

Warranty Information for New Freehold Homes

This information sheet provides a basic overview of the warranties and protections that come with your new home. This warranty is provided to you by your builder and backed by Tarion. For more detailed information visit [tarion.com](http://www.tarion.com) and log into our online learning hub at www.tarion.com/learninghub

The Pre-Delivery Inspection (PDI)

Before you take possession of your new home, your builder is required to conduct a pre-delivery inspection (PDI) with you or someone you designate to act on your behalf. If you wish, you may be accompanied by someone who can provide expert assistance. The PDI is important because it is an opportunity to learn about how to operate and maintain parts of your home, such as the ventilation, plumbing, and heating systems. It is also important because it gives you an opportunity to note items in your home that are damaged, missing, incomplete, or not working properly before you take possession of your home. This record is also significant as it may help show what items may have been damaged before you moved in and helps resolve any disputes relating to whether or not an item of damage was caused by the use of the home.

The PDI is only one piece of evidence relating to damaged or incomplete items, and you should note and document (e.g. via photos or video) any concerns or damaged items as soon as you notice them after taking possession if they were missed on your PDI. If the damaged items are not addressed by your builder, you can include them in your 30-Day Form to Tarion. Damaged items are covered under the warranty if the damage was caused by the builder or their trades. There is more information about the PDI here: www.tarion.com/learninghub

Deposit Protection

The deposit you provide to your builder is protected up to certain limits if your builder goes bankrupt, fundamentally breaches your Agreement of Purchase and Sale or you exercise your legal right to terminate it. Deposit coverage limits are \$60,000 if the purchase price is \$600,000 or less and 10% of purchase price to a maximum of \$100,000 if the purchase price is over \$600,000. This protection includes the money you put down towards upgrades and other extras.

Delayed Closing Coverage

Your builder guarantees that your home will be ready for you to move in by a date specified in the Agreement of Purchase and Sale or a date that has been properly extended (if for certain reasons the original closing date cannot be met). You may be able to claim up to \$7,500 from your builder in compensation if they do not meet the conditions for an allowable extension that are outlined in the Addendum to your Agreement of Purchase and Sale.

Warranty Coverage

The warranty on work and materials commences on your date of possession and provides up to a maximum of \$300,000 in coverage. There are limitations on scope and duration as follows. Your builder warrants that your home will, on delivery, have these warranties:

One-Year Warranty

- Your home is constructed in a workmanlike manner, free from defects in material, is fit for habitation and complies with Ontario's Building Code
- Protects against the unauthorized substitution of items specified in the Agreement of Purchase and Sale or selected by you

Two-Year Warranty

- Protects against water penetration through the basement or foundation walls, windows, and the building envelope
- Covers defects in work or materials in the electrical, plumbing, and heating delivery and distribution systems
- Covers defects in work or materials that result in the detachment, displacement, or deterioration of exterior cladding (such as brick work, aluminum, or vinyl siding)
- Protects against violations of Ontario's Building Code that affect health and safety

Seven-Year Warranty

- Protects against defects in work or materials that affect a structural load-bearing element of the home resulting in structural failure or that materially and adversely compromise the structural integrity; and/or that materially and adversely affect the use of a significant portion of the home.

Continued...

Warranty Exclusions

Your warranty, provided to you by your builder and backed by Tarion, is a limited warranty - not all deficiencies are covered. And the protection provided by Tarion is also limited. Exclusions to coverage include: normal wear and tear, damage caused by improper maintenance, damage caused by a third party, secondary damage caused by defects that are under warranty, supplementary warranties, deficiencies caused by homeowner actions, elevators, HVAC appliances, specific defects accepted in writing and damage resulting from an Act of God.

Construction Performance Guidelines

The Construction Performance Guidelines are a resource to provide advance guidance as to how Tarion may decide disputes between homeowners and builders regarding defects in work or materials. The Construction Performance Guidelines are intended to complement Ontario's Building Code. They are supplemented by any applicable guidelines or standards produced by industry associations. They do not replace manufacturer warranties. The Construction Performance Guidelines are available in several different formats accessible via cpg.tarion.com.

Important Next Steps

1. Visit Tarion's website to learn more about your warranty coverage and the process for getting warranty assistance, as well as your rights, responsibilities, and obligations as a new homeowner.
2. Prepare for your pre-delivery inspection (PDI). Visit Tarion's website for helpful resources, including a PDI Checklist and educational videos.
3. Register for Tarion's **MyHome** right after you take possession. MyHome is an online tool you can use from your computer or mobile device that allows you to submit warranty claims and upload supporting documents directly to your builder and Tarion. It also alerts you to important dates and warranty timelines, allows you to receive official correspondence from Tarion electronically, and schedule an inspection with Tarion when you need assistance.

