



ASSIGNMENT OF CONTRACTS, DEPOSITS AND SERVICE AGREEMENTS

THIS ASSIGNMENT made as of the ____ day of _____, _____.

BY:

[_____]
(hereinafter jointly and severally called the "Assignor")

OF THE FIRST PART

IN FAVOUR OF:

LIBRO CREDIT UNION LIMITED
(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS the Assignor is the owner of the lands and premises more particularly described at Schedule "A" hereto, wherein the Assignor is undertaking the development and construction of such lands and premises (the "Property");

AND WHEREAS the Assignee has agreed to provide a loan (the "Loan") in favour of the Assignor on the terms and subject to the conditions set out in a commitment letter issued by the Assignee dated the [____] day of [_____], _____ as may be further amended from time to time (the "Loan Commitment");

AND WHEREAS pursuant to a Charge/Mortgage of Land in favour of the Assignee in the amount of [_____] Dollars (\$[_____]) registered in the Land Titles Office for the Registry Office [_____] (the "Charge"), the Assignor has mortgaged and charged in favour of the Assignee all of its right, title and interest in and to the Property as security for the due payment of all principal money, interest and other moneys payable under the Charge and for the performance of all of the Assignor's covenants and obligations thereunder and under the Loan Commitment, as more particularly set out therein;

AND WHEREAS as additional security for the obligations of the Assignor pursuant to the Charge, the Loan Commitment and any other agreement between the Assignor and the Assignee, the Assignor has agreed, among other things, to assign all of its right, title, estate and interest in and to the Contracts, as defined herein, to the Assignee, together with all benefits, powers and advantages of the Assignor to be derived therefrom;

NOW THEREFORE in consideration of the sum of Two Dollars (\$2.00) now paid by the Assignee to the Assignor, in consideration of the Assignee extending credit and making or agreeing to make one or more advances pursuant to the Loan Commitment and/or Charge and in consideration for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Assignor) the parties hereto covenant, agree and declare between themselves as follows:

1. INTERPRETATION

1.1 Definitions

In this Assignment, unless there is something in the subject matter or text inconsistent therewith or unless the context otherwise specifies or requires, the following terms shall have the meanings herein specified:

- (a) “Contracts” means, collectively, any agreements of purchase and sale (including but not limited to the sale of condominium units, lots, or houses), deposits pursuant to any agreements of purchase and sale, construction contracts, life lease occupancy agreements, and all site plan and development agreements, planning approvals, all management agreements, maintenance contracts, engineer and surveyor contracts, service agreements, project plans, specifications, drawings, permits, licences, letters of credit, performance and materials, and all other agreements, contracts, certificates, licences and instruments relating to the sale, operation, servicing, development or construction of the Property entered into or in effect from time to time, including without limitation, any amendments, modifications, extensions, renewals and replacements which have been or may hereafter be made to any of them, all proceeds therefrom, all debts, demands, choses-in-action and claims which now or hereafter may become due, owing or accruing due to or on behalf of the Assignor therefrom and all books, accounts, invoices, letters, papers, drawings, blue prints, certificates, and documents in any way evidencing or relating thereto, and all condominium corporation voting rights;
- (b) “Event of Default” means a default by the Assignor in payment of all or any part of the indebtedness or liability of the Assignor to the Assignee, or in the performance of observance of any provisions in the Loan Commitment, or any other security or document entered into by the Assignor in favour of the Assignee;
- (c) “Indebtedness” means all present and future debts and liabilities due or to become due, absolute or contingent, direct or indirect, now existing or hereafter arising owing by the Assignor to the Assignee pursuant to the Loan Commitment and/or pursuant to the Charge and includes any extensions, renewals or replacements thereof and includes the Loan, and all costs and fees incurred in connection with collection and enforcement of the Loan;
- (d) “Person” means an individual, partnership, corporation, trust or unincorporated organization, joint venture, governmental authority or other entity of whatsoever nature.

1.2 Headings

Grammatical variations of any terms defined herein have similar meanings; words importing the singular number shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders. The division of this Assignment into separate sections, subsections, paragraphs and subparagraphs and the insertion of headings and marginal notes and references are for convenience of reference only and shall not affect the construction or interpretation of this Assignment.

1.3 Severability

If any covenant, obligation or agreement of this Assignment or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this

Assignment or the application of such covenant, obligation or agreement to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each covenant, obligation and agreement of this Assignment shall be separately valid and enforceable to the fullest extent permitted by law.

