged bankrupt), levies, set-off claims (whether legal, equitable, or contractual), judgments, executions, agreements (including title retention agreements), taxes, claims, charges, encumbrances or any other rights, rights of use, claims, disputes and debts of all persons or entities of any kind whatsoever and howsoever arising, whether contractual, statutory, by operation of law, legal or equitable, whether secured, unsecured or otherwise, and whether created by any orders made in these proceedings ("Encumbrances").

4. **THIS COURT ORDERS** that, upon being provided with a copy of the Receiver's Certificate, the Land Registrar for the Registry Division of Haliburton (No. 19) is hereby directed to

- (a) effect registration of this Order on the register of title for the Property. The Property has the following legal description:

FIRSTLY:

Part of Lot 1, Concession 13, Township of Sherborne, County of Haliburton, designated as Parts 1 and 7, Plan 19R-3154;

## SECONDLY:

Part of the OSRA in front of Lot 1, Concession 13, said Township of Sherborne, designated as Part 6, Plan 19R-3154 as closed by By-law No. 35, Registered as Instrument No. 12;

- (b) delete the transfer to Courtney Wallis Simpson registered on May 31, 2002 as registration number 240088;
  - (c) delete the Ontario Superior Court of Justice Order presently registered on title as registration number 264880;
  - (d) enter the Purchasers, as tenants-in-common, as owners on the Register for the Property in place of Courtney Wallis Simpson;
  - (e) delete from the Register for the Property all Encumbrances, including those listed in Schedule "B" hereto; and
  - (f) remove the "No Dealings" indicator from the Register for the Property.
-





# Agreement of Purchase and Sale

Form 100  
To be used in the Province of Ontario

This Agreement of Purchase and Sale dated this 10th day of July, 2006

BUYER, Colin Job agrees to purchase from

SELLER, Michael J. Ouffing, Receiver for Courtney Wallis Simpson the following

REAL PROPERTY:  
Address: 1038 Kawigama Lake Road standing on the north side of Little Trading Bay

In the County of Haliburton and having a frontage of 152 feet

and more or less by a depth of irregular (see here) more or less and legally described as Part of Lot 13, Concession 13, Parts 1, 6 & 7 on Plan 15R-3 (54, Former Township of Simsboroac now in the Municipality of Algonquin Highlands, County of Haliburton

(legal description of land usually contained in a registered plan) (the "property").

PURCHASE PRICE: Three Hundred and Fifty thousand Dollars (CAD\$) 375,000.00

DEPOSIT: Buyer submits Twenty-five thousand Dollars (CAD\$) 25,000.00

by negotiable cheque payable to Chestnut Park Real Estate Ltd., Brokerage (In Trust) "Deposit Holder" to be held in trust without interest pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A, B attached hereto form(s) part of this Agreement.

- 1. CHATTLES INCLUDED: NO THEY ARE EXCLUDED
- 2. FUTURIS EXCLUDED:
- 3. RENTAL ITEMS: The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

4. IRREVOCABILITY: This Offer shall be irrevocable by Buyer until 5:00 p.m. on the 18th day of July, 2006.

5. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the 18th day of August, 2006. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

6. NOTICES: Seller hereby appoints the Listing Brokerage as Agent for the purpose of giving and receiving notices pursuant to this Agreement. Only if the Co-operating Brokerage represents the interests of the Buyer in this transaction, the Buyer hereby appoints the Co-operating Brokerage as Agent for the purpose of giving and receiving notices pursuant to this Agreement. Any notice relating hereto or provided for herein shall be in writing. This offer, any counter offer, notice of acceptance thereof, or any notice shall be deemed given and received, when hand delivered to the address for services provided in the Acknowledgement below, or where a facsimile number is provided herein, when transmitted electronically to that facsimile number.  
FAX No. (705)635-3803 (for delivery of notices to Seller) FAX No. (705)766-2141 (for delivery of notices to Buyer)

7. GST: If this transaction is subject to Goods and Services Tax (G.S.T.), then such tax shall be included in the Purchase Price. If this transaction is not subject to G.S.T., Seller agrees to certify on or before closing, that the transaction is not subject to G.S.T.

8. TITLE SEARCH: Buyer shall be allowed until 6:00 p.m. on the 14th day of August, 2006, (Regulation Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Regulation Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or delinquency notices affecting the property, that is prudent to

INITIALS OF BUYER(S): CJ

INITIALS OF SELLER(S): [Signature]



- insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.
9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.
  10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, or evidenced by a loan from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the present use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire is made notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire in favour of the Buyer and any mortgage, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement not understanding any intermediate sale or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages, save as to any valid objection so made by such day and except for any objection going to the root of the title. Buyer shall be conclusively deemed to have accepted Seller's title to the property.
  11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the Property and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release therefor to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust or irrevocably instruct the said lawyer to be bound by the document registration agreement between the said lawyers. The Seller and Buyer and not release same except in accordance with the terms of a document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.
  12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any chain of survey of the property within Seller's control to Buyer as soon as possible and prior to the Registration Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust and Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Co-operative or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by a mortgage lender setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
  13. **INSPECTIONS:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller. The Buyer acknowledges having the opportunity to include a requirement for a property inspection report in this Agreement and agrees that except as may be specifically provided for in this Agreement, the Buyer will not be obtaining a property inspection or property inspection report regarding the property.
  14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller, pending completion. Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid resumed without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.
  15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
  16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O. 1990.
  17. **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.
  18. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetred public or private utility charges and unmetred cost or fee, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned at Buyer's election.
  19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
  20. **YENDERS:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Co-operative.
  21. **FAMILY LAW ACTS:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless Seller's spouse has executed the consent hereunder provided.
  22. **LEAD:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
  23. **CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
  24. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard printed portion hereof, the added provision shall supersede the standard printed provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of word or number required by its context.

INITIALS OF BUYER(S)

*[Handwritten initials]*

INITIALS OF SELLER(S)

*[Handwritten initials]*



25. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms hereof.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:
Buyer: Colin Job
Date: July 10th/06

I, the Undersigned Seller, agree to the above Offer, I hereby irrevocably instruct my lawyer to pay directly to the Listing Brokerage the unpaid balance of the commission together with applicable Goods and Services Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the Listing Brokerage to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:
Seller:
Date: 7/17/06

SPOUSAL CONSENT: The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

Spouse:
Date:

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement and all attached both typed and written was finally accepted by all parties on this 17th day of July 2006.

INFORMATION ON BROKERAGE(S)

Table with 2 columns: Brokerage Name, Tel. No.
Listings Brokerage: Chestnut Park Real Estate Ltd., Brokerage Tel.No. (705)633-2118
2833 Highway #60, P. O. Box 119, Dwight, Ontario POA 1E0
Coop/Buyer Brokerage: CENTURY 21 COTTAGE COUNTRY RLTY INC, BROKERAGE-MI Tel.No. (705)766-2121
72474 Highway#25, P.O. Box #278, Danst, Ontario POA 1E0

ACKNOWLEDGMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.
I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.
Buyer: Colin Job
Address for Service:
Buyer's Lawyer:
Address:

FOR OFFICE USE ONLY
COMMISSION SHARE AGREEMENT
CENTURY 21 COTTAGE COUNTRY RLTY INC, BROKERAGE
I, Cooperating Brokerage shown on the foregoing Agreement of Purchase and Sale, in consideration for the Cooperating Brokerage providing the Listing Agreement of Purchase and Sale, I hereby agree that all moneys assigned or receivable by me in connection with the Transaction as contemplated in the MLS (Info and Regulations of my Real Estate Board) shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS Rules and shall be subject to and governed by the MLS Rules pertaining to Commission Trust.
DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.
Acknowledged by: Michael A. B... (Authorized to bind the Cooperating Brokerage)

JUL-10-2006 MON 04:39 PM REN'S PETS DEPOT FAX NO. 1 905 257 4814 P. 08

**OREA** Ontario Real Estate Association **Schedule A**  
**Agreement of Purchase and Sale**

**Form 100**  
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

**BUYER**, Colin Job

**SELLER**, Michael J. Quilling, Receiver for Courtney Wallis Simpson

for the purchase and sale of 1038 Kawagans Lake Road

dated the 10th day of July 2006

Buyer agrees to pay the balance as follows:

The Buyer agrees to pay the balance of the purchase price, subject to adjustments, by bank draft or certified cheque, to the Seller on the completion of this transaction.

