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January 21, 2015

Via Email

Cynthia Holmes & Darryl Ross
441 Holland Ave.
Ottawa, ON

Dear Ms. Holmes & Mr. Ross:

Re: Sale of 441 Holland Ave., Ottawa, ON (the "Property")

Thank you for asking our firm to act on your behalf with respect to the above transaction. We are pleased to do so on the basis set out below. This letter of engagement confirms the terms and conditions of your engagement of our firm for this transaction and provides detailed information to guide you through the closing process.

Your file will be handled by the undersigned and my real estate clerks Janice Wallace and Jennifer Cameron. My colleagues Matthew Landry and Michael D'Aloisio also work closely with me on transactions of this nature. Please do not hesitate to contact any of us with any questions you may have during the transaction.

If you or your real estate agent have not already done so, please provide us with a copy of the agreement of purchase and sale for the Property as soon as possible, together with a copy of the Seller Property Information Sheet. In event you have not already signed the agreement of purchase and sale prior to our firm's engagement we are pleased to review and comment on draft agreements. For some of the reasons outlined below, it is valuable to have the draft agreement reviewed prior to your signature if possible.

PRELIMINARY INFORMATION

Information Sheet

To assist us in completing the above transaction, we would ask that you complete and return the preliminary information sheet attached as Schedule "A" to this letter of engagement. If you have any questions with respect to the required information, please contact Janice Wallace or Jennifer Cameron and they will be pleased to help you.

Please note we will require the full name, residency and spousal status of each person who is holding title to the Property as soon as possible. If any of the owners is a non-resident of Canada we will need to know this information immediately as clearance certificates from the Canada Revenue Agency will be required and, if not available on closing, a portion of the closing proceeds will be required to be held back.

If the Property is a matrimonial home, the spouse of the registered owner will need to consent to the transaction even if his or her name is not registered on title.

Photo Identification

In order to fulfill our professional responsibility requirements please bring two (2) pieces of photo identification (driver's license, passport, etc.) with you to your closing appointment so that we may retain a copy of them for our records. An Ontario health card is not an acceptable form of identification for this purpose.

FINANCIAL INFORMATION

Legal Fees

We confirm that our estimated legal fees for this transaction are as set out in Schedule "B" to this letter of engagement. The legal fees are based on the understanding that there will be one mortgage discharge required to complete the transaction.

The legal fees have also been quoted to you on the understanding that we will not encounter unusual difficulties in the completion of the transaction or extensions of the closing date. In the event that unexpected difficulties or extensions arise as a result of matters beyond our control, we reserve the right to increase our fees to reflect any additional time expended by the undersigned, our clerk and other staff in the completion of the transaction.

Please note that HST is in addition to the legal fees quoted.

Disbursements

In addition to the above fees, you will be billed for disbursements paid by us on your behalf in the course of completing the transaction. In most cases, the disbursements will be as set forth in Schedule "B" to this letter of engagement. If we incur additional disbursements after closing, we will submit a supplementary account to you after closing.

Closing Adjustments

In addition to the legal fees and disbursements, there will be closing adjustments with the purchaser. These adjustments can include, for example, annual property taxes, condominium

fees, fuel oil and rent. Our office will prepare a draft statement of adjustments prior to the Closing Day for your review, which will be provided to the purchaser.

Used residential properties occupied by your or your tenant(s) are generally exempt from HST, however it may be applicable in certain circumstances. We will discuss this with you prior to closing to ensure your usage of the Property does not disqualify it from the benefit of the exemption.

THE PROPERTY AND COMPLETING THE TRANSACTION

Mortgage(s)

Unless the agreement of purchase and sale provides otherwise, you are obligated to pay out and register a discharge of all mortgages or other encumbrances registered against the Property that are not being assumed by the purchaser. For institutional mortgages, this is usually done with the closing proceeds. If you have a private mortgage, we will need to have a signed discharge available on closing so it is especially important to provide us with the details of private mortgages as early in the process as possible.

Please provide us with the particulars of the mortgage lender(s) with mortgages on the Property (if any) as soon as possible, together with your most recent statement. We will contact each mortgage lender to obtain statements showing the amount required to discharge their mortgage. Please note that most lenders charge administrative fees to discharge their mortgages and there may also be substantial pre-payment penalties if you are discharging your mortgage prior to the maturity date.