1.4 Governing Law

This Assignment shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

1.5 Binding on Successors

This Assignment and everything herein contained shall enure to the benefit of the Assignee and its successors and assigns and shall be binding upon the Assignor and its successors and assigns.

1.6 Loan Commitment to Prevail

If any provision hereof is inconsistent with the terms or provisions of the Loan Commitment, the Loan Commitment shall prevail.

2. ASSIGNMENT

2.1 Assignment

Upon and subject to the terms, conditions and provisions herein contained, the Assignor hereby unconditionally and irrevocably assigns, transfers and sets over to and in favour of the Assignee as and by way of a fixed and specific assignment all of its right, title, estate and interest in, to, under and in respect of the Contracts and each of them, and all benefit, power and advantage of the Assignor to be derived therefrom and all covenants, obligations and agreements of the parties thereunder and otherwise to enforce the rights of the Assignor thereunder in the name of the Assignor to be held by the Assignee, as additional security for the due payment by the Assignor of the Indebtedness and the performance, fulfilment and satisfaction of all covenants, obligations and conditions on the part of the Assignor set out herein or set out in the Loan Commitment or Charge.

3. ACKNOWLEDGMENTS, COVENANTS, REPRESENTATIONS AND WARRANTIES

3.1 Acknowledgments of Assignor

The Assignor acknowledges that this Assignment:

- (a) shall not in any way lessen or relieve the Assignor from its obligations to perform, fulfil and satisfy its covenants, obligations and all other provisions set out in the Contracts or any part thereof;

- (b) shall not impose any obligation on the Assignee to assume any obligation under, or to perform, fulfil or satisfy any covenant, obligation or other provision set out in the Contracts or any part thereof; and
- (c) shall not impose any liability on the Assignee for any act or omission on its part in connection with this Assignment, the Contracts or any part thereof.

3.2 Positive Covenants of Assignor

The Assignor covenants and agrees:

- (a) to perform or cause to be observed and performed, as and when required, in all material respects all of its covenants, obligations, agreements and undertakings under all and each of the Contracts and will cause the other party to each Contract to observe and perform all of their covenants, obligations, agreements and undertakings thereunder;
- (b) forthwith after receipt of same, to furnish to the Assignee a copy of any notice, demand, claim or request given or required to be given to any other party or parties to a Contract or received by the Assignor from any such party relating to a Contract;
- (c) to indemnify and to save and hold harmless the Assignee from and against any and all claims, demands, actions, causes of actions, losses, suits, damages and costs whatsoever of any person arising directly or indirectly from or out of or in connection with, the Contracts;
- (d) to notify the Assignee in writing as soon as the Assignor becomes aware of any dispute, claim or litigation in respect of the Contracts or any part thereof or of any breach or default by the Assignor or any other Person in the performance or satisfaction of any of the covenants, obligations or other provisions set out in the Contracts or any part thereof;
- (e) to obtain such consents from third parties as may be necessary or required in connection with the assignments constituted by this Agreement and, in addition, such other consents from third parties as the Assignee may require or desire;
- (f) that it will pay to the Assignee upon demand all costs, fees and expenses including without limitation, legal fees and disbursements on a solicitor and his own client basis, incurred by or on behalf of the Assignee in connection with or arising out of or from this Assignment including, without limitation, any one or more of the following:
 - (i) any act done or taken by or on behalf of the Assignee or any proceeding instituted by or on behalf of the Assignee, the Assignor or any other Person, in connection with or in any way relating to any one or more of this Assignment or any part thereof, the preservation, protection, enforcement or realization of the Contracts or any part thereof, the recovery of the Indebtedness or any part thereof; and
 - (ii) all amounts incurred or paid by the Assignee pursuant to section 4.1 hereof;
- (g) to furnish to the Assignee in writing all information requested by the Assignee relating to the Contracts or any part thereof; and

- (h) from time to time and at all times hereafter upon written request so to do, make, execute and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be desirable in the opinion of the Assignee or its counsel, for more effectually implementing and carrying out the true intent and meaning of this Assignment.
- (i) to provide access to the Assignee to all records, computer hardware and software and premises as and when requested.

