

SHARE PURCHASE AGREEMENT

between

WINNET CAPITAL LTD.

and

AOYUAN PROPERTY HOLDINGS (CANADA) LTD.

made as of

May 13th, 2024

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made as of May 13th, 2024

BETWEEN:

WINNET CAPITAL LTD. (the “Purchaser”)

AND:

AOYUAN PROPERTY HOLDINGS (CANADA) LTD.

(the “Vendor”).

WHEREAS:

- A. The Vendor is the sole shareholder of Ontario Aoyuan Property Limited (the “**Corporation**”);
- B. The authorized share capital of the Corporation consists of Common Shares, Class A Preferred Shares, Class B Preferred Shares, Class A Common Shares (the “**Class A Shares**”), Class B Common, Shares (the “**Class B Shares**”), Phase 1 Tracking Shares (“**TS1 Shares**”) and Phase 2 and 3 Tracking Shares (“**TS23 Shares**”);
- C. The only issued shares in the share capital of the Corporation, which is set forth in Schedule A, are the Class A Shares, Class B Shares, TS1 Shares and TS23 Shares;
- D. The Corporation is the sole shareholder or sole limited partner of the entities set out on Schedule B hereto (collectively, the “**Ontario Aoyuan Entities**”);
- E. The Ontario Aoyuan Entities are the owners and developers of certain mixed use development projects located at 5799-5915 Yonge Street, Toronto, Ontario (the “**M2M Development**”);
- F. Following Closing, the Class B Shares and TS1 Shares will represent a 100% beneficial economic interest in the M2M Project Phase 1 and the Class A Shares and TS23 Shares will represent a 100% beneficial economic interest in the M2M Project Phase 2 and 3;
- G. The Vendor has agreed to sell, and the Purchaser has agreed to purchase, all the Purchased Shares on the terms and conditions set out in this Agreement.

IN CONSIDERATION OF the mutual promises of the Parties hereunder and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

- (a) **“Additional Deposit”** has the meaning set forth in Section 2.2(a)(ii).
- (b) **“Affiliate”** means, with respect to any person, any other person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the referent person. For the purposes of this definition “control” means, with respect to the relationship between or among two or more persons, the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a person, whether through the ownership of voting securities, as trustee or executor, by Contract or any other means, and the terms “controlled” and “under common control with” have the meanings correlative to the foregoing.
- (c) **“Agreement”** means this Share Purchase Agreement and includes all Schedules attached hereto.
- (d) **“Applicable Law”** means any applicable law including any statute, regulations, bylaws, rules, and common law together with any applicable decision, award, guideline, directive, rule, standard, requirement, policy, order, writ, judgment, injunction, award or decree of a Governmental Authority.
- (e) **“Aoyuan Canada Management”** means Aoyuan Management Services (Canada) Limited.
- (f) **“Business Day”** means any day other than a Saturday, Sunday or provincial or federal holiday or a day on which banks are not open for business in Toronto, Ontario.
- (g) **“Cash”** means, as of any time, all cash and cash equivalents required or permitted to be reflected as cash and cash equivalents on a consolidated balance sheet in accordance with generally accepted accounting principles, including all deposits, wire transfers, cheques and drafts for the benefit of a party but that have not yet cleared and excluding all withdrawals and outgoing wire transfers, cheques and drafts by or from any party but that have not yet been cleared.
- (h) **“CBRE”** means CBRE Limited.
- (i) **“Claims”** means claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, fines, disbursements, legal fees and other professional fees and disbursements, interest, demands and actions of any nature or any kind whatsoever.
- (j) **“Class A Shares”** has the meaning set out in the recitals.
- (k) **“Class B Shares”** has the meaning set out in the recitals.
- (l) **“Closing”** means the completion of the transaction of purchase and sale of the Purchased Shares on the Closing Date as contemplated by this Agreement.

- (m) **“Closing Date”** means the date that is 25 Business Days following the completion of the condition set forth in Sections 4.2(b) or such other date as agreed to by the Parties in their sole discretion.
- (n) **“Closing Time”** means 9:00 a.m. (Toronto time) on the Closing Date, or such other time as may be agreed to in writing between the Vendor and the Purchaser.
- (o) **“Construction Debt”** means the outstanding balance under that certain credit agreement dated January 2020, as amended, by and between, among others, 5799 Yonge Street Limited Partnership, as borrower, and the Construction Lenders, as lenders.
- (p) **“Construction Lenders”** means Royal Bank of Canada (formerly HSBC Bank Canada), United Overseas Bank Limited (Vancouver Branch), Bank of China, Industrial and Commercial Bank of China (Canada) and Coast Capital Savings Federal Credit Union.
- (q) **“Corporate Records”** means the corporate records of the Corporation, including (i) all notices of articles and articles, (ii) all minutes of meetings and resolutions of shareholders and directors, and (iii) the minute books, share certificate books, securities register, register of transfers and register of directors.
- (r) **“Corporation”** has the meaning set out in the recitals.
- (s) **“CRA”** means Canada Revenue Agency.
- (t) **“Deposits”** means the Initial Deposit and the Additional Deposit.
- (u) **“ETA”** means the *Excise Tax Act* (Canada).
- (v) **“Execution Date”** means the date of this Agreement.
- (w) **“General Partners”** means, collectively, 5799 Yonge Street Project Ltd. and M2M Phase 2 Project Ltd.
- (x) **“Governmental Authority”** means any government, regulatory authority, government department, agency, utility, commission, board, tribunal or court or other law, rule or regulation making entity having jurisdiction with respect to any matter referred to in this Agreement.
- (y) **“GST”** means Goods and Services Tax.
- (z) **“Initial Deposit”** has the meaning set forth in Section 2.2(a)(i).
- (aa) **“LOI”** means the Letter of Intent dated February 19, 2024, and accepted on February 23, 2024 between the Vendor and Purchaser, as amended on March 15, 2024, with respect to the purchase and sale of the Purchased Shares.
- (bb) **“Losses”** has the meaning set forth in Section 2.2(e)(i).
- (cc) **“Material Adverse Effect”** means, when used in connection with the Corporation or its business, any change, event, violation, inaccuracy, circumstance or effect

that is materially adverse to the business, assets, liabilities, financial condition, results of operations or prospects of the Corporation other than as a result of: (i) changes generally adversely affecting the Canadian economy (so long as the Corporation is not disproportionately affected thereby); (ii) changes adversely affecting the industry in which the Corporation operates (so long as the Corporation is not disproportionately affected thereby); (iii) the announcement or pendency of the transactions contemplated by this Agreement; (iv) changes in laws; (v) changes in accounting principles; (vi) acts of war or terrorism; (vii) changes in general local, provincial, federal or foreign economic conditions or financial markets; or (viii) the failure (in and of itself) of the Corporation to achieve any financial projections or budget (but, for the avoidance of doubt, the underlying factors contributing to such failure shall be taken into account, to the extent not otherwise excluded).

- (dd) **"M2M Beneficial Owners"** means, collectively, 5799 Yonge Street Limited Partnership and M2M Phase 2 LP.
- (ee) **"M2M Developer"** means, collectively, the M2M Nominees and the M2M Beneficial Owners.
- (ff) **"M2M Development"** has the meaning set out in the recitals.
- (gg) **"M2M Nominees"** means, collectively, 2591260 Ontario Inc. and 2738147 Ontario Inc.
- (hh) **"M2M Project Phase 1 Entities"** means 5799 Yonge Street Project Ltd. (GP), 5799 Yonge Street Limited Partnership and 2591260 Ontario Inc.
- (ii) **"M2M Project Phase 1"** means Block 1 of Schedule C.
- (jj) **"M2M Project Phase 1 Material Contracts"** means those M2M Project Phase 1 Material Contracts relating to M2M Project Phase 1.
- (kk) **"M2M Project Phase 2 and 3"** means M2M Development excluding M2M Project Phase 1.
- (ll) **"M2M Project Phase 2 and 3 Land Obligations"** has the meaning ascribed to such term in the Shareholders Agreement.
- (mm) **"Ontario Aoyuan Entities"** has the meaning set out in the recitals.
- (nn) **"Parties"** means the Vendor and the Purchaser and any other Person who may become a party to this Agreement and **"Party"** means any of them.
- (oo) **"Person"** includes an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, unlimited liability company, joint venture, association, executor, administrator or other legal representative or other entity or Governmental Authority and pronouns have a similarly extended meaning.
- (pp) **"Pre-Sale Contracts"** means those pre-sale contracts entered into by purchasers of the proposed condominium units within the M2M Project Phase 1, together with all amendments and addenda thereto.

- (qq) **“Pre-Sold Units”** means those proposed condominium units within the M2M Project Phase 1 which are scheduled to be conveyed to pre-sale purchasers pursuant to Pre-Sale Contracts.
- (rr) **“Properties”** means, collectively, the lands and premises legally described in Schedule C on which the M2M Development is being constructed, and **“Property”** means either one or the applicable one of them as the context may require.
- (ss) **“Purchase Price”** means the purchase price specified in Section 2.1.
- (tt) **“Purchased Shares”** means all of the issued and outstanding Class B Shares and TS1 Shares of the Corporation that are issued and outstanding at the Closing Time on the Closing Date.
- (uu) **“Purchaser Indemnitees”** has the meaning set forth in Section 7.2.
- (vv) **“Shareholders’ Agreement”** means the shareholders agreement to be entered into by and among the Vendor and Purchaser with effect from Closing reflecting the principles set forth in Schedule D.
- (ww) **“Shareholders’ Approval”** has the meaning set forth in Section 4.2(b).
- (xx) **“Tax Act”** means the *Income Tax Act* (Canada).
- (yy) **“Tax”** or **“Taxes”** includes all taxes, duties, fees, premiums, assessments, imposts, levies and other charges in the nature of a tax, imposed by CRA or any other Governmental Authority, including without limitation any tax under the Tax Act and the ETA, and including any interest, penalties or additions to tax or additional amounts in respect of the foregoing.
- (zz) **“Trust Declarations”** means the nominee agreement described in Schedule E pursuant to which the M2M Nominees hold registered and legal title to the Properties as nominee and bare trustee for the M2M Beneficial Owners.
- (aaa) **“TS1 Shares”** has the meaning set out in the recitals.
- (bbb) **“TS23 Shares”** has the meaning set out in the recitals.
- (ccc) **“Vendor Indemnitees”** has the meaning set forth in Section 7.1.
- (ddd) **“Vendor’s Solicitors”** means McCarthy Tétrault LLP.