Buyer agrees to purchase the subject property in an "as is, where is" condition.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S)

*CJ*

INITIALS OF SELLER(S)

*MJQ*



JUL-21-2006 14:45

CHESTNUT PARK REAL ESTATE

P.08/08

JUL-17-2006 11:01

CHESTNUT PARK REAL ESTATE

P.06/06

15

JUL 10 2006 4:28PM

HP LASERJET 3200

P.13

JUL-10-2006 15:06

CHESTNUT PARK REAL ESTATE

F.01/01

**OREA**

Ontario  
Real Estate  
Association

**Schedule B**  
**Agreement of Purchase and Sale**

**Form 105**  
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

**BUYER** SOLIN JOB and

**SELLER** MICHAEL J DULLIHO, RECEIVING FOR COURTNEY WALLIS SIMPSON

for the property known as 1038 KAWASAMA LAKE ROAD DORSET ONTARIO PARLBO

dated the 10<sup>th</sup> day of JULY, 2006

It is understood and agreed by both Seller and Buyer that for purposes of clarification, all references made to times and dates will be deemed to reflect Muskoka, Ontario, Canada times and dates.

For the purposes of this Agreement, the terms "banking days" or "business days" shall mean any day, other than a Saturday, Sunday, or a statutory holiday in Muskoka, Ontario, Canada.

The Buyer and Seller agree that the transmission of offers, counter-offers and other documents related thereto, may be communicated by facsimile or electronically. The Buyer and Seller agree to treat said documents in the same manner as if the documents transmitted were original documents.

The Province of Ontario has implemented a new property assessment for all property in Ontario. Property taxes are now based on Current Value Assessment (C.V.A.) of the property. As a result, depending on the current value as assessed by the Province of Ontario from time to time, taxes on the subject property may change. The Buyer hereby acknowledges and accepts the foregoing. The Buyer is advised to contact the local Township regarding taxes payable with respect to the subject property.

The Parties to this Offer acknowledge that Chestnut Park Real Estate Limited has recommended that they obtain advice from their legal adviser prior to signing this document. The Parties further acknowledge that no information provided by Chestnut Park Limited is to be construed as expert legal, tax, or environmental advice.

The Buyer and Seller acknowledge having been advised by their sales representative prior to the execution of this Offer that they and their brokerage are insured by the Real Estate and Business Brokers Act and the Regulations.

The Buyer acknowledges that the deposit referred to herein shall be placed in Chestnut Park Real Estate Limited's (the deposit holder) escrow trust account which earns interest at prime less Two (2%) percent. Provided that the interest earned is more than \$30.00 it shall be paid to the Buyer. Interest shall be paid to the date of completion only. No interest shall be paid to the Buyer unless the Buyer provides the deposit holder with a Social Insurance Number for use on the required Revenue Canada T5 forms by no later than THIRTY (30) days following completion. Any interest cheques issued by the deposit holder and not negotiated within six months following completion of the herein transaction shall be forfeited to the deposit holder.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S)

*(Handwritten initials)*

INITIALS OF SELLER(S)

*(Handwritten initials)*



© 2006 Ontario Real Estate Association. Do not alter without printing or reproducing the original printed version.

Form 105 04/2004 Page 1 of 1  
MNR Form 105 (04/2004)

TOTAL P.01

P. 10

FAX NO. 1 905 257 4814

JUL-10-2006 MON 04:39 PM REN'S PETS DEPOT

TOTAL P.08

TOTAL P.08

Schedule "B"

ENCUMBRANCES TO BE DELETED BY THE LAND REGISTRAR FOR THE  
COUNTY OF HALIBURTON (NO. 19) AT MINDEN

1. Instrument No. 240088, being a Transfer registered May 31, 2002 from John Sidney Walker and Beryle Olive Walker in favour of Courtney Wallis Simpson;
2. Instrument No. 240089, being a mortgage registered May 31, 2002 from Courtney Wallis Simpson in favour of The Royal Bank of Canada;
2. Instrument No. 259537, being a mortgage registered March 9, 2005 from Courtney Wallis Simpson in favour of Ajay Pahwa;
3. Instrument No. 263355, being a Tax Arrears Certificate registered September 12, 2005 from The Corporation of Algonquin Highlands; and
4. Instrument No. 264880, being a Court Order of the Superior Court of Justice registered November 21, 2005 appointing Michael J. Quilling as Receiver.

Schedule "C"

Court File No. 05-CL-6159

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE ) , THE DAY OF  
JUSTICE ) AUGUST, 2006

BETWEEN:

UDAYAN PANDYA  
Plaintiff

- and -

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP  
Defendants

In the Matter of the *Class Proceedings Act, 1992*

RECEIVER'S CERTIFICATE

WHEREAS, pursuant to the Order of the Honourable Mr. Justice Cumming of the Ontario Superior Court of Justice, Commercial List, made on the 17<sup>th</sup> day of November, 2005, Michael J. Quilling was appointed receiver (the "Receiver") of the property and assets of the defendants in the within action, including all of the proceeds realized from the Property.

AND WHEREAS, the Receiver entered into an agreement of purchase and sale dated as of the 17<sup>th</sup> day of July, 2006 with Colin Job (the "Purchaser") in respect of the property located at 1038 Kawagama Lake Road, Dorset, Ontario (the "Property").

AND WHEREAS, pursuant to the order herein of the Honourable Justice \_\_\_\_\_ dated \_\_\_\_\_, 2006, this court issued a Vesting Order, and is to be effective with respect to the Property upon the filing of a receiver's certificate confirming the payment by the Purchaser to the Receiver of the purchase price, all the conditions to closing of the Agreement having been satisfied or waived;

**THE UNDERSIGNED HEREBY CERTIFIES** as follows:

- 1. The Purchaser has paid and the undersigned has received the full purchase price payable pursuant to the Agreement for the Property; and
- 2. All the conditions to closing of the Agreement have been satisfied or waived.

MADE at Toronto, this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

**MICHAEL J. QULLING**  
in his capacity as the court appointed Receiver of the assets of the defendants and not in his personal capacity.

\_\_\_\_\_



**Udayan Pandya**  
Plaintiff

v.

**Courtney Wallis Simpson et al.**  
Defendants

Court File No.: 05-CL-6159

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

In the matter of the *Class Proceedings*  
*Act, 1992*

Proceeding commenced at Toronto

**VESTING ORDER**

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

Lincoln Caylor / M. Joanne MacMillan  
Tel: (416) 777-6121 / 4629  
Fax: (416) 863-1716  
LSUC Reg. No. 37030L/43529J

Solicitors for the receiver

**Udayan Pandya**  
Plaintiff

v.

**Courtney Wallis Simpson et al.**  
Defendants

Court File No.: 05-CL-6159

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

In the matter of the *Class Proceedings*  
*Act, 1992*

Proceeding commenced at Toronto

**MOTION RECORD**  
(Returnable August 4, 2006)

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

Lincoln Caylor / M. Joanne MacMillan  
Tel: (416) 777-6121 / 4629  
Fax: (416) 863-1716  
LSUC Reg. No. 37030L/43529J

Solicitors for the receiver

**Tab 2**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

BETWEEN:

UDAYAN PANDYA

Plaintiff

-and-

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants

In the Matter of the *Class Proceedings Act, 1992*

**SIXTH REPORT OF THE RECEIVER  
(Dated August 3, 2006)**

**Background**

1. This within class action is a claim proceeding in fraud, among other things, and a receivership of the estate of the defendants, Courtney Wallis Simpson, York Region Realty Inc., Wallis Simpson & Associates and Courtney Wallis Simpson carrying on business as York Management Group, Camco Developments and York Group. The plaintiff alleges that Ms. Simpson (a real estate agent) and her companies defrauded him and the class members by obtaining deposits for the purported purchase of commercial properties. Simpson improperly retained the deposits and the real estate transactions were a sham. She purported to "sell" the same two commercial properties in excess of 100 times each. A separate class proceeding alleges

that Ms. Simpson and others defrauded victims through the operation of a ponzi scheme convincing people to "invest" in interim occupancy mortgages that never existed.