3.3 Negative Covenants of Assignor

The Assignor covenants and agrees that it shall not nor shall it agree to:

- (a) terminate, forfeit, cancel, alter or amend any Contract without the prior written consent of the Assignee which consent shall not be unreasonably withheld; and
- (b) sell, dispose, assign, charge, mortgage, set over, pledge, hypothecate or otherwise transfer all or part of any of the Contracts other than to the Assignee nor shall it perform any act or execute any other instrument which might prevent the Assignee from operating under any of the terms and conditions of this Assignment or which would limit the Assignee in any such operation.

3.4 Representations and Warranties of Assignor

The Assignor represents and warrants to the Assignee that:

- (a) the Assignor has not assigned, set over, transferred or granted a security interest in any of the Contracts or its rights thereunder other than to the Assignee;
- (b) the Assignor has not performed any act or executed any other instrument which might prevent the Assignee from operating under any of the terms and conditions of this Assignment or which would limit the Assignee in any such operation;
- (c) each Contract is in full force and effect and unamended and there is no default existing thereunder by the Assignor or to the best of the Assignor's knowledge, after having made due enquiry, by the other parties thereto;
- (d) there is no pending or threatened litigation, actions, claim or fact known to the Assignor and not disclosed to the Assignee in writing which materially adversely affects or could so affect any Contract or the rights of the Assignor thereunder;
- (e) the Assignor has good right, full power and absolute authority to enter into, execute and perform this Assignment; and
- (f) each of the Contracts in existence as of the date hereof is capable of assignment to the Assignee in accordance with the provisions of this Assignment.

4. DEFAULT

4.1 Rights of Assignee Upon an Event of Default

Whenever an Event of Default has occurred, without limiting the right of the Assignee under or pursuant to this Assignment, the Loan Commitment, the Charge or otherwise provided by law, the Assignee shall be entitled to enter into possession of the Property or any part or parts thereof and appoint its agents to manage the Property and pay such agents' charges for their services and charge the same to the account of the Assignor, and the Assignee and any agents so appointed by the Assignee shall have the authority:

- (a) in the name of the Assignor to renew, amend or otherwise deal with any Contract or make other agreements in respect of the Property or any part or parts thereof for such consideration and on such terms as it may deem appropriate;
- (b) in the name of the Assignor to perform, at the Assignor's expense any and all obligations or covenants of the Assignor under the Contracts and to enforce performance by the other parties to the Contracts of their obligations, covenants and agreements thereunder; and
- (c) to manage generally the Property and deal with the Contracts to the same extent as the Assignor could do, the whole without any liability or responsibility of any kind on the part of the Assignee, its agents, employees or other persons for whom the Assignee is in law responsible.

4.2 Exercise of Powers

Where any discretionary powers hereunder are vested in the Assignee or its agents, the same may be exercised by an officer, employee or manager of the Assignee or its appointed agents, as the case may be.

4.3 Default Remedied

Whenever all outstanding Events of Default have been fully cured and all moneys which the Assignee or its agents may have expended or become liable for in connection with the Property have been fully repaid, the Assignor may resume dealing with the Contracts until a further Event of Default occurs, from time to time.

5. GENERAL

5.1 No Liability

Nothing herein contained shall render the Assignee, its agents, employees or any other persons for whom the Assignee is in law responsible, liable to any person for the fulfilment or non-fulfilment of the obligations, covenants and agreements, including but not limited to the payment of any moneys thereunder or in respect thereto, of the Assignor under any Contract.

5.2 Service; Registration

The Assignee shall have the right at any time, and from time to time, to serve the present Assignment or notice thereof on any one or more of the other parties to the Contracts. The

Assignee shall also have the right at any time and without notice to the Assignor to cause the present Assignment to be registered or filed in any place or office where the Assignee or its counsel deem advisable or necessary.

5.3 Attorney of the Assignor

The Assignee, as attorney or agent of the Assignor and in its name, may, at any time and from time to time after the occurrence of an Event of Default exercise any of the rights, powers, authority and discretions which under the term of any Contract could be exercised by the Assignor with respect to such Contract.

5.4 Performance Until an Event of Default

Until an Event of Default shall have occurred, the Assignor shall be entitled to deal with the Contracts and enforce all of the benefits, advantages and powers thereunder as though this Assignment had not been made. In the event that an Event of Default shall occur the Assignee may, but shall not be obligated to, exercise all rights, powers, authority and discretions of the Assignor in respect of the Contracts in its place and stead all of which is hereby consented to by the Assignor.