1.2 Schedules

The following Schedules are attached hereto and made part of this Agreement:

Schedule A	-	Authorized and Issued Share Capital
Schedule B	-	Ontario Aoyuan Entities
Schedule C	-	Subdivision Plan
Schedule D	-	Shareholders' Agreement Key Terms

Schedule E - Trust Declaration

1.3 Interpretation

Unless the context otherwise requires: (i) “or” is not exclusive; (ii) “this Agreement”, “hereof”, “herein”, “hereto” and similar expressions mean this Agreement together with all schedules to this agreement and all amendments and supplements that may be made to this Agreement from time to time in writing; and (iii) wherever any provision of any Schedule to this Agreement conflicts with the body of this Agreement, the body of this Agreement shall prevail.

1.4 Gender and Number

Words importing the singular include the plural and vice versa. Words importing gender include all genders.

1.5 Captions

The division of this Agreement into separate Articles and Sections and Schedules and the insertion of headings and table of contents are for convenience of reference only and in no way affect this Agreement or its interpretation.

1.6 Obligations as Covenants

Each agreement and obligation of any of the parties hereto in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

1.7 Currency

All references to currency in this Agreement shall be deemed to be references to Canadian dollars.

1.8 Invalidity

If any immaterial covenant, obligation, agreement or part thereof or the application thereof to any Person or circumstance, to any extent, shall be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement or part thereof to any Person or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby. Each covenant, obligation and agreement in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

1.9 Time

Time shall be of the essence of this Agreement. If anything is required to be done under this Agreement on a day which is not a Business Day, the same shall be done on the next following Business Day. Where in this Agreement a number of days is prescribed, the number shall be computed by excluding the first day and including the last day. All references to a specific time in this Agreement shall be to local Toronto, Ontario time.

1.10 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto pertaining to the purchase and sale of the Purchased Shares provided for herein and supersedes all prior

agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto, between the Vendor and the Purchaser and there are no warranties or representations and no agreements between the parties hereto in connection with the purchase and sale of the Purchased Shares except as specifically set forth in this Agreement.

ARTICLE 2 PURCHASE OF PURCHASED SHARES

2.1 Purchase and Sale

The Purchaser hereby agrees to purchase from the Vendor, and the Vendor hereby agrees to sell, assign and transfer to the Purchaser, the Purchased Shares in accordance with and subject to the terms and conditions of this Agreement, for an aggregate purchase price of \$68,000,070 (the "**Purchase Price**").

2.2 Payment of Purchase Price

- (a) Subject to Section 6.4(b), the Purchase Price for the Purchased Shares will be paid by the Purchaser to the Vendor as follows:
 - (i) by payment upon the signing of this Agreement of a deposit in the amount of \$3,000,000 (the "**Initial Deposit**") by way of wire transfer, certified cheque or bank draft to the Vendor's Solicitors, which Initial Deposit is to be deposited and held by the Vendor's Solicitors in a non-interest-bearing trust account on behalf of the Parties, pending completion of the sale and purchase of the Purchased Shares or other termination of this Agreement. For greater certainty, the Parties acknowledge and agree the Initial Deposit has been paid by the Purchaser to the Vendor's Solicitors in accordance with terms of the LOI and this Agreement;
 - (ii) by payment upon the satisfaction or waiver of the conditions set forth in Sections 4.2(b) of a deposit in the amount of \$3,800,000 (the "**Additional Deposit**") by way of wire transfer, certified cheque or bank draft to the Vendor's Solicitors, which Additional Deposit is to be deposited and held by the Vendor's Solicitors in a non-interest-bearing trust account on behalf of the Parties, pending completion of the sale and purchase of the Purchased Shares or other termination of this Agreement;
 - (iii) by delivery to the Vendor of a non-interest bearing promissory note in the amount of \$47,600,000 (the "**Consideration Note**"), which shall be payable in full by way of wire transfer no later than ten Business Days following the Closing Date, subject to adjustments set forth in this Agreement;
 - (iv) by payment of \$70.00 to the Vendor by way of wire transfer on the Closing Date; and
 - (v) by payment of \$13,600,000 to the Vendor by way of wire transfer within ten Business Days of the Vendor fulfilling the M2M Project Phase 2 and 3 Land Obligations, subject to adjustments set forth in this Agreement.

- (b) In the event that the Consideration Note has not be paid in full by the required date, the Vendor shall have the right to acquire the Purchased Shares for \$1, which right shall be exercisable immediately, and the Deposits, together with all interest accrued thereon shall be forfeited by the Purchaser as liquidated damages, and shall be released from the trust by the Vendor's Solicitors to the Vendor, to be retained by the Vendor.
- (c) Upon completion of the sale and purchase of the Purchased Shares, the Deposits will be credited to the Purchase Price and will be released from trust by the Vendor's Solicitors to the Vendor on the Closing Date.
- (d) If the Vendor terminates this Agreement in accordance with Section 8.1(c), the Deposits, together with all interest accrued thereon, will be forfeited by the Purchaser as liquidated damages in full and final satisfaction of the Vendor's obligations pursuant to the terms of this Agreement and shall be released from trust by the Vendor's Solicitors to the Vendor, to be retained by the Vendor.
- (e) If the Purchaser terminates this Agreement in accordance with Section 8.1(b):
 - (i) The Deposits, together with all interest accrued thereon, shall be released from trust by the Vendor's Solicitors and will be repaid to the Purchaser and subject to Section 2.2(e)(ii) below, the repayment of such Deposits will be without prejudice to any other right or remedy available to the Purchaser to recover the whole of its costs and losses arising directly or indirectly as a result of the Vendor's failure to complete the transactions contemplated by this Agreement ("**Losses**"); and
 - (ii) Notwithstanding anything to the contrary contained herein, the Vendor shall not be liable for Losses pursuant to Section 2.2(e)(i) in an amount in excess of \$6,800,000.
- (f) If the Purchaser or the Vendor terminate this Agreement in accordance with Section 8.1(d), the Deposits, together with all interest accrued thereon, shall be released from trust by the Vendor's Solicitors and shall be repaid to the Purchaser and neither the Purchaser nor the Vendor shall have any further obligations pursuant to the terms of this Agreement.

ARTICLE 3 PURCHASER'S DUE DILIGENCE

3.1 Purchaser's Due Diligence

- (a) The Purchaser acknowledges that a number of due diligence materials (the "**Due Diligence Materials**") have been made available to the Purchaser by way of data room set up by CBRE Limited prior to the Execution Date and prior to Closing, the Vendor shall be permitted to deliver additional Due Diligence Materials and updates to the Due Diligence Materials provided to the Purchaser. In the event that any material updates or any additional material Due Diligence Materials come to the possession of the Vendor from the Execution Date until the Closing Date, the Vendor will make same available to the Purchaser as provided in this Section 3.1.

- (b) The Purchaser agrees to maintain the confidentiality of all such Due Diligence Materials so delivered to the Purchaser and to return all physical copies of the same to the Vendor and delete all electronic copies of the same, forthwith, upon demand if the Purchaser and Vendor fail to complete the purchase and sale of the Purchased Shares. This Section 3.1 will survive the termination of this Agreement.

ARTICLE 4 CLOSING

4.1 Time and Place

The Closing will take place by exchange of electronic copies of signed documents on the Closing Date unless original copies are readily available and provided to the solicitors for each Party. Each Party will provide original copies of any documents so delivered to the other Parties promptly and, in any event, within five (5) Business Days after the Closing Date. All closing documents will be prepared by the Vendor's Solicitors, with drafts thereof to be provided to the Purchaser or the Purchaser's solicitor(s) for approval by no later than two (2) Business Days prior to the Closing Date, with such approval not to be unreasonably withheld or delayed.

4.2 Conditions to Obligations of Both Parties

The obligations of each Party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or before Closing, of each of the following conditions:

- (a) Entering into the Shareholders' Agreement;
- (b) This Agreement and the transactions contemplated hereunder having been approved by the independent shareholders at the general meeting of China Aoyuan Group Limited (the "**Shareholders' Approval**"); and
- (c) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any order that is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following the completion thereof.

4.3 Conditions to Obligations of the Purchaser

The obligations of the Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Purchaser's waiver, at or before the Closing Date, of each of the following conditions:

- (a) The representations and warranties of the Vendor set out in Section 5.1 and any certificate or other writing delivered pursuant hereto shall be true and correct (in the case of representations and warranties qualified as to materiality) or true and correct in all material respects (in the case of other representations and warranties) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects) and except for those failures to be so true and correct as would not

reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the ability of the Vendor and the Purchaser to consummate the transactions contemplated by this Agreement;

- (b) The Vendor shall have vacated or discharged all of the construction liens on the title of any of the M2M Project Phase 1 Properties no later than the Closing Date, and there is no construction lien registered on title of any of the M2M Project Phase 1 Properties on the Closing Date; and
- (c) All the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Vendor on or before the Closing Date shall have been complied with or performed by such Parties in all material respects on or before the Closing Date.

4.4 Conditions to Obligations of Vendor

The obligations of the Vendor to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Vendor's waiver, at or before the Closing Date, of each of the following conditions:

- (a) The representations and warranties of the Purchaser set out in Section 5.2 and any certificate or other writing delivered pursuant hereto shall be true and correct (in the case of representations and warranties qualified as to materiality) or true and correct in all material respects (in the case of other representations and warranties) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects); and
- (b) All the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed by such Parties in all material respects on or before the Closing Date.

4.5 Satisfaction of Conditions

Each of the Parties covenant and agree to use their commercially reasonable efforts to satisfy the conditions set forth in this Article 4 on or before the Closing Date or in accordance with the time periods specified therein.

4.6 Vendor's Closing Documents

At Closing, the Vendor will deliver the following to the Purchaser, executed by the Vendor, as the case may be:

- (a) share certificates representing the Purchased Shares endorsed for transfer to the Purchaser or accompanied by such separate instruments of transfer, assignment, transfer or other documents duly executed as may be necessary to assign and transfer the Purchased Shares to the Purchaser;
- (b) the Shareholders' Agreement duly executed by the Vendor;

- (c) resolutions of the director(s) of the Vendor authorizing the transfer of the Purchased Shares to the Purchaser (or as otherwise directed by the Purchaser) and a certified copy of such resolutions;
- (d) resolutions of the director(s) of the Corporation authorizing the appointments of Shiya Li as its directors;
- (e) resignations and releases of all existing directors other than Zhibin Chen and Fan Yang in respect of the Corporation and the M2M Nominees and the General Partners;
- (f) the Corporate Records (including original share certificates and unit certificates, as applicable) relating exclusively to the Class B Shares and/or the TS1 Shares;
- (g) a statutory declaration from a director of the Vendor stating that the Vendor is not a non-resident of Canada pursuant to Section 116 of the Tax Act and the Vendor will not receive the Purchase Price or any other payment hereunder for or on behalf of any person that is a non-resident of Canada within the meaning of Section 116 of the Tax Act;
- (h) a certificate of an officer of the Vendor certifying that the representations and warranties of the Vendor in Section 5.1 are true and correct in all material respects as of the Closing Date;
- (i) confirmation of the balance of the Cash held by 5799 Yonge Street Limited Partnership as of the Closing Date; and
- (j) such further documentation relating to the completion of the purchase and sale of the Purchased Shares, including any such further documents as will be otherwise referred to in this Agreement or as may be required by the Purchaser, acting reasonably.