### **The Receivership**

2. By Order of the Honourable Mr. Justice Ground dated November 17, 2005 (the "Initial Order"), the Receiver was appointed pursuant to section 101 of the *Courts of Justice Act* and rule 41.02 of the *Rules of Civil Procedure*, over the assets of Courtney Wallis Simpson ("Simpson") and York Region Realty Inc. ("York Realty").

3. By order of the Honourable Mr. Justice Farley dated December 15, 2005 (the "Procedural Order"), the Receiver's authority was extended over the assets of Courtney Wallis Simpson c.o.b. as York Management Group ("York Management") and subject to the confirmation by the appointed judge in the class proceedings, the action commenced as court file number 05-CL-6178 (the "Mortgage Fraud Class Action") is to be tried together or immediately after this class action.

4. The purpose of this Sixth Report of the Receiver is to:

- (a) seek approval of the sale of the property at 1038 Kawagama Lake Road, Dorset, Ontario (the "Cottage") for \$375,000; and
- (b) seek a vesting order with respect to the sale of the Cottage.

### **Sale of the Cottage**

5. Stephen Leonard, the listing agent with Chestnut Park Real Estate Limited Brokerage ("Chestnut Park"), provided an opinion as to the value of the Cottage to the Receiver in January 2006. In Mr. Leonard's opinion, \$375,000 was the highest price that the Cottage would be sold for. Mr. Leonard advised the Receiver that the Cottage would be more marketable if it was listed

for sale in the summer. Attached hereto and marked as **Exhibit "A"** is a copy of the Opinion of Value dated January 20, 2006.

6. On or about June 8, 2006, the Cottage was listed for sale with Chestnut Park at their offices in Dwight, Ontario. The Cottage was initially listed at \$449,000 at the Receiver's request based on information received from Simpson, with the agreement that if no offers were received on the Cottage within 3 weeks, that the list price would be reduced to \$395,000. Attached hereto and marked as **Exhibit "B"** is a copy of the Listing Agreement with Chestnut Park dated June 8, 2006. Attached hereto and marked as **Exhibit "C"** is a copy of the real estate listing of the Cottage Property.

7. The Cottage had been on the market for approximately 4 weeks when the first of 3 offers was received. The first offer was in the amount of \$360,000. Second and third offers in the amounts of \$350,000 and \$365,000 were received shortly thereafter.

8. Following receipt of the first offer by the Receiver, Simpson advised him that she would confirm with a real estate colleague in the Dorset area that the offer was for an appropriate amount given the current market conditions. Despite several assurances that she would provide the information to the Receiver, the promised information was never received. Simpson later advised the Receiver that her husband, Kenneth Wayne Simpson, wished to make an offer on the Cottage. Mr. Simpson eventually submitted an incomplete offer in the amount of \$365,000 with a \$1,000 deposit payable on acceptance.

9. The Receiver instructed the listing agent to reject the offers and request better offers from the three prospective purchasers on a confidential basis. One revised offer, in the amount of \$375,000 with a \$25,000 deposit, was received by the Receiver.

10. The Cottage Purchaser and the Receiver entered into an agreement of purchase and sale dated July 17, 2006 for the purchase price of \$375,000 (the listing agent's original assessment of the highest price that the Cottage would sell for.) Attached hereto and marked as **Exhibit "D"** is a copy of the Agreement of Purchase and Sale dated July 17, 2006.

11. There are two mortgages registered on the Cottage title. The Mortgage Information Summary received from the first mortgagee, Royal Bank of Canada, indicates mortgage arrears and related fees owing in the amount of \$230,998.06. The second mortgagee, Ajay Pahwa, has agreed to the discharge of his mortgage as set out in the draft vesting order (attached as Schedule "A" to the notice of motion.) Attached hereto and marked as **Exhibit "E"** is a copy of the Mortgage Information Statement dated June 12, 2006. Attached hereto and marked as **Exhibit "F"** is a copy of the consent received from Mr. Pahwa's counsel dated August 1, 2006.

12. The Receiver's counsel received an unsigned letter by fax on August 2, 2006, which appears to be from Kenneth Wayne Simpson. The letter states that Simpson has agreed to convey her interest in the Cottage to Mr. Simpson as part of the settlement of their matrimonial separation. Pursuant to the Initial Order, the Receiver has the sole authority, subject to the discretion of the Court, to convey Simpson's assets for the benefit of the receivership estate. The letter attaches the affidavit of Kenneth Wayne Simpson sworn August 2, 2006. The letter also attaches a document titled "Separation Agreement of Kenneth Wayne Simpson and Courtney Wallis Simpson" which, out of concern for the privacy interests of the Simpsons' children, is not attached to this report, but will be made available to the Court at the hearing of this motion. Attached hereto and marked as **Exhibit "G"** is a copy of the unsigned letter and the affidavit.

13. Mr. Simpson contacted the Receiver several months ago and advised that he believed that he was entitled to half of the receivership estate as a result of his separation from Simpson. Several months ago Simpson advised the Receiver's counsel that her new address was 195 Ramona Blvd., Markham, Ontario. On June 16, 2006, the Receiver's counsel received a cheque dated June 15, 2006, written on Mr. Simpson's TD Canada Trust account. Mr. Simpson's address on the cheque was the same as that of his wife noted above. Based on the foregoing the Receiver believes that Mr. Simpson continues to reside with his wife.

14. Serious allegations are made against Mr. Simpson in the Mortgage Fraud Class Action. The Receiver has concerns about the validity of Mr. Simpson's claims to the estate and as such, has not entered into an agreement with Mr. Simpson with respect to his claim to any portion of the proceeds of the receivership estate. Mr. Simpson may pursue a claim to the receivership assets however, subject to the discretion of the Court, such claim should not prevent the closing of the Cottage sale.

### **Vesting Order**

15. Based on the receiver's past experience with land registry offices, it is likely that the Land Registry Office of Haliburton (No. 19), Minden will require an override of paragraph 10 of the Initial order in order to register the transfer of title of the Cottage to the purchaser. As such, notwithstanding the terms set out in paragraph 10 of the Initial Order, upon closing of the Cottage, title must vest in the names of: (a) Colin William Job (d.o.b. September 8, 1972); and (b) Kevin Walter Job (d.o.b. April 18, 1971). The draft vesting order is attached as **Schedule "A"** to the notice of motion.




**The Receiver's Recommendations**

16. The Receiver recommends approval of the court to take the following steps:
- (a) that the Cottage Property may be sold for \$375,000 pursuant to the Agreement of Purchase and Sale dated July 17, 2006; and
  - (b) that the proceeds from the sale of the Cottage Property be held in the Receiver's interest bearing bank account;

**ALL OF WHICH IS RESPECTFULLY SUBMITTED BY:**

Michael J. Quilling in his capacity as  
Court Appointed Receiver with no  
personal or corporate liability.



---

Michael J. Quilling

**Exhibit "A"**

## OPINION OF VALUE

January 20, 2006

1038 Kawagama Lake Rd.

**RE: Part of Lot 1, Conc. 13, former Twp. Of Sherbourne, Parts 1.6 & 7 19R3154**

Dear Ms. Atkinson,

Pursuant to your request for an Opinion of Value on the above referenced property, you will find enclosed a detailed evaluation, along with comparable sales used to determine the value of the subject property. I have had the opportunity to inspect your property and due consideration has been given to all factors and forces that influence value at the subject location.