5.5 Bona Fides

The Assignor shall not execute or enter into a Contract unless same is executed or entered into by it in the ordinary course of business, at arm's length or upon arm's length terms and in good faith, and on such terms as are consistent with the practice of a reasonable and prudent owner of property upon which there is construction and development of same, and unless the same does not adversely affect the interest of the Assignee under this Assignment or the Loan Commitment.

5.6 No Release

This Assignment shall remain in full force and effect without regard to, and the obligations of the Assignor hereunder shall not be affected or impaired by:

- (a) any amendment, modification, replacement of or addition or supplement to the Loan Commitment, the Charge or any other security provided to the Assignee; or
- (b) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Assignment, the Loan Commitment, the Charge or any other security provided to the Assignee; or
- (c) any waiver, consent extension, indulgence or other action, inactions or admission under or in respect of this Assignment, the Loan Commitment, the Charge or any other security provided to the Assignee; or
- (d) any default by the Assignor under, or any invalidity or unenforceability of, or any limitation of the liability of the Assignor or on the method or terms of payment under, or any irregularity or other defect in the Loan Commitment, the Charge or any other security provided by the Assignee; or

- (e) any merger, consolidation or amalgamation of the Assignor into or with any other person;
or
- (f) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor.

5.7 Termination of this Assignment

The Assignee covenants and agrees with the Assignor that, upon payment in full of all amounts owing under or pursuant to the Loan Commitment and Charge, and such Charge has been discharged, this Assignment shall be and become fully ended and terminated and all right, title, estate and interest in and with respect to each Contract assigned, transferred and set over by the Assignor hereunder shall revert to the Assignor and all covenants and agreements of the Assignor hereunder shall be at an end and the Assignee shall, upon the written request of the Assignor and at the expense of the Assignor, execute such discharges, re-assignments and other instruments and give such notifications or assurances as may be necessary to fully release, cancel and discharge this Assignment in the circumstances.

5.8 No Partnership

Nothing herein contained shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the Assignor and the Assignee; it being understood and agreed that none of the provisions herein contained or any acts of the Assignee or of the Assignor, shall be deemed to create any relationship between the Assignee and the Assignor other than the relationship of assignee and assignor.

5.9 Rights and Remedies Cumulative

The rights or remedies given to the Assignee hereunder shall be cumulative of and in addition to, and not substituted for any rights or remedies to which the Assignee may be entitled under the Loan Commitment, the Charge or any other security provided to the Assignee or at law and may be exercised whether or not the Assignee has pursued or is then pursuing any other such rights and remedies.

5.10 Time of Essence

Time shall be of the essence of this Assignment.

5.11 Notices

Any demand, notice or other communication to be given hereunder shall, save as otherwise specifically provided, be in writing addressed to the party for whom it is intended and shall not be deemed received until actual receipt thereof by that party except if sent by electronic transmission or facsimile, in which case it shall be deemed received on the business day next following the date of transmission. The mailing addresses and the email addresses or facsimile numbers, if any, of the parties hereto are:

(a) in respect of the Assignee:

Libro Credit Union Limited
 217 York Street
 London Ontario, N6A 5P9
 Fax: 519-672-1774

(b) in respect of the Assignor:

[_____]
 [_____]
 [_____]
 Fax: [_____]

or such other mailing addresses, facsimile, or electronic communication as either party from time to time may notify the other as aforesaid.

5.12 Waiver

No consent or waiver, express or implied, by the Assignee to or of any breach or default by the Assignor in performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by the Assignor hereunder. Failure on the part of the Assignee to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Assignee of its rights hereunder.

5.13 Amendments

This Assignment may not be modified or amended except with the written consent of the parties hereto.

5.14 Continuing Security

This Assignment and the rights and remedies it creates are a continuing agreement and security, and shall bind the parties until discharge of this Assignment as provided in section 5.7 hereof.

5.15 After Acquired Property

The Assignor covenants and agrees that if and to the extent that its right, title, estate and interest in any Contract is not acquired until after delivery of this Assignment, this Assignment shall nonetheless apply thereto and the security interest of the Assignee hereby created shall attach to any such Contract at the same time as the Assignor acquires rights therein, without the necessity of any further assignment or other assurance.

IN WITNESS WHEREOF the Assignor has duly executed this Agreement as of the date first above written.

Per:
Name:
Title:

Per:
Name:
Title:

We have authority to bind the Corporation.

SCHEDULE "A"
Legal Description of the Property