4.7 Purchaser's Closing Documents

At Closing, the Purchaser will deliver the following to the Vendor, executed by the Purchaser, if applicable:

- (a) an indemnity in favour of Fan Yang for having acted as a director as contemplated in Section 6.6(a);
- (b) the Shareholders' Agreement duly executed by the Purchaser;
- (c) sufficient funds in order for the Purchaser or Purchaser's solicitor to wire transfer the Purchase Price to the Vendor's Solicitors in accordance with this Agreement;
- (d) a certified copy of resolutions of the directors of the Purchaser authorizing the execution and delivery of this Agreement and all documents required to be executed by the Purchaser pursuant hereto;
- (e) a certificate of an officer of the Purchaser certifying that the representations and warranties of the Purchaser in Section 5.2 are true and correct in all material respects as of the Closing Date; and

- (f) such further documentation relating to the completion of the transactions, as will be otherwise referred to in this Agreement or as may be required by the Vendor, acting reasonably.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties by the Vendor

The Vendor represents and warrants to the Purchaser (as of the Execution Date) as to the following matters:

- (a) Organization and Qualification. Each of the Corporation and the M2M Project Phase 1 Entities (i) has been duly incorporated and validly exists as a company under the *Business Corporations Act* (Ontario) or (ii) is an Ontario limited partnership formed pursuant to the *Limited Partnership Act* (Ontario), as the case may be.
- (b) Authority Relative to this Agreement. The Vendor has the requisite power and authority to enter into this Agreement and all documents contemplated herein to which it is or will be a party. Save for the Shareholder's Approval, the execution and delivery of this Agreement and all documents contemplated herein to which the Vendor is or will be a party and the performance by the Vendor of its obligations pursuant to this Agreement and all such other documents have been duly authorized on the part of the Vendor.
- (c) Valid and Binding Agreement. This Agreement has been duly executed and delivered by the Vendor and, assuming due authorization, execution and delivery by the Purchaser, this Agreement constitutes a valid and binding obligation of the Vendor, enforceable by the Purchaser against the Vendor in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws of general application relating to the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (d) Authorized and Issued Capital. The authorized and issued share capital of the Corporation and the Ontario Aoyuan Entities is as set forth in Schedule A. All the shares and units, as applicable, have been validly issued as fully paid and non-assessable shares and units in the capital of the respective company or partnership. Other than the issued shares and units referred to in Schedule A, no other shares or units in the capital of the Corporation or the Ontario Aoyuan Entities or rights to acquire other shares or units in the capital of the respective companies are issued or outstanding.
- (e) Ownership of M2M Nominees. The Corporation is the legal and beneficial owner of all of the issued and outstanding shares of the M2M Nominees.
- (f) Ownership of General Partners. The Corporation is the legal and beneficial owner of all of the issued and outstanding shares of the General Partners.

- (g) Ownership of 5799 Yonge Street Limited Partnership. The Corporation and 5799 Yonge Street Project Ltd. are the legal and beneficial owners of all of the issued and outstanding units of 5799 Yonge Street Limited Partnership.
- (h) Ownership of the M2M Phase 2 Limited Partnership. The Corporation and M2M Phase 2 Project Ltd. are the legal and beneficial owners of all of the issued and outstanding units of M2M Phase 2 Limited Partnership.
- (i) No Options. Except as otherwise disclosed to the Purchaser, no Person has or will on the Closing Date have any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option to require the Corporation to allot or issue any further or other shares or issue any further or other units, as the case may be, or any other security or other instrument convertible or exchangeable into shares or units or to convert or exchange any security or other instrument into or for shares or units or for the allotment or issuance of any of the unissued shares or any units.
- (j) No Other Subsidiaries. Except as contemplated in Sections 5.1(d) to 5.1(h) (inclusive) the Corporation does not hold any shares, units, securities or other interests of any kind in any company, partnership or other entity, or rights that may be convertible or exchangeable into any shares, units, securities or other interests of any kind.
- (k) Ownership of Properties. Each of the M2M Nominees is the legal and registered owner of the applicable Property as set out in Schedule E, and holds title thereto in trust for the applicable M2M Beneficial Owner as set out in Schedule E as sole beneficial owner in accordance with the applicable Trust Declaration, in each case free and clear of all liens, charges and encumbrances except as shown on title thereto as of the date hereof.
- (l) Bankruptcy and Insolvency. The Vendor: (i) is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act (Canada)* or the *Winding-up and Restructuring Act (Canada)*, (ii) has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, (iii) has not had any petition for a receiving order presented in respect of it, and (iv) has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding-up, liquidation or dissolution.
- (m) No Other Representations and Warranties. Except for the representations and warranties of the Vendor set forth in this Section 5.1 or any certificate delivered pursuant to this Agreement, the Purchased Shares are sold “as is” and “where is” and the Vendor expressly disclaims any representations or warranties of any kind or nature, express or implied, as the liabilities, operations, title, condition, value or quality of the assets of the Corporation and the M2M Project Phase 1 Entities, or the prospects (financial and otherwise), risks and other incidences of ownership of the Purchased Shares, the Corporation and the M2M Project Phase 1 Entities, , the Properties, the assets of and the business of the Corporation and the M2M Project Phase 1 Entities, and the Vendor specifically disclaims any representations or warranties of merchantability, usage, or suitability of fitness for any particular purpose with respect to the Properties and the assets of the Corporation and the M2M Project Phase 1 Entities, or any part thereof, or as to the workmanship thereof, or the absence of any defects therein,

whether latent or patent, or compliance with environmental requirements, or as to the condition of the Properties and the assets of the Corporation and the M2M Project Phase 1 Entities, or any part thereof, in each case, except as expressly set forth in this Agreement. Except as otherwise expressly provided in this Agreement or any certificate delivered by the Vendor pursuant to this Agreement, the Vendor further specifically disclaims any representations or warranties regarding the absence of hazardous substances or environmental liability or potential environmental liability. No material or information provided by or communications made by the Vendor, the Corporation and the M2M Project Phase 1 Entities, or any other person, including information provided during due diligence, including information in any data room, and any oral, written or electronic response to any information request provided to the Purchaser, will cause or create any warranty, express or implied, as to the liabilities, operations, title, condition, value or quality of the assets or the prospects (financial or otherwise), risks and other incidents of ownership, the Purchased Shares, the Properties, the assets and the business of the Corporation and the M2M Project Phase 1 Entities that is not expressly set forth in this Agreement or any certificate delivered pursuant to this Agreement. The representations and warranties of the Vendor set forth in this Section 5.1 and any certificate delivered by the Vendor pursuant to this Agreement constitute the sole and exclusive representations and warranties of the Vendor in connection with the transactions contemplated by this Agreement.

5.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor (as of the Execution Date) as to the following matters:

- (a) Organization and Qualification. The Purchaser has been duly incorporated and is validly existing as a company under the laws of the Province of Ontario.
- (b) Authority Relative to this Agreement. The Purchaser has the requisite corporate power and authority to enter into this Agreement and all documents contemplated herein to which it is or will be a party. The execution and delivery of this Agreement and all documents contemplated herein to which the Purchaser is or will be a party and the performance by the Purchaser of each of its obligations pursuant to this Agreement and all such other documents have been duly authorized by all necessary corporate action on the part of the Purchaser.
- (c) Valid and Binding Agreement. This Agreement has been duly executed and delivered by the Purchaser and, assuming due authorization, execution and delivery by the Vendor, this Agreement constitutes a valid and binding obligation of the Purchaser, enforceable by the Vendor against the Purchaser in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws of general application relating to the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (d) Execution Will Not Cause Breach or Default. The execution and delivery by the Purchaser of this Agreement and all documents contemplated herein to which the Purchaser is or will be a party, and the performance by the Purchaser of its

obligations hereunder and thereunder do not and will not constitute or result in a violation or breach of:

- (i) any provision of the articles or bylaws of the Purchaser or any resolution of the directors or shareholders of the Purchaser;
 - (ii) any Applicable Law applicable to the Purchaser or by which any of its assets or property is bound; or
 - (iii) any agreement, contract, or other instrument, arrangement or understanding to which the Purchaser is a party or by which the Purchaser or its assets or property is bound or cause the acceleration of the maturity of any liability of the Purchaser (if the maturation of such liability would affect the Purchase).
- (e) Approvals. No authorization, consent, approval by or of, waiver, release, licence, permit, qualification, registration or order by or of, or filing with, or any requirement to give notice to, any Governmental Authority or any other Person is necessary by virtue of or in connection with the execution, delivery or performance by the Purchaser of its obligations under this Agreement or completion of the transactions contemplated by this Agreement.
- (f) Bankruptcy, Insolvency and Receivership Proceedings. No bankruptcy, insolvency or receivership proceedings have been instituted or threatened or are pending against the Purchaser and the Purchaser has not sought, nor does it intend to seek, relief from creditors under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or other applicable legislation for the relief of debtors.
- (g) Non-Resident. The Purchaser is not now, and will not be on the Closing Date, a non-resident of Canada for the purposes of the Tax Act.
- (h) Purchase Price. The Purchaser will have at the Closing Time sufficient funds to consummate the transaction contemplated by this Agreement, including payment in full of the Purchase Price and all fees, costs and expenses in connection with the transactions contemplated by this Agreement, and to enable the Purchaser to perform all of its obligations under this Agreement.
- (i) Actions. There is no claim, action, proceeding, suit, demand, arbitration, charge, indictment, investigation, examination or review (at law or in equity), the results of which are pending or, to the knowledge of the Purchaser, threatened against the Purchaser or its assets or property by any Person or by or before any Governmental Authority or existing facts or conditions which could reasonably be expected to constitute grounds or a proper basis for any such claim, action, proceeding, suit, demand, arbitration, charge, indictment, investigation examination or review to be commenced, that, either individually or in the aggregate, could prevent the consummation of the transactions contemplated hereby.
- (j) "As Is" Sale. The representations and warranties set forth in Section 5.1 constitute the sole and exclusive representations and warranties of the Vendor in connection with the transactions contemplated by this Agreement, and except for the representations and warranties expressly set forth in Section 5.1, the

Purchaser disclaims reliance on any representations or warranties, either express or implied, by the Vendor, including any representation or warranty, expressed or implied, in any oral, written or electronic response to any information request provided to the Purchaser. The Purchaser has conducted its own independent review and analysis of the business, M2M Development, Pre-Sale Contracts, operations, assets, liabilities, results of operations, financial condition and prospects of the business of the Corporation and the Ontario Aoyuan Entities and acknowledges that the Purchaser has been provided adequate access to personnel, properties, premises and records of the Corporation and the Ontario Aoyuan Entities for such purpose. In entering into this Agreement, the Purchaser has relied upon, among other things, its due diligence investigation and analysis of the Corporation and the Ontario Aoyuan Entities, Pre-Sale Contracts and the Properties. Except as otherwise expressly provided herein, the Purchaser acknowledges and agrees that the Purchased Shares are being acquired "as is, where is" on the Closing Date, and in their condition on the Closing Date. The Purchaser further acknowledges and agrees that the representations and warranties of the Vendor set forth in this Agreement terminate as set forth in Section 5.3 and that following such termination of the representations and warranties, the Purchaser shall have no recourse with respect to any breach of such representations and warranties.