The purpose of this Opinion of Value is to determine the market value of the subject property as of January 2006. Market value is defined as the highest price, in terms of money, which a property will bring if exposed for sale competitively in the open market, allowing a reasonable time to find a Purchaser who buys with knowledge of the uses to which it is adapted and for which it is capable of being used.

Factors to determine the value of a lakefront property include: location, size of lake, useable frontage, lot grade, lot size, access, exposure, local market trends, building size, finish and overall appeal.

The valuation of property is determined by researching the subject market area and selecting a minimum of three recent comparable sales that are the most similar and proximate to the subject property. A sales comparison analysis and dollar adjustments are made to reflect the market reaction to those items of significant variations and factors. If a significant item in a comparable property is superior to, or more favourable than the subject property, a negative adjustment is made to reduce the adjusted sale price of the comparable and, if a significant item in a comparable property is inferior to, or less favourable than the subject property, a positive adjustment is made to increase the adjusted sale price of the comparable.

Prepared by: Stephen Leonard, Sales Representative

## MARKET ANALYSIS

**Property Address:** *1038 Kawagama Lake Rd. Roll #*

**Frontage:** *152 ft.*    **Acres:** *0.63 acres*    **Exposure:** *Southeast*

**Lot Grade:** *level to moderate slope*    **SRA:** *closed*

**Location:** *Poor*    **Appearance:** *Poor*    **Access:** *Municipal maintained*

### **Improvements:**

- 2,300 sq.ft. approx. wood frame home, 30 -40 years old located on Trading Bay on Lake of Bays
- 2-storey home with partial basement, partially finished
- small car port at east end of house
- single-car garage with living accommodation at rear (keys would not open)
- covered porch at rear of house overlooking lake
- could evaluate landscaping or shoreline due to snow cover
- property is generally open with large pine trees

### **Details:**

- there appears to be dug well by the lake
- I could not evaluate the water supply or heating system, as they were turned off
- the interior and exterior finish of the house is dated and in poor shape
- the subject property feels like a house – “housey” waterfront properties are not in demand and sell poorly
- the toilets look terrible and the house needs to be cleaned up prior to showing
- Hwy. 35 overlooks the house and Kawagama Lake Rd. carries a lot of traffic, particularly in the summer months
- on a positive note, the property is level with a moderate slope to the water, with some terracing overlooking the lake
- the property is covered with large white pine trees, a favourite of cottagers
- many of the principle rooms have lovely views of the lake.
- Lake of Bays is premier Muskoka Lake and waterfront properties are in demand

**Remarks:** Although there are many positive aspects to this property, the poor condition of the house and poor location with respect to the County Road and Provincial Highway help to bring the value of the property down considerably. Unless the intent is to sell this property “as is”, I would strongly suggest that someone is hired to turn the heat and water back on and to perform a general clean up of the interior and exterior of the house. If the intent is to try to sell the property during the winter, someone will have to contracted to plow the driveway.

The subject property is located just east of the Village of Dorset.

Property values on Lake of Bays range from \$250,000 to \$2,500,000 approx.

As a result of my investigation and analysis, it is my considered opinion that the subject property has a value, as of the above noted date, of **\$375,000**, based on area comparable sales and local market conditions.

I would suggest a listing price of **\$395,000** at this time based on current market conditions and the condition of the improvements on the subject property.

***If you wish to list your property for sale don't hesitate to contact me to discuss marketing plans for the expeditious sale of your property***

*The Opinion of Value is made expressly subject to the conditions and assumptions as follows:*

- 1) That the legal description as provided is correct and the details supplied by the owner and any information obtained from the township or district are accurate.*
- 2) That no responsibility is assumed for matters legal in character, nor is any opinion rendered as to title, which is assumed to be good and marketable. The property must comply with government regulations, including zoning, building code, and health regulations and, if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigation may be necessary. The property is analysed on the basis of it being under responsible ownership.*
- 3) That the improvements on the property are within the lot lines and that there are no encroachments from without or boundary disputes with neighbouring properties.*
- 4) That certain opinions, estimates, data and statistics furnished by others in the investigation are correct.*
- 5) That the estimate of value herein applies only to the premises described as the date noted. Any separate valuations of land and buildings as shown must not be used for any other purposes or used separately otherwise they are invalid.*
- 6) Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this Opinion of Value cannot be relied upon as of any other date except with further advice from the market appraiser confirmed in writing.*
- 7) Unless stated otherwise in the Opinion of Value, there are no known unapparent or hidden conditions of the property (including but not limited to its soils, physical structure, mechanical and other operating systems, its foundations, etc...) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc...) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the Opinion of Value.*

*8) That I am not required to give testimony or attendance in court by reason of the Opinion of Value with reference to the property in question, unless arrangements have been made previously therefore.*

Should any questions arise in connection with this Opinion of Value or if I can be of further assistance in this or any other real estate matters, please do not hesitate to contact me.

Sincerely,

Stephen Leonard  
Sales Representative

**Exhibit "B"**



EXCLUSIVE

This is a Multiple Listing Service Agreement

OR Exclusive Listing Agreement

(Seller's Initials)

(Seller's Initials)

BETWEEN:

BROKERAGE: CHESTNUT PARK REAL EST LTD. BROKERAGE M168

#2833 HWY 60, BOX 119, DWIGHT ON (the "Listing Brokerage") Tel.No. [705]635-2118

SELLER(S): "Michael J. Quilling, Receiver for Courtney Wallis Simpson" (the "Seller")

In consideration of the Listing Brokerage listing the property known as 1038 Kawagama Lake Rd., Haliburton County

[The seller agrees to reduce the list price to \$395,000 by June 1, 2006 if no offers have been received] (the "Property")

the Seller hereby gives the Listing Brokerage the exclusive and irrevocable right to act as the Seller's agent,

commencing at 12:01 a.m. on the 9th day of May 2006 until 11:59 p.m. on the 30TH day of September 2006 (the "Listing Period")

Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Real Estate and Business Brokers Act of Ontario, if the Listing Period exceeds six months, the Listing Brokerage must obtain the Seller's initials.

(Seller's Initials)

to offer the property for sale at a price of Four Hundred and Forty-Nine Thousand Dollars

(\$Cdn. 449,000.00), and/or for lease at: n/a

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale or lease of the property.

1. DEFINITIONS AND INTERPRETATIONS: For the purposes of this Listing Agreement ("Authority" or "Agreement"), "Seller" includes vendor and landlord and a "buyer" includes a purchaser, a tenant, or a prospective purchaser or tenant. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, and a lease includes any rental agreement, sub-lease or renewal of a lease. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced or shown the property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced or shown the property.

2. COMMISSION: In consideration of the Listing Brokerage listing the Property, the Seller agrees to pay the Listing Brokerage a commission of 6% of the sale price of the Property or for any valid offer to purchase or lease the Property from any source whatsoever obtained during the Listing Period and on the terms and conditions set out in this Agreement OR such other terms and conditions as the Seller may accept. The Seller further agrees to pay such commission as calculated above if an agreement to purchase or lease is agreed to or accepted by the Seller or

anyone on the Seller's behalf within 90 days after the expiration of the Listing Period (Holdover Period), so long as such agreement is with anyone who was introduced to the property from any source whatsoever during the Listing Period or shown the property during the Listing Period. If, however, the offer for the purchase or lease of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase or lease agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property or, in the case of a lease or tenancy, the earlier of the date of occupancy by the tenant or the execution of the lease or the date set for commencement of the lease or tenancy.

If a lease the Listing Brokerage arranges contains an option to extend or renew, the Seller agrees to notify the Listing Brokerage of the exercising of said option and to pay the Listing Brokerage upon the exercising of the said option or any future option, a further commission of

n/a of the total rent for the term of such lease extension or renewal. It is understood and agreed that the said further commission is to be paid on the earlier date of the execution of the extension or renewal or the date the extension or renewal commences. If a tenant to whom the Listing Brokerage rented or leased the Property effects an offer to purchase

the Property during the tenancy period, the Seller agrees to pay the Listing Brokerage a commission of n/a% of the sale price of the Property or n/a for the purchase of the Property.