About Tarion

Tarion is a not-for-profit organization that administers Ontario's new home warranty and protection program. Our role is to ensure that purchasers of new homes receive the warranties and protections, provided by their builder and backstopped by Tarion, that they are entitled to by law.

Contact us at **1-877-982-7466** or customerservice@tarion.com.

SCHEDULE "A"

ADDITIONAL TERMS

DWELLING MATTERS, SITING, MATERIALS CHANGES, ETC.

1. The Vendor agrees that it will erect on the Real Property the Dwelling in accordance with plans and specifications (the "Plans") already examined by the Purchaser and in accordance with Schedule "B" attached hereto. The Purchaser acknowledges and agrees that the Vendor may from time to time, in its sole discretion, or as requested or required by the Vendor's architect or any design consultants or by any governmental authority, change, alter, vary or modify the Plans, the siting of the Dwelling and/or the grading of the Real Property without notice thereof to the Purchaser. The Purchaser agrees to accept such changes, alterations, variations or modifications and, without limiting the generality of the foregoing, variations to the lot/block number, municipal address, location, area and frontage or depth of the Real Property without any abatement of the Purchase Price or claim for compensation whatsoever. The Purchaser also acknowledges and agrees that architectural control of exterior elevations, driveway construction, boulevard tree planting, landscaping, corner lot fencing (including the location of such corner lot fencing), exterior colour schemes, or any other material external to the Dwelling designed to enhance the aesthetics of the community as a whole, may be imposed by the Municipality and/or the subdivider and/or the developer. In the event the Vendor is required, in compliance with such architectural control requirements to construct an exterior elevation for the Dwelling other than as specified in this Agreement or amend the driveway construction or location, boulevard tree planting or landscaping plan for the Dwelling and/or Real Property, as the case may be, (all of which is hereinafter referred to as the "Amended Exterior Plans"), the Purchaser hereby irrevocably authorizes the Vendor to complete the Dwelling and/or Real Property, as the case may be, in accordance with the Amended Exterior Plans, and the Purchaser hereby irrevocably agrees to accept such Amended Exterior Plans in lieu of the plans for same specified in this Agreement without any abatement of the Purchase Price or claim for compensation whatsoever. The Vendor shall have the right, in its sole discretion, to construct the Dwelling either as shown on the Plans or to construct such Dwelling on a reverse mirror image plan, including reversal of the garage siting and reversal of the interior floor plan layout. Construction of a reverse mirror image plan is hereby irrevocably accepted by the Purchaser without any right of abatement of the Purchase Price or claim for compensation whatsoever. Further, in the event the Vendor determines, in its sole discretion, to construct the Dwelling at a grade level different than as depicted in the Plans, necessitating a step or series of steps to the front door, side door, rear door, or any door from the garage to the interior of the Dwelling or any elimination of the side door or door from the house to the garage or garage to outside, if any, the Purchaser hereby agrees to accept such change(s) without any abatement of the Purchase Price or claim for compensation whatsoever. The Vendor shall further have the right to substitute other material for that provided for in the Plans, in the sole discretion of the Vendor, for any cause which it may deem reasonable without notice thereof to the Purchaser, provided that such material is, in the sole judgment of the Vendor, of substantially equal or better quality than the material in the Plans and/or Schedule "B" and the Purchaser shall accept same without any abatement of the Purchase Price or claim for compensation whatsoever. The provisions of this Section may be pleaded by the Vendor as an estoppel in any action brought by the Purchaser or his successors in title or assigns against the Vendor.
2. The Purchaser acknowledges and agrees that in the event the Dwelling being purchased herein is a semi-detached or townhouse unit, the subject lot/block of which the Real Property forms a part will not necessarily be divided equally but may instead be divided in unequal proportions. The Purchaser agrees to accept any such unequal division of the lot/block.