5.3 Survival of Representations, Warranties and Covenants

- (a) No investigation by or on behalf of a Party will mitigate, diminish or affect the representations and warranties made by any other Party.
- (b) All representations and warranties of the Vendor in Section 5.1, and of the Purchaser in Section 5.2, of this Agreement, or in any certificate or other writing furnished in connection herewith, shall survive the Closing and shall expire one (1) year from the Closing Date (such survival period, the "**Representations Survival Period**"). For the avoidance of doubt, the Parties hereby acknowledge and agree that the Representations Survival Period is a contractual statute of limitations and any claim brought by any Party pursuant to this Agreement must be brought or filed prior to the expiration of the Representations Survival Period.
- (c) The covenants of the Parties set forth in this Agreement will survive the Closing and, notwithstanding such Closing, will continue in full force and effect for a period of one (1) year following the Closing, subject to and in accordance with the terms thereof.

ARTICLE 6 COVENANTS

6.1 Confidentiality

- (a) Each of the Vendor and the Purchaser will, prior to the Closing Date, use all reasonable efforts to keep the transactions contemplated herein confidential provided that the parties may disclose such information on a confidential basis to its advisors, employees, lenders, investors and consultants and as may be required by Applicable Law.

- (b) Each of the Vendor and the Purchaser will not make or concur in the making of any publicity announcements or releases relating to the transactions contemplated herein both before and after closing unless it is required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or, both parties, acting reasonably, agree to same.

6.2 Taxes, Tax Returns and Filings

- (a) The Vendor and the Purchaser will cooperate with each other and make available to the other in a timely fashion such data and other information as may reasonably be required for the preparation of any Tax returns of the Corporation, and related financial statements for any period ending on or before the Closing Date.
- (b) The Vendor shall prepare or cause to be prepared all income Tax returns required by Applicable Law in respect of the Corporation for all taxation years or periods that end on or before the Closing Date. Such Tax returns shall be prepared in a manner consistent with past practice of the Corporation or the Vendor, unless otherwise required by Applicable Law.
- (c) The Vendor and the Purchaser will retain, and the Purchaser will cause the Corporation to retain, in a commercially reasonable fashion, all financial, business and Tax books and records for any fiscal period which might reasonably be requested by any Party in connection with any future audit, assessment, reassessment or appeal with respect to Taxes relating to the Corporation and their activities, whether or not such audit, assessment, reassessment or appeal is under way, expected or anticipated, until the expiry of all relevant statutory retention periods for books and records. The Vendor will, upon the reasonable request of the Purchaser, cooperate fully and provide assistance to the Purchaser in responding to any Tax assessment, audit or review in respect of Corporation.

6.3 M2M Project Phase 1 Material Contracts

- (a) The Parties confirm that effective as of the Closing Date, the Purchaser is assuming all M2M Project Phase 1 Material Contracts which has been provided to Purchaser as part of the Due Diligence Materials, and shall perform and observe all obligations thereunder from and after the Closing Date and will indemnify and save harmless the Vendor from any and all Claims relating to any of the obligations of the Vendor that arise in connection with the M2M Project Phase 1 Material Contracts with respect to the period from and after Closing, it being understood that the Purchaser will not indemnify the Vendor with respect to any Claims arising or which have arisen under the M2M Project Phase 1 Material Contracts during or with respect to any period of time prior to Closing.
- (b) The obligations of the Purchaser under this Section 6.3 will survive the Closing Date.

6.4 5799 Yonge

- (a) From January 1, 2024 until the Closing Date, the Vendors shall not permit 5799 Yonge Street Limited Partnership to distribute any Cash to its shareholders

or make payments in respect of any liabilities or obligations in respect of M2M Project Phase 2 and 3.

- (b) Any amounts paid by 5799 Yonge Street Limited Partnership from January 1, 2024 until the Closing Date to settle any of its liabilities or obligations in respect of M2M Project Phase 2 and 3 or any Cash distributed from January 1, 2024 until the Closing Date by 5799 Yonge Street Limited Partnership to its shareholders shall be credited to the Purchase Price at Closing.

6.5 Pre-Sale Contracts

The Parties covenant and agree that notwithstanding the completion of the Closing, the Purchaser will proceed with the sale of the Pre-Sold Units, in accordance with directions to pay to be approved by the Parties, the intent being that all proceeds will be paid towards realtors' commissions, conveyancing fees to the Vendor's Solicitors, goods and services tax, lien holdbacks and other approved items, with the balance of such proceeds to be paid to the Construction Lenders until the Construction Debt is fully paid and satisfied, and following such event, with proceeds to be paid to the Purchaser or as directed by the Purchaser.

6.6 Transitional Services

- (a) Purchaser may elect to retain Fan Yang and/or appoint Weiwei Wang as directors and/or officers of the M2M Nominees and General Partners until December 31, 2025. In the event the Purchaser makes such election, the Purchaser will obtain, at its sole cost and expense, effective as of the Closing Date, a directors and officers liability insurance policy (the "**D&O Policy**") to be approved by Fan Yang and Weiwei Wang, acting reasonably, which policy is to be effective throughout the terms of their employment, and contain a "tail" or "run off" policy in respect of claims arising from facts or events which occurred on or prior to the Closing Date until the date that is one (1) year after the date Fan Yang and/or Weiwei Wang cease to be directors and/or officers of the M2M Nominees and/or the General Partners.
- (b) The Vendor will agree and cause its affiliate Aoyuan Canada Management to agree that on or after the Closing Date, the Purchaser may engage or direct the Limited Partnership to engage and make payments to Fan Yang, Weiwei Wang and/or their respective consulting companies to provide consulting services in connection with the M2M Development, with such services and corresponding compensation rates to be negotiated directly between the parties, and such arrangements to be without recourse to the Vendor and Aoyuan Canada Management.
- (c) This Section 6.6 will survive the Closing Date.

6.7 Limitation on Transactions

From the date this Agreement is executed and delivered by the Parties until the earliest to occur of the Closing Date or the termination of this Agreement in accordance with the terms hereof:

- (a) the Vendor will not dispose of, encumber or grant any rights, options or interests in or with respect to the Purchased Shares;

- (b) the Vendor will cause the Corporation to operate its business as it relates to the M2M Project Phase 1 in the normal and ordinary course of business and not to engage in any extraordinary transactions without the Purchaser's prior written consent including, without limitation:
- (i) issuing or redeeming any Class B Share or TS1 Share;
 - (ii) declaring or paying any dividends in respect of any Class B Shares or TS1 Shares;
 - (iii) amending the constating documents of the Corporation that may materially impact the rights of the Class B Shares or TS1 Shares;
 - (iv) disposing of or encumbering any of its material assets or any interest therein to the extent that it would or would reasonably be expected to have a Material Adverse Affect on the M2M Project Phase 1, other than the disposition or encumbrance of Properties in the ordinary course of business; or
 - (v) initiating or commencing any further material claim, lawsuit or proceeding, or having to enforce against any Pre-Sale Contracts.

6.8 Governmental Approvals

Each party hereto shall, as promptly as possible, use its reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations under this Agreement. Each party shall co-operate fully with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals. The parties hereto shall not wilfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.

ARTICLE 7 INDEMNIFICATION

7.1 Indemnity by the Purchaser

Subject to the provisions of this Article 7 and subject to the survival period set forth in Section 5.3 hereof, the Purchaser and/or such entities related to the Purchaser satisfactory to the Vendor, acting reasonably, hereby agrees to indemnify and save the Vendor and any director, officer or employee thereof, including any directors or officers of the Corporation and the Ontario Aoyuan Entities who cease to be directors and/or officers of such company as of the Closing Date (collectively, the "**Vendor Indemnitees**") harmless from and against any claims, demands, actions, causes of action, damages, losses, deficiencies, costs, liabilities and expenses including legal fees on a solicitor-and-his own client basis in respect of the foregoing which may be made or brought against any of the Vendor Indemnitees or which any of the Vendor Indemnitees may suffer or incur as a result of, in respect of or arising out of:

- (a) any non-performance or non-fulfillment of any covenant or agreement on the part of the Purchaser contained in this Agreement or in any document or certificate given in order to carry out the transactions contemplated in this Agreement;

- (b) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Purchaser contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated in this Agreement; and
- (c) any Claims for brokerage or other commissions relating to this Agreement or the transactions contemplated hereby which is agreed to or caused by actions of the Purchaser, or any Person associated with or affiliated with the Purchaser.

7.2 Indemnity by the Vendor

Subject to the provisions of this Article 7 and subject to the survival period set forth in Section 5.3 hereof, the Vendor hereby agrees to indemnify and save the Purchaser and any director, officer or employee thereof (the “**Purchaser Indemnitees**”) harmless from and against any claims, demands, actions, causes of action, damages, losses, deficiencies, costs, liabilities and expenses including legal fees on a solicitor-and-his own client basis in respect of the foregoing which may be made or brought against any of the Purchaser Indemnitees or which any of the Purchaser Indemnitees may suffer or incur as a result of, in respect of or arising out of:

- (a) any non-performance or non-fulfillment of any covenant or agreement on the part of the Vendor contained in this Agreement or in any document or certificate given in order to carry out the transactions contemplated in this Agreement;
- (b) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Vendor contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated in this Agreement; and
- (c) any Claims for brokerage or other commissions relating to this Agreement or the transactions contemplated hereby which is agreed to or caused by actions of the Vendor, or any Person associated with or affiliated with the Vendor.

7.3 Limitation of Damages

No Party shall be entitled to recover from the other Party for any claims, demands, actions, causes of action, damages, losses, deficiencies, costs, liabilities and expenses arising under this Agreement or in connection with or with respect to the transactions contemplated in this Agreement, in an amount in excess of the Purchase Price. The Purchaser and the Vendor, on behalf of each of the Purchaser Indemnitees and Vendor Indemnitees, respectively, waives any right to recover incidental, indirect, special, exemplary, punitive or consequential damages, including lost revenues or profits, even if such damages are foreseeable or the damaged Party has advised the other Party of the possibility of such damages and regardless of whether any such damages are deemed to result from the failure or inadequacy of any exclusive or other remedy.