INITIALS OF LISTING BROKERAGE:

(Empty oval for listing brokerage initials)

INITIALS OF SELLER(S):

(Handwritten initials in oval)





Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission. All amounts set out as commission are to be paid plus applicable federal Goods and Services Tax (GST) on such commission.

- 3. **FINDERS FEES:** The Seller consents to the Listing Brokerage or co-operating brokerage receiving and retaining, in addition to the commission provided for in this Agreement, a finder's fee for any financing of the property.
- 4. **REPRESENTATION:** The Seller acknowledges that the Listing Brokerage has provided the Seller with information explaining agency relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Customer Service. The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage), and to offer to pay the co-operating brokerage a commission of 3.....% of the sale price of the Property or n/a.....

n/a..... out of the commission the Seller pays the Listing Brokerage.

The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage listing other properties that may be similar to the Seller's Property without any claim by the Seller of conflict of interest. The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase or lease the Property. Any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage, said commission to be disbursed in accordance with the Commission Trust Agreement.

**MULTIPLE REPRESENTATION:** The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing or leasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer or tenant for the Seller's Property, the Listing Brokerage will obtain the Seller's written consent to represent both the Seller and the buyer for the transaction at the earliest practicable opportunity and in all cases prior to any offer to purchase or lease being submitted or presented.

The Seller understands and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the Property will be disclosed to both Seller and buyer to assist them to come to their own conclusions.

**MULTIPLE REPRESENTATION AND CUSTOMER SERVICE:** The Seller understands and agrees that the Listing Brokerage also provides representation and customer service to other sellers and buyers. If the Listing Brokerage represents or provides customer service to more than one seller or buyer for the same trade, the Listing Brokerage shall, in writing, at the earliest practicable opportunity and before any offer is made, inform all sellers and buyers of the nature of the Listing Brokerage's relationship to each seller and buyer.

- 5. **REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase or lease submitted to the Seller shall be immediately submitted to the Listing Brokerage before the Seller accepts or rejects the same. If the Seller fails to advise the Listing Brokerage of any enquiry during the Listing Period and said enquiry results in the Seller accepting a valid offer to purchase or lease during the Listing Period or within the Holdover Period after the expiration of the Listing Period, the Seller agrees to pay the Listing Brokerage the amount of commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
- 6. **MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale"/"For Lease" and "Sold"/"Leased" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property for sale or lease during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or wilful act.
- 7. **WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale or lease and that the Seller has informed the Listing Brokerage of any third party interests or claims on the property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the property, which may affect the sale or lease of the Property.
- 8. **INDEMNIFICATION:** The Seller will not hold the Listing Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or wilful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement or the accompanying data form.
- 9. **FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the Seller's spouse has executed the consent hereinafter provided.
- 10. **VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information affecting the Property from any regulatory authorities, governments, mortgagees or others and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.

INITIALS OF LISTING BROKERAGE:

INITIALS OF SELLER(S):



**11. USE AND DISTRIBUTION OF INFORMATION:** The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet; disclosing property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the appropriate MLS® systems(s) and acknowledges that the MLS® database is the property of the board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the board(s) may: distribute the information to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; compile, retain and publish any statistics including historical MLS® data which may be used by licensed board members to conduct comparative market analyses; and make such other use of the information as the board deems appropriate in connection with the listing, marketing and selling of real estate.

In the event that this Agreement expires and the Property is not sold, the Seller **Does**  **Does Not**  consent to allow other real estate board members to contact the Seller after expiration of this Agreement to discuss listing or otherwise marketing the Property.

**12. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.

**13. CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between the Seller and the Listing Brokerage. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.

**14. ELECTRONIC COMMUNICATION:** This Listing Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.

**15. SCHEDULE(S)**.....and data form attached hereto form(s) part of this Agreement.

**THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE OR LEASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.**

..... DATE May 10, 2006..... Stephen Leonard  
(Authorized to bind the Listing Brokerage) (Name of Person Signing)

**THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME AND I ACKNOWLEDGE THIS DATE I HAVE SIGNED UNDER SEAL AND HAVE RECEIVED A TRUE COPY OF THIS AGREEMENT.** Any representations contained herein or as shown on the accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

..... DATE 6/8/06.....  
(Signature of Seller) (Seal) (Tel. No.)

..... DATE.....  
(Signature of Seller) (Seal)

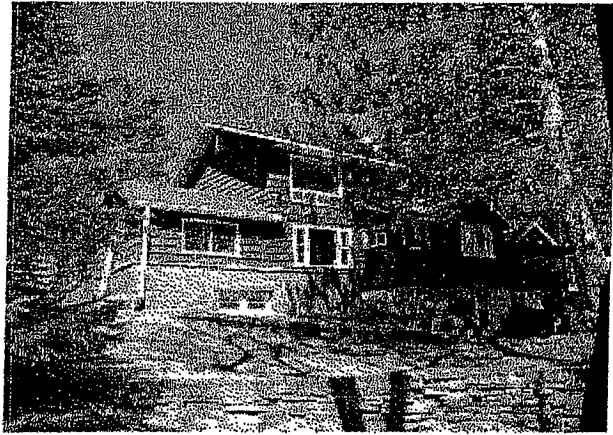
**SPOUSAL CONSENT:** The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees that he/she will execute all necessary or incidental documents to further any transaction provided for herein.

..... DATE.....  
(Spouse) (Seal)

**DECLARATION OF INSURANCE**

The broker/salesperson, STEPHEN LEONARD  
(Name of Broker/Salesperson)  
hereby declares that he/she is insured as required by the Real Estate and Business Brokers Act (REBBA) and Regulations.  
.....  
(Signature(s) of Broker/Salesperson)

**Exhibit "C"**



Price: \$449,000	MLS# #: 462101100004100
Status: Active	PIN #:
Legal Descr.: PART 13, LOT 1, CONC 13, RP19R3154 PARTS 1,6, & 7 Address: 1038 KAWAGAMA LAKE RD City: DORSET, P0A 1E0 Side of Road: South Waterfront Name: LAKE OF BAYS	
Elem Schl: Sec. School:	
Lot Size: .63 ACRES Square Footage: 2,514 Ttl Liv Sq Ft.: 3,124 Water Frontage: 152.00 Exposure: South S.R.A.: Close	District: HH Sub-Dist: SHERB Zoning: RES Occupancy: Vacant
List.Date: 08-JUN-2006	Possession: TBA

**Realtor Remarks** Situated on Little Trading Bay - Lake of Bays, this cottage offers a warm invitation to any who visits. Features 4 bdrms, 2.5 Baths, living room, den, family room, fp/ce, woodstove, & a large screened sunroom overlooking the bay. The property is partially landscaped w/multiple terraces leading down to the water. Plenty of parking, 2 driveways, car port & garage. Only minutes from downtown Dorset. Attach Schedule 'B' to all offers. Bankruptcy sale. For offer document owner is "Michael J. Quilling, receiver for Courtney Wallis Simpson". Irrevocable minimum 1 week.