PURCHASER'S SELECTIONS

3.
 - (a) The Purchaser shall be required to make choices and selections relating to matters including, but not limited to interior structural matters (e.g. partition walls, floor plans, plan adjustments, location and number of types of lighting, electrical and TV, internet, security cabling and receptacles) and shall within fifteen (15) days of notification by the Vendor to the Purchaser, the Purchaser shall complete the Vendor's colour and material selection form for those items of construction and finishing for which the Purchaser is entitled to make selection pursuant to this Agreement, and in the event such items become unavailable, the Purchaser agrees to re-attend within seven (7) days of notification to make alternate selections from the Vendor's samples. If the Purchaser fails to attend and make any of the selections or alternate selections as aforesaid, the Vendor may make the selections on the Purchaser's behalf and the Purchaser agrees to accept the Vendor's selections. The Purchaser shall have no selection whatsoever insofar as exterior colours, designs and materials are concerned.
 - (b) No changes can be permitted in colours or materials so selected by the Purchaser without the prior written consent of the Vendor (which consent may be unreasonably or arbitrarily withheld). In the event any of the foregoing items in which the Purchaser has a choice, have already been installed or completed, then the Purchaser shall be deemed to have accepted them. Notwithstanding anything herein contained to the contrary, in no event shall the Purchaser's failure to make such choices within seven (7) days upon request to do so by the Vendor, and the possible consequent inability of the Vendor to substantially complete the Dwelling by the Closing Date entitle the Purchaser to an extension of the Closing Date.
 - (c) The Purchaser specifically acknowledges that in the manufacture and/or production of items, variances may occur from the Vendor's samples and also such items shown as samples may not be subsequently available. The Purchaser hereby agrees to accept any such resulting variations whether as to supplier, brand name, colour and/or otherwise without any abatement of the Purchase Price.
4. The Purchaser acknowledges that he has purchased the Dwelling on the basis of the Plans and not from a model. The Purchaser acknowledges that the model home(s), if any, are for display purposes only, and that some or all of the features contained therein may not be included in the Dwelling unless the same is specifically provided for in a Schedule forming part of this Agreement. Any item identified as optional or an upgrade in the sales or marketing material(s) is not included in the Dwelling but may be purchased at additional cost under a separate Schedule to this Agreement or by separate agreement. The Purchaser's attention is drawn to Schedule "B" which forms part of this Agreement and which sets out therein the items which will be included in the Dwelling as standard features. The Purchaser hereby acknowledges that the Dwelling will only include those standard features and, accordingly, if the Purchaser requires any clarification or explanation as to items, features or finishes as referred to in Schedule "B" or anywhere else in this Agreement or with respect to any matters whatsoever which the Purchaser has discussed with the Vendor's sales representative(s) such clarifications or explanations must be made in writing and included in this Agreement, failing which the Purchaser shall be estopped from making a claim for any such clarifications, explanations, items, features, finishes or representations, other than as set out in writing in this Agreement. The Purchaser hereby acknowledges that there are no representations, warranties, guarantees, collateral

agreements or conditions whatsoever affecting this Agreement, the Dwelling or the Real Property or supported hereby other than as is expressed in writing in this Agreement.

SUBSTANTIAL COMPLETION OF THE DWELLING/OCCUPANCY

5. In the event that the Dwelling is substantially completed and approved for occupancy by the Municipality, by the Closing Date the sale shall be completed on such date without any holdback whatsoever of any part of the Purchase Price and the Vendor shall complete any outstanding items of construction required by this Agreement within a reasonable time thereafter and during normal business hours, having regard to weather conditions and the availability of labour and materials. ~~If there is a detached garage as part of the Real Property substantial completion of the Dwelling shall not include completion of the said garage and the Purchaser shall complete the within transaction notwithstanding the construction of the garage is not completed or even started.~~ For the purpose of this Agreement, the Dwelling shall be deemed to be substantially complete when the interior work has been substantially finished to permit occupancy, notwithstanding that there remains grading or landscaping or other outside work to be completed. The Vendor shall provide evidence that occupancy is permitted in accordance with and only to the extent required by the Tarion Addendum.
6. Provided that in the event the Vendor is unable to deliver to the Purchaser on or before the Closing Date a conveyance of the Real Property free and clear of encumbrances, save and except as provided for in this Agreement, for any reason whatsoever then the Vendor may, at its option, require the Purchaser to take possession of the Real Property pursuant to the terms of the Vendor's standard escrow closing agreement which the Purchaser shall execute and deliver to the Vendor or its solicitors upon request of the Vendor or its solicitors and an undertaking by the Vendor to deliver a conveyance in accordance with the provisions of this Agreement within such period of time as the Vendor may require. From and after the date of such possession the Purchaser shall be responsible for the realty taxes, water, hydro, gas and other public and/or private utilities with respect to the Real Property and shall pay to the Vendor interest on the unpaid balance of the Purchase Price at the rate of interest that the Bank of Canada has most recently reported as the chartered bank administered interest rate for a conventional one year mortgage as of the first of the month in which the Purchaser assumes occupancy under the Vendor's standard escrow closing agreement or is required to do so under this Agreement until such time as the Vendor delivers a conveyance of the title to the Real Property to the Purchaser. The parties further agree that upon the Vendor delivering to the Purchaser a conveyance in accordance with the terms of this Agreement, any further adjustments that may be required shall be made at the time of the delivery of the conveyance.