7.4 No Double Recovery

Neither the Purchaser Indemnitees nor the Vendor Indemnitees will be entitled to double recovery for any claims for indemnification or otherwise under this Agreement even if such Claims may have resulted from the breach or inaccuracy of or failure to perform or fulfil more than one of the representations, warranties, covenants and agreements of the Indemnifying Person. The amount of losses for which the Purchaser Indemnitees parties are entitled to be

indemnified hereunder shall also be reduced by (i) the amount of any proceeds pursuant to any insurance policy which the Purchaser Indemnitees recover with respect to such losses; (ii) any indemnity, contribution or other similar payment which the Purchaser Indemnitees receive from any third party with respect to such losses, and (iii) an amount equal to any net Tax benefits of the Purchaser Indemnitees attributable to such losses.

7.5 Release

Effective as of the Closing Date, the Purchaser hereby releases and discharges the Vendor Indemnitees from, and hereby waives, any and all Claims, rights and causes of action of any kind or nature whatsoever that the Purchaser may have had or may now have against the Vendor Indemnitees, whether known or unknown and whether arising under contract, tort, statute or otherwise, other than any such Claims, rights and causes of action arising out of (i) this Agreement including the indemnity by the Vendor pursuant to Section 7.2; or (ii) the fraud, wilful misconduct or gross negligence of such persons.

ARTICLE 8 TERMINATION

8.1 Termination

This Agreement may be terminated at any time before the Closing:

- (a) By the mutual written consent of the Vendor and the Purchaser.
- (b) By the Purchaser by written notice to the Vendor if:
 - (i) The Purchaser is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Vendor under this Agreement that would give rise to the failure of any of the conditions specified in Article 4, and such breach, inaccuracy or failure has not been cured by the Vendor within 30 days of the Vendor's receipt of written notice of such breach from the Purchaser;
 - (ii) The condition set forth in Section 4.3(b) has not been waived or fulfilled; or
- (c) By the Vendor by written notice to the Purchaser if:
 - (i) the Vendor is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Purchaser under this Agreement that would give rise to the failure of any of the conditions specified in Article 4, and such breach, inaccuracy or failure has not been cured by the Purchaser within 30 days of Purchaser's receipt of written notice of such breach from the Vendor;
- (d) By the Purchaser or Vendor if:
 - (i) there shall be any law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited; or

- (ii) any Governmental Authority shall have issued a an order restraining or enjoining the transactions contemplated by this Agreement, and such order shall have become final and non-appealable.

8.2 Effect of Termination

In the event of the termination of this Agreement in accordance with this Article 8, this Agreement shall forthwith have no further force or effect and there shall be no liability on the part of any party hereto except:

- (a) As set forth in Sections 2.2(d), 2.2(e) and 2.2(e);
- (b) As set forth in Article 7, this Article 8, Article 9 and the provisions set out herein that expressly survive termination, including but not limited to Section 3.1; and
- (c) That nothing herein shall relieve any party hereto from liability for any wilful breach of any provision hereof.

ARTICLE 9 GENERAL

9.1 Independent Legal Advice

The parties hereto acknowledge that they have entered into this Agreement willingly with full knowledge of the obligations imposed by the terms of this Agreement. The parties to this Agreement by execution hereof, acknowledge that they have been afforded the opportunity to obtain independent legal advice and confirm by the execution hereof that they have either done so or waived their right to do so and agree that this Agreement constitutes a binding legal obligation and they are estopped from raising any claim on the basis that they have not obtained such advice.

9.2 Arbitration

Any matters in dispute in respect of this Agreement will be resolved by a single arbitrator in accordance with the *Arbitration Act* (Ontario), with the decision of such arbitrator to be provided within thirty (30) days after the arbitrator is designated. The costs of any arbitration hereunder will be borne by the Parties in the manner specified by the arbitrator in his or her determination, but otherwise each Party will pay its own costs with respect to the arbitration. The decision of the arbitrator with respect to any matter in dispute (including as to all procedural matters) will be final and binding on the Vendor and the Purchaser and will not be subject to appeal by any Party. A Party desiring arbitration hereunder will give written notice of arbitration to the other Parties containing a description of the matter submitted for arbitration with sufficient detail for the other Party to understand the matter and respond to such matter. Within ten (10) days after a Party gives any such notice of arbitration, the Vendor, on one hand, and the Purchaser, on the other hand, will jointly appoint a single arbitrator. If the Parties fail to appoint an arbitrator within such time, an arbitrator will be designated by a judge of the Ontario Supreme Court upon application by any Party.

9.3 No Assignment

The Purchaser may assign its interest in this Agreement to (i) an Affiliate of the Purchaser; (ii) a limited partnership of which the Purchaser or an Affiliate of the Purchaser controls, individually

or collectively, the general partner, or is a limited partner; or (iii) a limited partnership which has as a general partner that has one or more directors in common with the Purchaser, but any other assignment will require the prior written approval of the Vendor, which may be withheld in the Vendor's sole and absolute discretion. In the case of any assignment of the Purchaser's interest in this Agreement, the Purchaser must first cause the assignee to execute and deliver to the Vendor, a covenant under seal in favour of the Vendor, pursuant to which the assignee agrees to assume and observe and perform all the terms, covenants, conditions, representations, warranties, provisions and obligations (including releases and indemnities) of or applicable to the Purchaser hereunder and provided further that (iv) the Purchaser shall not be released from and shall remain liable for all terms, covenants, conditions, representations, warranties, provisions and obligations (including releases and indemnities) pursuant to this Agreement unless the assignee is not an Affiliate of the Purchaser and (v) any assignee of the Purchaser's interest hereunder will have the benefit of all covenants, representations, warranties and obligations (including releases and indemnities) of the Vendor hereunder, in either case without any further act or agreement being required on the part of the parties and notwithstanding any agreement to the contrary between the Purchaser and any such assignee.

9.4 Canadian Purchaser

- (a) The Purchaser hereby certifies, declares, represents and warrants to the Vendor and the Vendor's Solicitor and their respective directors, officers, partners, shareholders, employees, representatives, affiliates or agents (collectively, the "**Vendor Parties**") that the Purchaser is not a "non-Canadian" within the meaning of the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (Canada) (in this Section 9.4, the "**Act**") and the regulations thereunder, as amended from time to time (collectively, the "**Regulations**").
- (b) The Purchaser will:
 - (i) deliver or make available to the Vendor for examination from time to time and at the Vendor's request such documentation or information as is reasonably required by the Vendor to confirm that the Purchaser is not a "non-Canadian" within the meaning of the *Act* and the regulations thereunder, as amended from time to time; and
 - (ii) at the Vendor's request, which request may be made from time to time, immediately deliver to the Vendor a certificate addressed to, or statutory declaration in favour of, the Vendor Parties pursuant to which the Purchaser certifies or declares, as applicable, that the certification, declaration, representations and warranties set out in Section 9.4(a) are true and correct as of the date of such certificate or declaration.
- (c) The Vendor may in its sole discretion terminate this Agreement if the Vendor has reasonable grounds to suspect that the Purchaser is a "non-Canadian" within the meaning of the *Act* and the Regulations, in which event:
 - (i) notwithstanding Section 2.2, the Deposits and all interest accrued thereon will be forfeited to the Vendor; and
 - (ii) the Purchaser will indemnify and save harmless the Vendor and the Vendor Parties from and against any and all costs, expenses, Claims, damages, fines, penalties or liabilities relating to or resulting from a representation and warranty set out in Section 9.4(a) being untrue or

inaccurate or from any contravention or violation of the *Act* and the Regulations, in respect of the sale of the Property to the Purchaser including, without limitation, any and all costs, expenses, Claims, damages, fines, penalties or liabilities incurred, suffered or payable by the Vendor resulting from any audit, allegation or proceedings against the Purchaser or the Vendor on the basis that the sale of the Property to the Purchaser contravened or violated the *Act* or the Regulations, or in connection with any allegation or finding that the Vendor contravened or violated the *Act* or the Regulations, by selling the Property to the Purchaser. The Purchaser expressly acknowledges and agrees that the Vendor Parties can rely on the benefit of, and seek to enforce against the Purchaser, the provisions of this Section 9.4(c) notwithstanding that the Vendor Parties (other than the Vendor) are not a party to this Contract.

- (d) The representations and warranties of the Purchaser and the Purchaser's indemnification obligations set out in this Section 9.4 will survive the completion of the purchase and sale of the Purchased Shares.

9.5 Amendment

This Agreement may only be amended, supplemented or otherwise modified by written agreement of the Parties at any time and from time to time.

9.6 Binding Effect

This Agreement will be binding upon and will enure to the benefit of and be enforceable by the Parties and their respective successors.

9.7 Waiver

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

9.8 Non-Merger

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties will not merge on and will survive the Closing for the periods specified in Section 5.3. Notwithstanding the Closing or any investigation made by or on behalf of any Party, the covenants, representations and warranties will continue in full force and effect for the periods specified in Section 5.3. Closing will not prejudice any right of one Party against any other Party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

9.9 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

9.10 Responsibility for Expenses

Except as otherwise expressly provided in this Agreement, each Party will pay its own costs and expenses incurred in connection with this Agreement and the completion of the transactions contemplated hereby.

9.11 Time

Time will be of the essence of this Agreement in each and every matter or thing herein provided.

9.12 Address for Notices

Any notice or other communications required or permitted to be given hereunder will be sufficiently given if delivered in person or by prepaid courier service, or if sent by or electronic mail (provided the sender does not receive any notice that such transmission is not delivered or deliverable):

- (a) in the case of the Purchaser, to the following address:

Winnet Capital Ltd.

Suite 202, 1001 Denison Street, Markham, Ontario, L3R 2Z6

Attention: Shiya Li

Email: lishiya1221@gmail.com

- (b) in the case of the Vendor, to the following address:

Aoyuan Property Holdings (Canada) Ltd.

Suite 1000, 5160 Yonge Street

Toronto, Ontario

M2N 6L9

Attention: Wenya Dong

Email: dwya@aoyuan.net

with a copy to:

McCarthy Tétrault LLP

Suite 5300, 66 Wellington Street West

Toronto, Ontario

M5K 1E6

Attention: Tzen-Yi Goh

Email: tgoh@mccarthy.ca

or at such other address as the Party to which such notice or other communication is to be given has last notified the Party giving the same in the manner provided in this section, and if so given the same will be deemed to have been received on the date of such delivery or sending. A notice is deemed to be delivered and received (i) if sent by personal delivery, on the date of delivery if it is a Business Day and the delivery was made prior to 5:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day, (ii) if sent by same-day service courier, on the date of delivery if sent on a Business Day and delivery was made prior to

5:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (iii) if sent by overnight courier, on the next Business Day; or (iv) if transmitted by electronic mail, on the Business Day following the date when the communication becomes accessible to the receiving Party. Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate any notice to a Party.