**Directions**  
 Show.Instr. Hwy 35 to Kawagama Lake Rd to SOP  
 TLBO

Type: Cottage/Rec Properties Style: 2 Storey Title to Land: Other Property Size: 0.5 -0.99 Acres Land Features: Partial Landscaped, Wooded/Treed, Sloping / Terrace, Waterfront Access: Year Round Municipal Road WF Features: Water Frontage Accessory Buildings:	Heating: Oil, Wood Garage Type: Detached, Single Water: Dug Sewer: Septic Services: Electricity, Telephone Rental Equipm.: Flooring: Carpet, Cushion/Tile/Lino	Exterior: Wood, Siding Driveway: Paved, Private Parking Foundation: Block, Walkout Int.Features: Fireplace(s), Woodstove(s), Famm-Main Fl, Laundry, Recroom Ext. Features: Roof: Asphalt Shingle
---	--	---

<b>Inclusions</b> <b>Exclusions</b>	Bedrooms: 4 Bathrooms: 2 1/1 Rental Income: Year Built: Construction Status: Exists	Sign: Yes Lockbox: Yes Road Type: Municipal UFFI: UNKNOWN SPIS: Acknowledged Survey: Yes	Garage: Yes Waterfront: Yes Gar.Details: DETACHED, SINGLE Water: LAKE
--	---	---	--

Floor	Room	Size	Floor	Room	Size
MAIN FLOOR	LIVING ROOM	21.4 X 13.3	MAIN FLOOR	REC ROOM	13.9 X 11.5
2ND FLOOR	MASTER BEDROOM	11.11 X 13.5	MAIN FLOOR	DEN/OFFICE	16 X 11.5
2ND FLOOR	BEDROOM	9.10 X 9.4	MAIN FLOOR	FOYER	8.3 X 7.9
2ND FLOOR	BEDROOM	9.10 X 9.4	BASEMENT	UTILITY	27.5 X 10.6
2ND FLOOR	BEDROOM	9.10 X 9.4	BASEMENT	LAUNDRY	28.11 X 9.5
MAIN FLOOR	KITCHEN	15.1 X 9.7	MAIN FLOOR	BATH (# pieces 1-6)	
MAIN FLOOR	FAMILY ROOM	16.4 X 13.6			

Assessment: \$516000	Taxes: \$3648 (2006)	Improvement Charges:
Mortgagee: Mortg.Amount: \$tac Payment (PI): \$	Mortg.Rate: Due Date: Payment (PIT): \$	Subj.to Verif.: Condo Fee: Mobile/Leased Land F:
Seller Name: COURTNEY SIMPSON	Home Tel.:	Bus.Tel.:
Listing Office: CHESTNUT PARK REAL EST.LTD., BROKERAGE M168 705 635-2118	Listing Agent: STEPHEN LEONARD 705-787-8300	
SP: 3%		

The information contained on this listing form is from sources believed to be reliable. However, it may be incorrect. This information should not be relied upon by a buyer

**Exhibit "D"**



# Agreement of Purchase and Sale

Form 100  
For use in the Province of Ontario

This Agreement of Purchase and Sale dated this 10th day of July, 2006

**BUYER**, Coffin Job (Full legal names of all Buyers) agree to purchase from

**SELLER**, Michael J. Oulling, Receiver for Courtney Wallis Simpson (Full legal names of all Sellers), the following

**REAL PROPERTY:**  
Address: 1035 Kawagama Lake Road fronting on the north side of Little Trading Bay

In the Part of Lot 13, Concession 13, Parts 1, 6 & 7 on Plan 19R-3154, Former Township of Sturbridge and having a frontage of 152 feet more or less by a depth of irregular (.53 acre) more or less and legally described as Part of Lot 13, Concession 13, Parts 1, 6 & 7 on Plan 19R-3154, Former Township of Sturbridge now in the Municipality of Algonquin Highlands, County of Haliburton (Legal description of land including easements not described otherwise) (the "property").

**PURCHASE PRICE:** Three Hundred and Fifty Thousand seventy five thousand Dollars (CAD\$) 375,000.00

**DEPOSIT:** Buyer submits Twenty-Five Thousand Dollars (CAD\$) 25,000.00 within one week after acceptance (Interest Upon acceptance as otherwise described in this Agreement)

by negotiable cheque payable to Chestnut Park Real Estate Ltd., Brokerage (In Trust) "Deposit Holder" to be held in trust without interest pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

**SCHEDULE(S) A, B** attached hereto form(s) part of this Agreement.

1. **CHATELS INCLUDED:**

NO THEY ARE EXCLUDED

2. **FIXTURES EXCLUDED:**

3. **RENTAL ITEMS:** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if applicable:

4. **IRREVOCABILITY:** This Offer shall be irrevocable by Buyer until 5:00 p.m. on the 18th day of July, 2006.

5. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the 18th day of August, 2006. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

6. **NOTICES:** Seller hereby appoints the Listing Brokerage as Agent for the purpose of giving and receiving notices pursuant to this Agreement. Only if the Co-operating Brokerage represents the interests of the Buyer in this transaction, the Buyer hereby appoints the Co-operating Brokerage as Agent for the purpose of giving and receiving notices pursuant to this Agreement. Any notice relating hereto or provided for herein shall be in writing. This offer, any counter offer, notice of acceptance thereof, or any notice shall be deemed given and received, when hand delivered to the address for service provided in the Acknowledgement below, or where a facsimile number is provided herein, when transmitted electronically to that facsimile number.

FAX No. (705)635-3803 (for delivery of notices to Seller) FAX No. (705)766-2141 (for delivery of notices to Buyer)

7. **GST:** If this transaction is subject to Goods and Services Tax (G.S.T.), then such tax shall be included in the Purchase Price. (Included in addition to) If this transaction is not subject to G.S.T., Seller agrees to certify on or before closing, that the transaction is not subject to G.S.T.

8. **TITLE SEARCH:** Buyer shall be allowed until 5:00 p.m. on the 14th day of August, 2006 (Regulation Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Regulation Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that as present use ( ) may be lawfully continued and that the principal building may be

INITIALS OF BUYER(S): CJ

INITIALS OF SELLER(S): [Signature]



- insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.
9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.
  10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the present use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance there and except against risk of fire in favour of the Buyer and any mortgages, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement not withstanding any intermediaries and negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.
  11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the Property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O., 1990, Chapter M and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registered documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the Transfer/Deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyers' reclosing agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.
  12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Registration Date. If a discharge of any Charge/Mortgage held by a corporation incorporated under the Trust and Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and pursuant to the Trust and Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on file within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
  13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller. The Buyer acknowledges having the opportunity to include a requirement for a property inspection report in this Agreement and agrees that except as may be specifically provided for in this Agreement, the Buyer will not be obtaining a property inspection or property inspection report regarding the property.
  14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.
  15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
  16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O. 1990.
  17. **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.
  18. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unretained public or private utility charges and unretained cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
  19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
  20. **VENDOR:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.
  21. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless Seller's spouse has executed the consent hereinafter provided.
  22. **UPFIT:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
  23. **CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
  24. **ADHERENCE IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard proposal portion hereof, the added provision shall supersede the standard proposal provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.

INITIALS OF BUYER(S):

CJ

INITIALS OF SELLER(S):

[Handwritten initials]



© 2006 Ontario Real Estate Association. Do not alter without primary or reproducing the standard proposal portion.

FAX 100 04/2006 Page 2 of 4 WEBFORM M10/2006

P. 07

FAX NO. 1 905 257 4614

JUL-10-2006 MON 04:38 PM REN S PETS DEPOT

25. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:
[Signature] (Buyer) DATE: July 10th/06

I, the undersigned Seller, agree to the above Offer, I hereby irrevocably instruct my lawyer to pay directly to the listing Brokerage the unpaid balance of the commission together with applicable Goods and Services tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the Listing Brokerage to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:
[Signature] (Seller) DATE: 7/17/06

SPOUSAL CONSENT: The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

[Signature] (Spouse) DATE: [Signature]

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at [Signature] this 17th day of July 2006.

INFORMATION ON BROKERAGE(S)

Listing Brokerage: Chestnut Park Real Estate Ltd., Brokerage Tel.No. (705)635-2118
2633 Highway #60, P. O. Box 119, Dwight, Ontario POA 1H0
Coop./Buyer Brokerage: CENTURY 21 COTTAGE COUNTRY RLTY INC, BROKERAGE Tel.No. (705)766-2121
22474 Highway #35, P.O. Box #278, Dorset, Ontario POA 1E0

ACKNOWLEDGMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.
I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.
[Signatures and Dates for Buyer and Seller]

FOR OFFICE USE ONLY
COMMISSION TRUST AGREEMENT
CENTURY 21 COTTAGE COUNTRY RLTY INC, BROKERAGE
To: Cooperating Brokerage shown on the foregoing Agreement of Purchase and Sale. I hereby declare that all monies received or receivable by me in connection with the transaction as contemplated in the MLS rules and regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS rules and shall be subject to and governed by the MLS Rules pertaining to Commission Trust.
DATED as of the day and date of the acceptance of the foregoing Agreement of Purchase and Sale.
[Signature] (Authorized to bind the Listing Brokerage)
[Signature] (Authorized to bind the Cooperating Brokerage)





# Schedule A Agreement of Purchase and Sale

Form 100  
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

**BUYER**, Colin Job .....

**SELLER**, Michael J. Quilling, Receiver for Courtney Wallis Simpson .....

for the purchase and sale of 1038 Kawartha Lake Road .....

dated the 10th day of July, 2006 .....