It is worthwhile for you to also contact your mortgage lender to confirm the amount of any fees and penalties for your budgeting purposes. In the event that you make any special arrangements with your lender to waive or reduce any prepayment penalty or administrative fees, please advise so that we can ensure this is reflected in the discharge statement.

We will review the mortgage discharge statement with you before closing.

If you have arranged or will be arranging bridge financing to fund a purchase, which is required to be paid from the closing proceeds, please let us know as soon as possible.

Property Taxes & Utilities

Please ensure that all property taxes due prior to the Closing Day are paid in full. We will require copies of the property tax bills for the year together with proof of payment as soon as possible. Property taxes for the year will be adjusted with the purchaser on the Closing Day and any arrears will be required to be paid directly from the closing proceeds. Please contact the tax department to have any direct debits cancelled prior to the Closing Day.

We confirm that we are not retained to advise you with respect to any tax consequences associated with the sale of the subject property. We recommend seeking such advice from a tax professional.

Community Association/Common Element Fees

Although the Property is not a condominium, it is possible that it may still be subject to certain community association or common element fees. Please advise us immediately if you are aware of any and ensure that any fees due prior to the Closing Day have been paid in full. These fees will be adjusted with the purchaser on closing (and arrears will have to be paid from the closing proceeds).

Rental Properties and Multi-Unit Buildings

If the Property is a rental property please advise us immediately as this will impact the required work on the sale. If the purchaser is assuming the tenancies, we will prepare the necessary assignments and directions to tenants. We will also need the details of the monthly rent and any prepaid amounts or deposits as these will be adjusted with the purchaser on closing. If the tenancies are not being assumed, it is very important to ensure that they are terminated in compliance with applicable legislation and we would be pleased to assist you with any terminations.

Fuel Oil

If the Property is heated with fuel oil please advise us immediately as appropriate adjustments will need to be made on the Closing Day. You should have the tank filled just prior to the Closing Day, pay for it and provide our office with the receipt. You will be credited with the cost of a full tank of oil at closing.

Utilities

We will provide notifications to the municipality with respect to your property taxes and water/sewer services at closing. It is your responsibility to contact your hydro and gas provider as well as any other utilities and/or companies from whom you rent items such as water heaters, furnaces, etc. to advise them of the change of ownership of the property and to set up your new account details (direct debits, plan particulars, etc.).

It has come to our attention that Enbridge and Hydro Ottawa have recently asserted they will not accept notification of the transaction we send via facsimile. They are attempting to require that we use an online form. Unfortunately we cannot use the said online form as Enbridge and Hydro Ottawa require information in the form which, due to privacy legislation, we are unable to disclose. We will continue to provide the requisite notice via facsimile but highly recommend you contact Enbridge and Hydro Ottawa directly to ensure they have notification of the transaction.

It is your responsibility to contact telephone, cable, satellite, surveillance, water softener and internet service companies to cancel your service and accounts prior to closing as we do not deal with these services in completing the transaction.

Please ensure all utility accounts which are due on or before the Closing day are paid in full.

Rental Equipment and Liens for Deferred Payment Plans

If you have any rental equipment or have entered into deferred payment obligations for items such as furnaces, windows or other improvements please let us know. Often, vendors are not aware that the rental and/or financing companies have registered liens against the Property and we will conduct a search. In some cases, these items may be assumed by the purchaser but specific written arrangements need to be made.

Survey

Please provide us with copy of any survey of the Property as soon as possible, as well as any knowledge you have of changes to the Property not shown on the survey.

Chattels and Fixtures

The removal of items from the Property is often a source of contention on the Closing Day. Unless otherwise agreed in the agreement of purchase and sale, fixtures must remain with the property and chattels are to be removed. Generally, a fixture is something permanently attached to the land or buildings while a chattel is not. Common examples of fixtures are chandeliers, curtain rods, built in appliances and carpeting. Common examples of chattels are appliance (not built in), rugs, and curtains. If you are uncertain as to whether an item can or should be removed, please contact us.

Property Insurance

Please cancel your property insurance on the Property, but only after the transaction has been completed in case there are any delays in closing.