9.13 Governing Law

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

9.14 Currency

Except as expressly indicated otherwise, all sums of money referred to in this Agreement are expressed and will be payable in Canadian dollars.

9.15 Entire Agreement

This Agreement and the documents referred to herein, supersede all prior agreements, commitments or understandings among the Parties with respect to the subject matters hereof, constitute the entire obligations of the Parties with respect to the subject matter hereof and will supersede any prior expression of intent or understandings with respect to the subject matter hereof and the transactions contemplated hereby. For greater certainty, no Party makes any representation or warranty, express or implied, except as set forth herein.

9.16 Third Party Beneficiaries

The Vendor and the Purchaser intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and other than, in respect of any indemnity granted hereunder, any Person in whose favour such indemnity is specifically granted. No Person, other than the Vendor and the Purchaser, will be entitled to rely on the provisions of this Agreement in any suit, proceeding, hearing or other forum.

9.17 Further Assurances

Subject to the conditions of this Agreement, the Parties will do all acts and things (including executing appropriate documents) reasonably necessary to give full effect to the transactions contemplated in this Agreement and, where appropriate, cooperate with each other in doing those acts and things.

9.18 Payments to Counsel

Any payments required to be made by the Purchaser hereunder may, unless and until directed in writing otherwise by the Vendor, be made to Vendor's Solicitors, as counsel to the Vendor. Any such payment by the Purchaser to such counsel hereunder will be a good and sufficient discharge of any obligation hereunder to pay any such amount to the Vendor.

9.19 Broker's Fees, etc.

- (a) The Vendor will be solely liable for and will pay any and all real estate brokerage commissions payable to the Vendor's agent CBRE with respect to the completion

of the transactions set forth in this Agreement and will indemnify and save the Purchaser harmless in respect thereof.

- (b) The Purchaser represents and warrants to the Vendor that it has not engaged any real estate broker other than CBRE in respect of this transaction.

9.20 Counterparts

This Agreement may be signed in any number of counterparts (by facsimile, portable document format, or otherwise), each of which will be deemed to be original and all of which, when taken together, will be deemed to constitute one and the same instrument. It will not be necessary in making proof of this Agreement to produce more than one counterpart of each Party.

9.21 Execution by Electronic Means

This Agreement may be executed by the parties and transmitted by email or other electronic means and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered an executed original Agreement.

9.22 Joint and Several

If there is more than one Person constituting a Party hereunder, then they shall each be liable jointly and severally for all of such Party's obligations hereunder and a default by one shall be deemed a default by all.

[Signature page follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

By the Purchaser:

WINNET CAPITAL LTD.

By: *Shiya Li*

Name: Shiya Li

Title: Director

By the Vendor:

AOYUAN PROPERTY HOLDINGS (CANADA) LTD.

By:

Name: Wenya Dong

Title: Director

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

By the Purchaser:

WINNET CAPITAL LTD.

By:

Name: Shiya Li

Title: Director

By the Vendor:

AOYUAN PROPERTY HOLDINGS (CANADA) LTD.

By:

Name: Wenya Dong

Title: Director

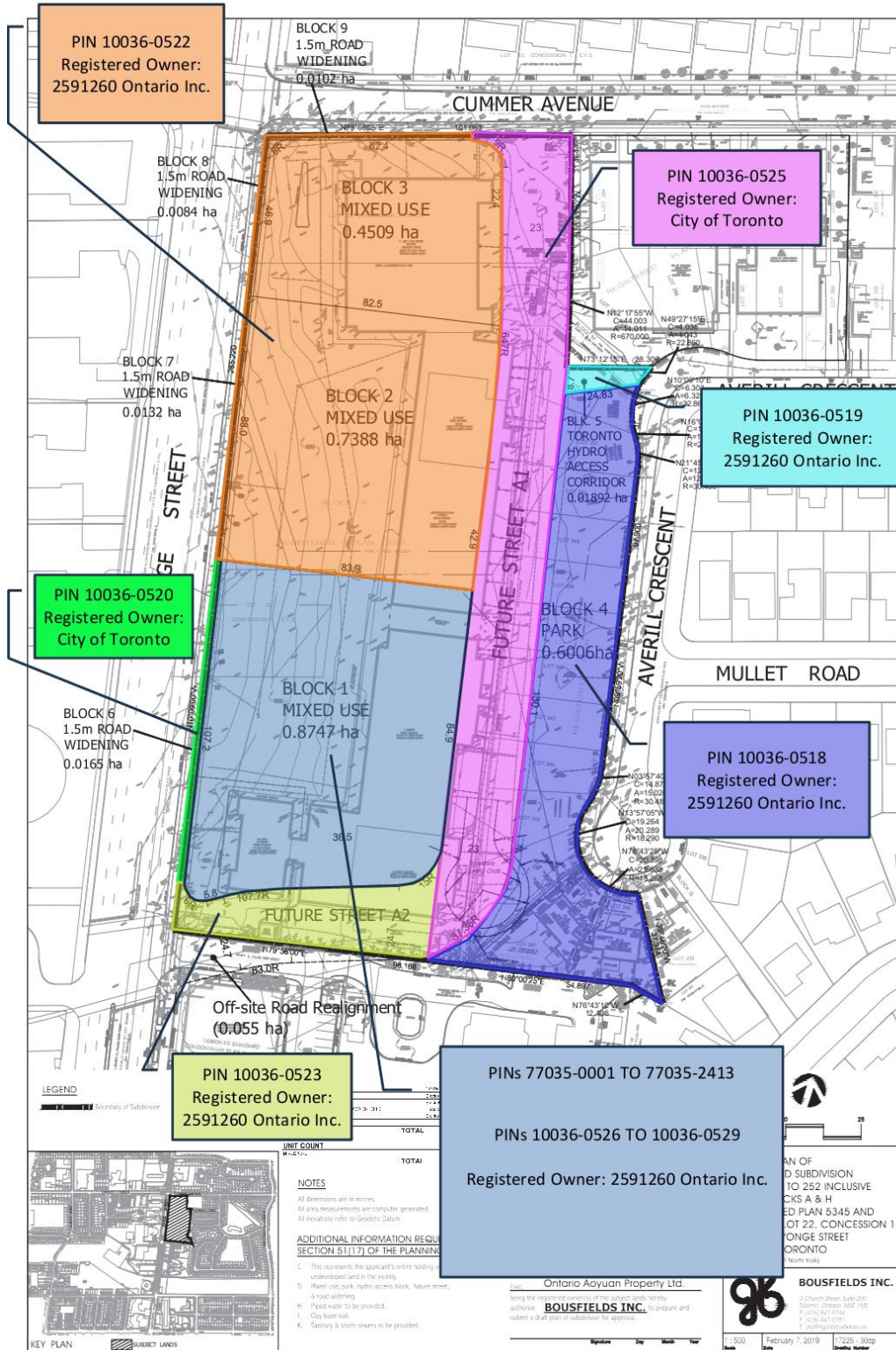
**SCHEDULE A
AUTHORIZED AND ISSUED SHARE CAPITAL**

REGISTERED HOLDER	SHARE CLASS	NUMBER OF ISSUED SHARES
Aoyuan Property Holdings (Canada) Ltd. (Vendor)	Class A Common Shares	30
	Class B Common Shares	70
	Tracking Shares 1	68,000,000
	Tracking Shares 2 and 3	29,142,857

**SCHEDULE B
ONTARIO AOYUAN ENTITIES**

5799 Yonge Street Limited Partnership
5799 Yonge Street Project Ltd.
2591260 Ontario Inc.
M2M Phase 2 LP
M2M Phase 2 Project Ltd.
2738147 Ontario Inc.
5047373 ONTARIO INC.

SCHEDULE C SUBDIVISION PLAN



**SCHEDULE D
SHAREHOLDERS' AGREEMENT KEY TERMS**

**PRINCIPAL TERMS AND CONDITIONS OF THE SHAREHOLDERS AGREEMENT OF
ONTARIO AOYUAN PROPERTY LIMITED**

This term sheet (the "**Term Sheet**") sets forth the principal terms and conditions of the Shareholders Agreement to be entered into by the Purchaser and the Vendor on the Closing Date. All capitalized terms used herein, and not otherwise defined, have the meaning ascribed to such terms in the Share Purchase Agreement.

1.	Parties	<p>A company incorporated under the laws of the Province of Ontario and controlled by Winnet Capital Ltd. (the "Purchaser")</p> <p>Aoyuan Property Holdings (Canada) Ltd. (the "Vendor" and collectively with the Purchaser, the "Shareholders")</p> <p>Ontario Aoyuan Property Limited (the "Corporation")</p>
2.	Share Capital of the Corporation	<p>Immediately prior to Closing, the outstanding share capital of the Corporation will be as follows:</p> <p>30 Class A Common Shares ("Class A Shares")</p> <p>70 Class B Common Shares ("Class B Shares")</p> <p>68,000,000 Phase 1 Tracking Shares ("TS1 Shares")</p> <p>29,142,857 Phase 2 and 3 Tracking Shares ("TS23 Shares")</p> <p>The Class A Shares, Class B Shares, TS1 Shares and TS23 Shares, collectively, the "Shares".</p> <p>The Shareholders Agreement will be drafted in a manner to reflect that the TS23 Shares are intended to represent a 100% economic interest in M2M Project Phase 2 and 3 and that the TS1 Shares are intended to represent a 100% economic interest in M2M Project Phase 1.</p>
3.	Shareholdings	<p>Immediately prior to Closing, the Vendor will solely hold all of the issued and outstanding Shares.</p> <p>Following Closing, the Shares will be held as</p>

		<p>follows:</p> <ul style="list-style-type: none"> i. Purchaser: 70 Class B Shares and 68,000,000 TS1 Shares ii. Vendor: 30 Class A Shares and 29,142,857 TS23 Shares
<p>4. Share Terms</p>		<p>The Shares will each have rights prescribed to them as set out in the articles of the Corporation and the terms of the Shareholders Agreement.</p> <p>Class A Shares:</p> <ul style="list-style-type: none"> i. Rights as set out in the articles of the Corporation which are consistent with the other classes of common shares (including the Class B Shares) provided that each Class A Share is entitled to 3 votes at any meeting of the Shareholders that the holders of Class A Shares are entitled to vote. Class A Shares shall have no voting rights with respect to decisions which relate solely to the M2M Development or any phase thereof (as of the date of the Share Purchase Agreement, such phases being M2M Project Phase 1 and M2M Project Phase 2 and 3). <p>Class B Shares:</p> <ul style="list-style-type: none"> i. Rights as set out in the articles of the Corporation which are consistent with the other classes of common shares (including the Class A Shares) provided that each Class B Share is entitled to 1 vote at any meeting of the Shareholders that the holders of Class B Shares are entitled to vote. Class B Shares shall have no voting rights with respect to decisions which relate solely to the M2M Development or any phase thereof (as of the date of the Share Purchase Agreement, such phases being M2M Project Phase 1 and M2M Project Phase 2 and 3). <p>TS1 Shares:</p> <ul style="list-style-type: none"> i. Voting rights to the extent that such