Buyer agrees to pay the balance as follows:

The Buyer agrees to pay the balance of the purchase price, subject to adjustments, by bank draft or certified cheque, to the Seller on the completion of this transaction.

Buyer agrees to purchase the subject property in an "as is, where is" condition.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S)

*[Handwritten initials]*

INITIALS OF SELLER(S)

*[Handwritten initials]*





Schedule B Agreement of Purchase and Sale

Form 105 for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: COLIN JOB and

SELLER: MICHAEL J. DULLING, RECEIVER FOR COURTNEY WAHLS SIMPSON

for the property known as: 1038 KAWABAMA LAKE ROAD, DORSET, ONTARIO, P0A1E0

dated the 10th day of JULY, 2006

It is understood and agreed by both Seller and Buyer that for purposes of clarification, all references made to times and dates will be deemed to reflect Muskoka, Ontario, Canada times and dates.

For the purposes of this Agreement, the terms "banking days" or "business days" shall mean any day, other than a Saturday, Sunday, or a statutory holiday in Muskoka, Ontario, Canada.

The Buyer and Seller agree that the transmission of offers, counter-offers and other documents related thereto, may be communicated by facsimile or electronically. The Buyer and Seller agree to treat said documents in the same manner as if the documents transmitted were original documents.

The Province of Ontario has implemented a new property assessment for all property in Ontario. Property taxes are now based on Current Value Assessment (C.V.A.) of the property. As a result, depending on the current value as assessed by the Province of Ontario from time to time, taxes on the subject property may change. The Buyer hereby acknowledges and accepts the foregoing. The Buyer is advised to contact the local Township regarding taxes payable with respect to the subject property.

The Parties to this Offer acknowledge that Chestnut Park Real Estate Limited has recommended that they obtain advice from their legal advisor prior to signing this document. The Parties further acknowledge that no information provided by Chestnut Park Limited is to be construed as expert legal, tax, or environmental advice.

The Buyer and Seller acknowledge having been advised by their sales representative prior to the execution of this Offer that they and their brokerages are insured by the Real Estate and Business Brokers Act and the Regulations.

The Buyer acknowledges that the deposit referred to herein shall be placed in Chestnut Park Real Estate Limited's (the deposit holder) escrow trust account which earns interest at prime less Two (2%) percent. Provided that the interest earned in more than \$30.00 it shall be paid to the Buyer. Interest shall be paid to the date of completion only. No interest shall be paid to the Buyer unless the Buyer provides the deposit holder with a Social Insurance Number for use on the required Revenue Canada T5 form by no later than THIRTY (30) days following completion. Any interest cheques issued by the deposit holder and not negotiated within six months following completion of the herein transaction shall be forfeited to the deposit holder.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S)

Handwritten initials of buyer(s)

INITIALS OF SELLER(S)

Handwritten initials of seller(s)



© 2006 Ontario Real Estate Association. On use other than printing or reproducing the attached program position.

Form 105 04/2004 Page 1 of 1

TOTAL P.01



# Confirmation of Co-operation and Representation

Form 320  
for use in the Province of Ontario

**BUYER:** Colin Job  
**SELLER:** Michael J. Quilling, Receiver for Courtney Wallin Simpson

For the transaction on the Property known as: 1031 Kawagama Lake Road, Dorset, Ontario

For the purposes of this Confirmation of Co-operation and Representation, a "Seller" includes a vendor, a landlord, or a prospective seller, vendor or landlord and a "Buyer" includes a purchaser, a tenant, or a prospective buyer, purchaser or tenant and a "sale" includes a lease.

The following information is confirmed by the undersigned broker/salesperson representative of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions set out below.

**DECLARATION OF INSURANCE:** The undersigned broker/salesperson representative(s) of the Brokerage(s) hereby declares that he/she is insured as required by the Real Estate and Business Brokers Act (REBBA) and Regulations.

### 1. LISTING BROKERAGE

The Listing Brokerage represents the interests of the Seller in this transaction and is providing customer service to the Buyer.

### 2. CO-OPERATING BROKERAGE

The Co-operating Brokerage represents the interests of the Buyer in this transaction. The Co-operating Brokerage waives any offer of sub-agency with the Listing Brokerage and/or Seller, and is providing customer service to the Seller. It is further understood and agreed that the Listing Brokerage will pay the Co-operating Brokerage

the commission as indicated in the MLS® information for the property

or, if not an MLS® listing:  a commission of \_\_\_\_\_

plus applicable Goods and Services Tax, from the amount paid by the Seller to the Listing Brokerage, on any trade wherein the Co-operating Brokerage has obtained an accepted Agreement of Purchase and Sale, option to Purchase or Agreement to Exchange and/or Lease. Said payment of commission will not make the Co-operating Brokerage either the agent or sub-agent of the Seller or the Listing Brokerage.

Additional comments and/or disclosures by Listing/Buyer Brokerage:

Additional comments and/or disclosures by Co-operating Brokerage:

**COMMISSION TRUST AGREEMENT:** If the above Co-operating Brokerage is receiving payment of commission from the Listing Brokerage, then the agreement between Listing Brokerage and Co-operating Brokerage further includes a Commission Trust Agreement, the consideration for which is the Co-operating Brokerage procuring an offer for a trade of the property, acceptable to the Seller. This Commission Trust Agreement shall be subject to and governed by the MLS® rules and regulations pertaining to commission trusts of the Listing Brokerage's local real estate board, if the local board's MLS® rules and regulations so provide. Otherwise, the provisions of the OREA recommended MLS® rules and regulations shall apply to this Commission Trust Agreement. For the purpose of this Commission Trust Agreement, the Commission Trust Amount shall be the amount noted above. The Listing Brokerage hereby declares that all monies received in connection with the trade that constitute a Commission Trust and shall be held, in trust, for the Co-operating Brokerage under the terms of the applicable MLS® rules and regulations.

### SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (WHERE APPLICABLE)

Chestnut Park Real Estate Ltd., Brokerage  
(Name of Listing Brokerage)  
2833 Highway 60, P. O. Box 119  
Dorset, Ont POA1H0  
Tel: (705)635-2118 Fax: (705)635-3803  
Date: July 17/06  
(Authorized to bind the Listing Brokerage)

CENTURY 21 COTTAGE COUNTRY RLTY INC, BROKERAGE  
(Name of Co-operating/Buyer Brokerage)  
22474 Highway #35, P.O. Box #278  
Dorset, Ont POA1E0  
Tel: (705)766-2121 Fax: (705)766-2141  
Date: July 19/06  
Michael A. Baum  
(Authorized to bind the Co-operating/Buyer Brokerage)

### ACKNOWLEDGEMENT

If the Listing Brokerage represents both the Seller and the Buyer for this transaction, the Seller and the Buyer consent to the dual representation as evidenced by their initials above. I have reviewed, read, and understood the above information.