THE CLOSING DAY

Vacant Possession

The purchaser is entitled to require that the premises be vacant at the time of the closing. Please ensure that you allow yourself sufficient time to have all items removed from the Property prior to the Closing Day. If removing some items on the Closing Day is unavoidable, please try to have this completed as early in the day as possible to ensure there are no delays in closing.

Closing Meeting

As we approach the Closing Day, we will be in touch to schedule an appointment for you to sign your closing documents. This appointment will ideally take place prior to the Closing Day in order to ensure there are no delays of closing.

Please ensure that you bring the keys to the Property, and any alarm codes, to your appointment so that we can deliver those to the purchaser's lawyer. Extra copies may be left inside the home.

If you would like us to make a direct deposit of your closing proceeds into your bank account, please bring a void cheque to the appointment.

Closing Proceeds

While we do our best to get your closing proceeds to you as early as possible on closing day, we cannot under any circumstances guarantee them before 5:00 p.m. when the registry office closes. In some cases, if closing takes place late in the day, we may not be able to complete the necessary banking until the following morning. Please keep this in mind when you are making your personal financial arrangements to avoid unnecessary inconvenience.

We recommend against closing your sale and purchase on the same day unless you have also made arrangements for bridge financing or do not require the sale proceeds to close your purchase. With same day closings, there is always a risk that your sale may not close in time to allow for funding your purchase before 5:00 p.m., particularly if your purchaser is also waiting for a sale to close before completing the purchase.

We will directly payout the amounts required to discharge any mortgages on title and bridge financing. If there is a real estate agent involved we will, pursuant to the terms of the agreement of purchase and sale, also directly pay the balance of the real estate commission owed in accordance with the statement provided by your real estate agent. We will contact you as soon as the balance of the closing proceeds (if any), after payment of legal fees and disbursements, are available for release and they may be picked up at our office after that time (unless you have opted for us to make a direct deposit).

As a term of our engagement you authorize us to receive in our trust account on your behalf any monies to which you may become entitled and it is agreed and understood that such monies (if any) may be applied to your legal account for fees and disbursements.

Contact Information on Closing Day


Please ensure that you leave us with contact information for Closing Day as it may be necessary to reach you. It is important that you be available by telephone throughout the Closing Day in case we need to speak to you for any reason.

After closing, we may occasionally contact you by email, mail or other means in order to provide you with general legal information or updates that may be of interest or use to you. By engaging our firm you consent to this contact, but should you wish to opt out of this communication at any time simply contact the undersigned and we will immediately remove you from our distribution list.

Thank you for retaining us to act on your behalf with respect to this transaction. If you have any questions or concerns in the meantime, please do not hesitate to contact us.

Yours truly,

KELLY SANTINI LLP



Michael J. Abrams
MJA/mja

SCHEDULE "A"

PRELIMINARY INFORMATION SHEET

Name: _____

Property Address: _____

Your Contact Information:

Mailing Address (pre closing):

Telephone(s):

Email(s):

Please note that much of our communication relating to the transaction will generally be done by email. If you prefer not to receive transaction related email at a work or other email address, please ensure that you provide an email address that we can use to communicate with you.

Mailing Address (post closing):

Other Professional Advisors and Contact Information (email/telephone):

Real Estate Agent: Name: _____

Email: _____

Telephone: _____

Mortgage Lender: Name: _____

Email: _____

Telephone: _____

Title to Property

Full Names, Residency and Spousal Status of Persons Holding Title:

<u>Name</u>	<u>Residency</u>	<u>Spousal Status</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Other

Are there one or more mortgages on the Property?

YES (detail below)

NO

Will there be bridge financing to be paid out from the closing proceeds?

YES (detail below)

NO

SCHEDULE "B"
ESTIMATED LEGAL FEES AND DISBURSEMENTS

Legal Fees*: \$795.00

Disbursements**:

Subsearch of Title	\$40.00
Execution Certificates	\$33.00-\$55.00
Registration of Discharge (each)	\$70.00
Tax Certificate (if applicable)	\$50.00
Office Expenses (fax, copies, courier, etc.)	\$40.00-\$100.00
Law Society Levy	\$64.00

* H.S.T. is in addition to the fees quoted.

** The disbursements quoted are estimates only and may vary depending on the municipality. H.S.T., where applicable, is in addition to the disbursements quoted.