		<p>decisions relate to M2M Project Phase 1 and no voting rights with respect to decisions that relate solely to M2M Project Phase 2 and 3;</p> <ul style="list-style-type: none"> ii. Participating in distributions to the extent that the distributions are derived from the net cash generated by M2M Project Phase 1; iii. Rights to distributions to the extent that such distributions are paid from net cash (after tax) generated by M2M Project Phase 1; and iv. On liquidation, dissolution, or winding up, rights to the net cash (after tax) generated by, or assets associated to, M2M Project Phase 1. <p>TS23 Shares:</p> <ul style="list-style-type: none"> i. Voting rights to the extent that such decisions relate to M2M Project Phase 2 and 3 and no voting rights with respect to decisions that relate solely to M2M Project Phase 1; ii. Participating in distributions to the extent that the distributions are derived from the net cash generated by M2M Project Phase 2 and 3; iii. Rights to distributions to the extent that such distributions are paid from net cash (after tax) generated by M2M Project Phase 2 and 3; and iv. On liquidation, dissolution, or winding up, rights to the net cash (after tax) generated by, or assets associated to, M2M Project Phase 2 and 3.
<p>5.</p>	<p>Covenants</p>	<p>Each of the holders of the TS1 Shares and TS23 Shares shall be obligated to perform certain covenants:</p> <p>Holders of Class B Shares and TS1 Shares:</p> <ul style="list-style-type: none"> i. The holder of the Class B Shares and TS1 Shares shall be responsible for all obligations and liabilities of M2M Project Phase 1, including the M2M Project

		<p>Phase 1 construction loan between the Corporation and Royal Bank of Canada (formerly HSBC Bank Canada) in the amount of \$329,414,563 (the “Construction Loan”) and shall reimburse or offset amounts payable by the Corporation in respect of such obligations and liabilities.</p> <p>Holders of Class A Shares and TS23 Shares:</p> <p>i. The holder of the Class A Shares and TS23 Shares shall be responsible for all obligations and liabilities of M2M Project Phase 2 and 3, including the land loan between the Corporation and Royal Bank of Canada (formerly HSBC Bank Canada) in the amount of \$50,000,000 (the “Land Loan”).</p> <p>Each holder of Shares will vote their shares in a manner to ensure that: (i) all cash of 5799 Yonge will be held by 5799 Yonge for the benefit of the holder of the Class B Shares and Class TS1 Shares and any decisions with respect to the use or distribution of such cash shall be solely made by the holder of the Class B Shares and Class TS1 Shares; and (ii) all cash of the Corporation and its subsidiaries as at Closing other than the cash of 5799 Yonge will be held by the Corporation and its subsidiaries for the benefit of the holder of the Class A Shares and Class TS23 Shares and any decisions with respect to the use or distribution of such cash shall be solely made by the holder of the Class A Shares and Class TS23 Shares.</p>
6.	Roll Out Option	<p>i. Any time after the Construction Loan is fully repaid to the applicable lenders, and the lenders’ charge on M2M Project Phase 1 land is discharged, the Vendor will have the option to sell all of M2M Development (other than M2M Project Phase 1 land and properties) (the “Relevant Assets”), to an entity designated by the Vendor for an aggregate purchase price of \$1.00 (the “Roll Out Option”).</p> <p>ii. In the event that the Vendor elects to exercise the Roll Out Option, (a) the</p>

		Vendor shall sell and the Purchaser shall purchase all of the Class A Shares and TS23 Shares for an aggregate purchase price of \$30.00; (b) to the extent that the Relevant Assets are not already held by 2738147 Ontario Inc., the Vendor and the Purchaser shall direct 2738147 Ontario Inc. or an entity designated by the Vendor to purchase the Relevant Assets for a purchase price of \$1; and (c) the Vendor and the Purchaser shall direct the Corporation to sell 2738147 Ontario Inc. to an entity designated by the Vendor for a purchase price of \$1.00.
7.	Land Loan Repayment	In the event that the lenders of the Construction Loan and/or lenders of the Land Loan are entitled to demand 5799 Yonge to repay the Land Loan, and the Vendor fails to repay the Land Loan within 15 Business Days after the lender's demand date, either the Purchaser or the Vendor shall have the right to engage a real estate broker to market and sell M2M Project Phase 2 and 3 land through a competitive bidding process with the proceeds of such sale to be used to repay the Land Loan and any remaining amounts in excess of the Land Loan amount to be paid to the Vendor and further provided that the Purchaser shall have a right of first negotiation for purchasing the M2M Project Phase 2 and 3 land.
8.	Letter of Credit	The Vendor shall be responsible for paying the letter of credit provided to the City of Toronto for M2M Project Phase 2 and 3 (the " Letter of Credit "). After the full repayment of the Construction Loan (not including the Letter of Credit), the Vendor shall replace the existing letter of credit for M2M Project Phase 2 and 3 provided by 5799 Yong Street Limited Partnership with a new letter of credit funded by the Vendor.
9.	Board of Directors	<ul style="list-style-type: none"> i. So long as the Purchaser and Vendor hold Shares, each shall have the right to nominate directors to the board of the Corporation (the "Board"). ii. The Board shall be initially composed of

		<p>three directors, of which two shall be designated by the Vendor and one by the Purchaser.</p> <p>iii. The quorum at meetings of directors shall be a majority of directors which shall include one of the directors designated by the Purchaser and one of the directors designated by the Vendor.</p> <p>iv. The Board may create committees at its discretion.</p> <p>v. The directors may only vote and act in accordance with the underlying principle that all decision-making with respect to M2M Project Phase 1 shall be the right of the holders of the TS1 Shares and all decision-making with respect to M2M Project Phase 2 and 3 shall be the right of the holders of the TS23 Shares.</p>
10.	Quorum and Voting	<p>i. Quorum for Board meetings will require at least one of the Vendor appointed directors (present in person or via teleconference) and one of the Purchaser appointed directors (present in person or via teleconference), subject to customary provisions in relation to postponed Board meetings.</p> <p>ii. Subject to the approval of the “Special Majority” decisions (as defined below), all decisions of the Board will be taken by simple majority of the directors eligible to vote.</p> <p>iii. The Shareholders Agreement will contain customary procedural provisions related to meetings of directors and Shareholders of the Corporation.</p>
11.	Officers	<p>As of the date hereof, each of Zhibin Chen, Shiya Li, Weiwei Wang, and Fan Yang are appointed officers of the Corporations as follows:</p> <p>Zhibin Chen – Co-President</p> <p>Shiya Li – Co-President</p>

		<p>Weiwei Wang – Vice President</p> <p>Fan Yang – Vice President and Secretary</p>
12.	Special Majority	<p>Except as set out below, none of the following actions may be taken by the Corporation or approved by the board of directors, unless it has first been consented to in writing by Shareholders holding at least 75% of the common shares of the Corporation:</p> <ul style="list-style-type: none"> (a) a sale of the Corporation, whether by merger, amalgamation, consolidation, sale of all or substantially all of the consolidated assets of the Corporation and its subsidiaries, sale of all or substantially all of the securities of the Corporation, or otherwise, except as otherwise provided by the Shareholders Agreement; (b) changes in the fixed number of directors of the Corporation; (c) transactions with any equityholder in contravention of this Term Sheet (other than: (i) ordinary course transactions with Corporation employees; (ii) transactions with a portfolio company of any equityholder or other affiliate on an arms' length basis; or (iii) payment of transaction fees and monitoring fees pursuant to written agreements effective upon closing of the Share Purchase Agreement); (d) the making of or change in any tax election of the Corporation or any of its subsidiaries, or other actions, in each case, that would create an adverse tax consequence for any Shareholder; (e) the making of or change in the accounting standards or the accounting methods, principles, or practices of the Corporation or any of its subsidiaries that would adversely affect any Shareholder, other than such changes as required by law; (f) the continuance of the Corporation out of its current jurisdiction; (g) any alteration, change or waiver of the rights, preferences or privileges attaching to

		<p>any shares of the Corporation, or any increase or decrease to the authorized number of any class of shares;</p> <p>(h) the amendment or waiver of any provision of, or addition of any provision to, the Corporation's article of incorporation or by-laws;</p> <p>(i) the issuance or undertaking to issue any Shares other than in accordance with this Term Sheet;</p> <p>(j) declare any dividends, pay any dividends or distribute assets to shareholders other than in compliance with the dividend policy and the rights of the Shares;</p> <p>(k) the hiring or termination, or any change to the remuneration of, the chief executive officer and senior management of the Corporation;</p> <p>(l) make a fundamental change to the nature of the business of the Corporation;</p> <p>(m) make any change in the compensation payable to any key employee of the Corporation, and hire or terminate the employment of any key employee of the Company;</p> <p>(n) set or amend the annual budget of the Corporation as a whole;</p> <p>(o) change the Corporation's fiscal year end;</p> <p>(p) any liquidation, dissolution or winding-up of the Corporation, other than in connection with a sale of the Corporation to a third party or in accordance with this Term Sheet; or</p> <p>(q) any declaration of bankruptcy or insolvency of the Corporation.</p>
13.	Dividend Policy	Dividends shall be distributed in accordance with the dividend policy in place for the Corporation from time to time and in accordance with the terms of the share terms of the Shares as set out in the section "Share Terms" of this Term Sheet.

14.	Right of First Offer for Vendor	The Vendor will have a right of first offer over a sale of Class B Shares and/or TS1 Shares by any holder to a third party.
15.	Pre-Emptive Rights	Any proposed issuance of securities by the Corporation will be subject to a pre-emptive right entitling Shareholders to purchase that portion of the offered securities as will enable them to maintain their <i>pro rata</i> ownership of the Corporation. Shareholders will also have the right to purchase any offered securities that other existing Shareholders do not wish to purchase.
16.	Financial Reporting	The Corporation will provide the requirements for financial reporting provided under the <i>Business Corporations Act (Ontario)</i> .
17.	Confidentiality	All Shareholders shall keep confidential all information of the Corporation and its subsidiaries. The Shareholders agree that the Purchaser's directors may share all confidential information with the Purchaser's affiliates and the Purchaser's affiliates may use such information for their business purposes only.
18.	Applicable Laws	The Shareholders Agreement shall be governed by the laws of the Province of Ontario.