(Signature of Seller) \_\_\_\_\_ Date: 7/17/06  
(Signature of Buyer) Colin Job Date: \_\_\_\_\_

(Signature of Seller) \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature of Buyer) \_\_\_\_\_ Date: \_\_\_\_\_

**Exhibit "E"**



**MORTGAGE INFORMATION STATEMENT**  
THIS STATEMENT IS PREPARED FOR INFORMATION PURPOSES ONLY

ATTN: JOANNE MCMILLAN  
(3322)

JUNE 12, 2006

ROYAL BANK  
TOR ON METRO/ON MTG CENTRE #4  
180 WELLINGTON ST W - 2ND FLR  
TORONTO ON  
800-974-1163

M5J 1J1

**MORTGAGE PARTICULARS**

FAX NO. 416-863-1716	ACCOUNT/LOAN NO.	05735147-001 (08943)
MORTGAGOR(S) NAME(S)	LOAN DESCRIPTION	NHA MORTGAGE
WALLIS-SIMPSON, C	INTEREST RATE TYPE	FIXED
	TERM	048 (MONTHS)
PROPERTY ADDRESS	PREPAYMENT OPTION	CLOSED
5	INTEREST RATE	4.840000
KAWAGAMA LAKE RD	PAYMENT FREQUENCY	MONTHLY
	MATURITY DATE	APRIL 8, 2007
DORSET	P & I PAYMENT	1,366.69
ON	TAX PAYMENT	0.00
	HOMEPROTECTOR® INSURANCE PREMIUM	0.00
	TOTAL PAYMENT	1,366.69

**INFORMATION PARTICULARS AS OF JUNE 12, 2006**

MORTGAGE BALANCE	227,707.59
BORROWERS' CHARGES (INCLUDED IN BALANCE)	0.00
ACCRUED INTEREST	388.19
HOMEPROTECTOR INSURANCE PREMIUM	0.00
SUB TOTAL	228,095.78
PREPAYMENT CHARGE	
THREE MONTHS INTEREST	2,642.28
FEE: DISCHARGE/REGISTRATION/TRANSFER	260.00
TOTAL BALANCE DUE	230,998.06
PER DIEM INTEREST	29.84

SPECIAL COMMENTS: MORTGAGE IN ARREAS BY \$10933.52

**HOMEPROTECTOR INSURANCE**

COURTNEY-SIMPSON, you do not have Life & Disability Insurance for this mortgage.

Any errors in the above insurance coverage status need to be reported to the RBC Insurance Service Centre at 1-800-769-2523 within the next 60 days.

Thank you for choosing RBC Royal Bank - We value your business  
Are you thinking of switching your mortgage to another financial institution? Before you start experiencing the hassles involved with switching your mortgage, please give us the opportunity to help you. We have a team of dedicated mortgage specialists who are available 24/7 to provide you with a customized mortgage solution designed to meet your specific needs. Through our professional advice, flexible terms, payment options and a great rate, you'll save money and enjoy maximum flexibility too. So whether you want to be mortgage free faster, lower your monthly expenses or maximize your home equity we can help. Call us today at 1 800 ROYAL® 1-1.

Balances are estimated on the assumption all regular payments including *HomeProtector* insurance premiums, if any, up to but not including the effective date of the statement are made. Balances of variable rate and RateCapper® mortgages are based on current rates and are approximate. For fixed rate mortgage, if interest rates change, the prepayment charge may change.

® Registered trade-mark of Royal Bank of Canada, Royal Trust Corporation of Canada and The Royal Trust Company, licensees of trade-marks. RBC Insurance Service Inc. and The Canada Life Assurance Company, licensees of HomeProtector trade-mark.

Issued by a duly authorized representative of Royal Bank of Canada/ The Royal Trust Company



ACCOUNT/LOAN NO. 05735147-001 (08943)

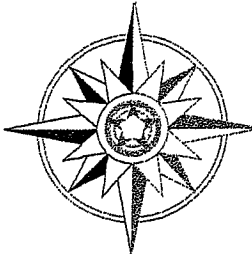
DATE: JUNE 12, 2006

The prepayment charge was calculated using the 3 Months Interest calculation. The calculation was based on the following information from your mortgage.

OUTSTANDING BALANCE	220,562.23
AMOUNT USED TO CALCULATE PREPAYMENT CHARGE	220,562.23
INTEREST RATE	4.840000
TRANSACTION DATE	JUNE 12, 2006
MATURITY DATE	APRIL 8, 2007
PREPAYMENT CHARGE (3 MONTHS INTEREST)	2,642.28

1. For additional explanation on how to estimate the cost to prepay your mortgage prior to maturity, you may refer to Section "how to estimate prepayment costs" contained in your Approval of Mortgage and Cost of Borrowing Disclosure Statement received (where applicable) at the time you negotiated your mortgage.
2. This statement is prepared for information purposes only and is intended to assist your review of the attached statement.
3. Outstanding balance is based on amount owing as of transaction date noted above.

**Exhibit "F"**



# BEARD WINTER LLP

BARRISTERS & SOLICITORS  
130 Adelaide Street West, Suite 701, Toronto, Ontario, Canada M5H 2K4  
Tel: (416) 593-5555 Fax: (416) 593-7760 Website: [www.beardwinter.com](http://www.beardwinter.com)

**David R. Rothwell** (extension 718)  
Direct line: 416-306-1718  
Email: [rothwell@beardwinter.com](mailto:rothwell@beardwinter.com)

OUR FILE NO: **94221-001**

Tuesday, August 1, 2006

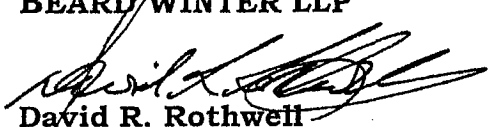
**M. JOANNE Mac MILLAN**  
BENNETT JONES LLP  
3400 One First Canadian Place  
PO Box 130, Stn. 1st Can. Pl.  
Toronto, Ontario M5X 1A4

Dear Madam:

Pahwa mortgages on three properties  
Udayan Pandya v Courtney Wallis Simpson, York Region Realty  
Inc., Wallis, Simpson & Associates and Cameo Investments  
Court file no. **05-CL-6159**  
In the matter of the *Class Proceedings Act, 1992*  
Draft Vesting Order – 1098 Kawagama Lake Road, Dorset

Without waiving any right or benefit under earlier court orders with respect to priority of the Pahwa Mortgages, relative to the Receiver's claims, and with respect to funds from proceeds to be held in separate accounts, we acknowledge your email at 10:49 am August 1<sup>st</sup> and approve and consent to the terms of the draft Vesting Order for 1098 Kawagama Lake Road, Dorset at the sale price shown by an attachment. Your email indicates the motion record will be served for hearing August 3<sup>rd</sup> or 4<sup>th</sup> and **you may advise the Court of our consent so that this Pahwa Mortgage will be discharged as part of the Vesting Order.** Please provide a true copy as signed and entered in due course for our file.

Yours very truly,  
**BEARD WINTER LLP**

  
**David R. Rothwell**  
vrr; DRR



**Exhibit "G"**

July 30, 2006

Attention: Joanne McMillan

Dear Ms. McMillan;

As per your request, I am forwarding my position regarding the settlement of my matrimonial separation. I spoke with Michael Quilling a few weeks ago and we came to a verbal agreement that I am satisfied with. My former spouse, Courtney Wallis Simpson has agreed to convey her interest in the matrimonial home(587 Cam Fella Blvd), as well as the cottage (9 Kawagama Lake Road) to me. I in turn will not be seeking any additional settlement with the exception of child support as the children will reside with me predominantly due to their roots in the community and the fact that we want them to remain in the schools they have always attended. I have agreed to forgo any further claim against the estate.

I have agreed to maintain the properties, including making all tax, insurance and mortgage payments effective September 1, 2006 and Mr. Quilling has indicated to me that I will receive clear title to the house at 587 Cam Fella Blvd free of any past encumbrances or debts with the exception of the existing first mortgage held by First Line/CIBC.



**Udayan Pandya**  
Plaintiff

v.

**Courtney Wallis Simpson et al.**  
Defendants

Court File No.: 05-CL-6159

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

In the matter of the *Class Proceedings*  
*Act, 1992*

Proceeding commenced at Toronto

**MOTION RECORD**  
**(Returnable August 4, 2006)**

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

Lincoln Caylor / M. Joanne MacMillan  
Tel: (416) 777-6121 / 4629  
Fax: (416) 863-1716  
LSUC Reg. No. 37030L/43529J

Solicitors for the receiver