E-1
SCHEDULE E
TRUST DECLARATIONS

NOMINEE AGREEMENT

THIS AGREEMENT made as of the 13 day of September, 2017

B E T W E E N:

5799 YONGE STREET LIMITED PARTNERSHIP

(the "**Beneficial Owner**")

OF THE FIRST PART

- and -

2591260 ONTARIO INC.

(the "**Nominee**")

OF THE SECOND PART

WHEREAS the Beneficial Owner has directed that the Nominee hold registered title of the property municipally known as 5799- 5915 Yonge Street and 46 & 47 Averill Crescent, Toronto, Ontario and legally described as set forth in Schedule "B" attached hereto and further defined in Schedule "A" attached hereto;

AND WHEREAS the Nominee and the Beneficial Owner wish to enter into this Agreement to provide for registered title to the Property to be held by the Nominee, as nominee for the use, benefit and advantage of the Beneficial Owner;

NOW THEREFORE WITNESSETH that in consideration of the mutual covenants, conditions and agreements contained herein (the receipt and sufficiency of which are hereby acknowledged by the parties), the parties hereto have agreed as follows:

1. The Nominee acknowledges that it will hold bare legal title to the Property as nominee and agent for and on behalf of the Beneficial Owner. The Nominee further acknowledges that it will otherwise have no legal or beneficial interest in the Property and that all other attributes of the beneficial ownership of the Property shall be and remain in the Beneficial Owner.
2. The Nominee agrees to hold the Property for and on behalf of the Beneficial Owner, to deal therewith only as specifically directed by the Beneficial Owner, and agrees that it will do no act relating to the Property without the express authorization and direction of the Beneficial Owner. Without limiting the foregoing, the Nominee acknowledges and agrees that without the express authorization and direction of the Beneficial Owner:
 - (a) it will not record the Property as an asset on its books and records; and
 - (b) this Agreement is not to be registered or mentioned on title to the Property or any other office of public record.
3. The Nominee shall execute and deliver all such documents and instruments relating to the Property as shall be required from time to time by the Beneficial Owner, including, without

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limitation, deeds, mortgages, charges, assignments of beneficial interests, acknowledgements, leases, subleases, assignments and surrenders of leases or rents, management contracts, licences and personal property security agreements.

4. The Nominee acknowledges and agrees that all rents, profits, emoluments and other receipts of any nature or kind arising from the Property or the use thereof shall belong legally and beneficially to the Beneficial Owner so long as the Beneficial Owner retains its interest in the Property and that the Nominee has no legal or beneficial interest in such rents, profits, emoluments and other receipts. The Nominee shall promptly remit to the Beneficial Owner (or as the Beneficial Owner may otherwise direct) all rents, profits, emoluments and other receipts from the Property which may be received by the Nominee as nominal party to any instrument or agreement, or otherwise. The Nominee shall incur no liability to any party for making such remittance as directed in any notice from any such mortgagee or other secured creditor or, in the absence of such notice, pursuant to a standing or any special authorization or direction from the Beneficial Owner. The Nominee shall, at the request and expense of the Beneficial Owner, account to the Beneficial Owner for all sums received with respect to the Property.
5. The Nominee shall promptly deliver to the Beneficial Owner all deeds, mortgages, charges, assignments, assignments of interests, acknowledgements, leases, subleases, assignments and surrenders of leases or rents, owner or management contracts, licences, security agreements and other instruments with respect to the Property, together with all recording information relative thereto, to the extent that the Nominee may come into possession of any thereof.
6. The Nominee shall promptly transmit to the Beneficial Owner (with a copy to the manager of the Property) copies of all notices, claims, demands or other communications which the Nominee may receive and which relate in any way to the Property. The Nominee shall, upon obtaining knowledge of the default by any party to or beneficiary of any instrument relating to the Property, promptly notify the Beneficial Owner thereof. The Nominee, upon the request of the Beneficial Owner, shall be a nominal party to any action in response to or as a consequence of any such matter. Any such action, proceeding, negotiation or other response for or by the manager on their behalf, shall be conducted by the Beneficial Owner, with counsel selected by the Beneficial Owner, and the Nominee shall not, nor shall it be obligated to, take any such action itself, its only obligation being that of a nominal party thereto on the condition stated herein.
7. The Beneficial Owner acknowledges and agrees that, so long as it shall retain its interest in the Property, it shall be responsible for all expenses, losses or liabilities in any way connected with or related to the Property, that the Nominee has no active duties to perform in connection with the Property, and that all obligations, responsibilities, acts or omissions pertaining to the Property shall be performed by the Beneficial Owner or its agent.
8. The Beneficial Owner hereby releases the Nominee from any and all liability that the Nominee may incur in respect of any action taken by the Nominee either pursuant to the authorization or direction of the Beneficial Owner or pursuant to the terms of this Agreement. The Beneficial Owner shall indemnify and hold the Nominee harmless from all costs, expenses, losses, damages, claims, demands and liabilities of whatsoever kind and character that may arise out of its being the registered owner of the Property and any responsibilities, acts or omissions taken by the Nominee pursuant to the terms of this Agreement.
9. It is understood and agreed between the parties hereto that the relationship between the Beneficial Owner and the Nominee shall be that of principal and bare nominee only, that there is no intention to create a relationship of partnership between the Beneficial Owner and the Nominee,


and that this Agreement should not be construed to create any trust, association or joint venture between the Beneficial Owner and the Nominee.

10. The parties hereto agree that any direction, notice, authorization and demand to be made by the Beneficial Owner on, to or in favour of the Nominee shall only be effective if executed or delivered on behalf of the Beneficial Owner.
11. The Nominee, by executing this Agreement, agrees to be bound by the terms of this Agreement and agrees to act in accordance therewith.
12. This Agreement shall be binding upon and enure to the benefit of the Beneficial Owner, and the Nominee and their permitted respective successors and assigns.


[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this agreement by the hands of their proper signing officers authorized in that behalf.

5799 YONGE STREET PROJECT LTD. in its capacity as general partner for and on behalf of **5799 YONGE STREET LIMITED PARTNERSHIP**

Per: 
Name:
Title:

2591260 ONTARIO INC.

Per: 
Name:
Title:

SCHEDULE "A"
PROPERTY

"Property" means (i) the Lands; (ii) the Buildings; (iii) the Leases (iv) the Fixtures; (v) the Plans; (vi) the Contracts and Warranties; (vii) all machinery, equipment, parts, tools, supplies, furniture, furnishings and accessories necessary or used in connection with the operation of the Lands and the Buildings; (viii) all trucks, cars and other vehicles necessary or used in connection with the operation and maintenance of the Lands and the Buildings; (ix) all accounts receivable, notes receivable and other debts due or accruing due relating to the Lands and the Buildings and the full benefit of all security therefor; (x) all inventories of finished goods, work in progress, raw materials and other materials and supplies used in connection with the operation of the Lands and the Buildings; (xi) all prepaid expenses relating to the Lands and the Buildings; (xii) all registered and unregistered trademarks, trade names, brand names, service marks, designs, patents, patent applications, patent rights (including all patents pending on such applications or rights), copyrights, franchises, formulae, inventions, licenses, sublicenses, processes, technology and other industrial or intellectual property relating to the Lands and the Buildings; (xiii) the full benefit of all unfilled orders and all contracts, agreements, engagements, leases, licenses, franchises and permits and the full benefit of all forward commitments for supplies and materials relating to the Lands and the Buildings; (xiv) all books, records and documents or copies thereof (including computer programs, if any, relating to the Lands and the Buildings), including all property, records, records relating to employees or records of inventory and sales and all lists of customers and supplies; (xv) all bank accounts, deposits and cash on hand held by or on behalf of the Beneficial Owner with respect to the Property; and (xvi) all sundry and other assets located on the Lands or in the Buildings or related to their operation and maintenance;

"Lands" means the lands and premises described in Schedule "B" attached hereto and any lands adjacent thereto that the Nominee will become registered owner of, or ground lease tenant of, from time to time as nominee for the Beneficial Owner;

"Buildings" means all buildings and other improvements located on the Land from time to time, including without limitation, all appurtenant parking facilities;

"Fixtures" means all fixtures attached to the Lands or the Buildings from time to time including, without limitation, plumbing systems, heating systems, air conditioning systems and all other systems serving or relating to the operation of the Lands and/or the Buildings;

"Plans" means all surveys, site plans, as built architectural, mechanical, electrical and structural plans, specifications and drawings for the Buildings, the Lands and the Fixtures to which the Beneficial Owner is entitled;

"Contracts and Warranties" means all agreements, studies, test reports, consultant reports, warranties, and guarantees relating to the Lands, the Buildings and the Fixtures to which the Beneficial Owner is entitled;

"Leases" means collectively the offers to lease, leases, subleases, occupancy agreements, any other lease arrangements and any amendments thereto, in respect of the Lands and Buildings.

SCHEDULE "B"
LEGAL DESCRIPTION

5799-5915 Yonge Street and 46 & 47 Averill Crescent, Toronto

Firstly:

PIN 10036-0491(LT)

LOTS 242 TO 252 INCLUSIVE AND ALL OF BLOCK A, PLAN 5345; PART OF LOT 22, CONCESSION 1, EAST OF YONGE STREET, CITY OF TORONTO(FORMERLY CITY OF NORTH YORK), DESIGNATED AS PARTS 1, 2, AND 3 ON PLAN 66R-23325. S/T AN EASEMENT OVER BLOCK A PLAN 5345, DESIGNATED AS PT 2 ON PLAN 66R-23325 AS IN NY273209 AND TR007135 (NOTICE OF CLAIM). STREET LIMIT OF CUMMER AVENUE IS CONFIRMED BY PLAN BA195 AS IN NY585670 ON PL 8865

Secondly:

PIN 10036-0492(LT)

ALL OF BLOCK H, PLAN 5345, CITY OF TORONTO (FORMERLY CITY OF NORTH YORK) DESIGNATED AS PART 4 ON REFERENCE PLAN 66R-23325. S/T AN EASEMENT IN FAVOUR OF THE CITY OF TORONTO AS IN AT564070. S/T AN EASEMENT IN PERPETUITY AS IN AT563911.

Thirdly:

PIN 10036-0493(LT)

LT 240 PL 5345 NORTH YORK DESIGNATED AS PT 1 PL 66R23842; CITY OF TORONTO

Fourthly:

PIN 10036-0494(LT)

LT 241 PL 5345 NORTH YORK DESIGNATED AS PT 2 PL 66R23842; CITY OF TORONTO