TARION WARRANTY CORPORATION and HOME CONSTRUCTION REGULATORY AUTHORITY

7. (a) The Vendor represents and warrants to the Purchaser that the Vendor is a registered vendor with Tarion and/or the Home Construction Regulatory Authority or its successors (the "HCRA"), as applicable;
- (b) The Vendor covenants that on completion of this transaction a warranty certificate for the Dwelling will be requested from Tarion Warranty Corporation ("Tarion"). Such warranty shall contain the only warranties covering the Dwelling. The Purchaser acknowledges and agrees that any warranties of workmanship or materials, in respect of any aspect of the construction of the Dwelling, whether implied by this Agreement or at law or in equity or by any statute or otherwise, shall be limited to only those warranties deemed to be given by the Vendor under the *Ontario New Homes Warranties Plan Act*, as may be amended (the "ONHWPA") and shall extend only for the time period and in respect of those items as stated in the ONHWPA, it being understood and agreed that there is no representation, warranty, guarantee, collateral agreement, or condition in any way affecting this Agreement, the Dwelling and/or the Real Property other than as expressed herein.
- (c) The Purchaser or the Purchaser's designate as hereinafter provided agrees to meet the Vendor's representative at the date and time designated by the Vendor, prior to the Closing Date, to conduct a pre-delivery inspection of the Dwelling (the "PDI") and to list all items remaining incomplete at the time of such inspection together with all mutually agreed deficiencies with respect to the Dwelling on the Tarion Certificate of Completion and Possession (the "CCP") and the PDI form, in the forms prescribed from time to time by, and required to be completed pursuant to the provisions of the ONHWPA. The said CCP and PDI forms shall be executed by both the Purchaser or the Purchaser's designate and the Vendor's representative at the PDI and shall constitute the Vendor's only undertaking with respect to incomplete or deficient work and the Purchaser shall not require any further undertaking of the Vendor to complete any outstanding items. In the event that the Vendor performs any additional work to the Dwelling in its discretion, the Vendor shall not be deemed to have waived the provision of this paragraph or otherwise enlarged its obligations hereunder.
- (d) The Purchaser shall be entitled to send a designate to conduct the PDI in the Purchaser's place or attend with their designate, provided the Purchaser first provides to the Vendor a written authority appointing such designate for PDI prior to the PDI. If the Purchaser appoints a designate, the Purchaser acknowledges and agrees that the Purchaser shall be bound by all of the documentation executed by the designate to the same degree and with the force and effect as if executed by the Purchaser directly.
- (e) In the event the Purchaser and/or the Purchaser's designate fails to attend the PDI or fails to execute the CCP and PDI forms at the conclusion of the PDI, the Vendor may declare the Purchaser to be in default under this Agreement and may exercise any or all of its remedies set forth in this Agreement and/or at law. Alternatively, the Vendor may, at its option complete the within transaction but not provide the keys to the Dwelling to the Purchaser until the CCP and PDI forms have been executed by the Purchaser and/or its designate or complete the within transaction and complete the CCP and PDI forms on behalf of the Purchaser and/or the Purchaser's designate and the Purchaser hereby irrevocably appoints the Vendor the Purchaser's attorney and/or agent and/or designate to complete the CCP and PDI forms on the Purchaser's behalf and the Purchaser shall be bound as if the Purchaser or the Purchaser's designate had executed the CCP and PDI forms.
- (f) The Purchaser acknowledges that the Warranty Information Sheet - Warranty Information for New Homes in freehold is appended hereto and is available on the Tarion website (which is currently at the following web address: <https://www.tarion.com/resources/publications/64092/warranty-information-sheet-agreements-purchase-and-sale>). As noted, therein, this information sheet provides a basic overview of the warranties and protections that come with a new freehold unit. This warranty is provided to purchasers by the Vendor and backed by Tarion. For

more detailed information, visit tarion.com and log into the Tarion online learning hub at www.tarion.com/learninghub.

- (g) The Purchaser further agrees with the Vendor that the Vendor and/or its representatives shall have the right to enter the Dwelling and the Real Property after completion of the purchase in order to complete any of the items listed on the CCP and PDI forms, provided that if the Purchaser fails or refuses to permit the Vendor and/or its representatives such entry, the Vendor's obligations hereunder shall terminate and be at an end. Any such entry shall be deemed not to be a trespass.
 - (h) The Purchaser acknowledges that the area of the Dwelling, as may be represented or referred to by the Vendor or any sales representative, or which appears in any sales or marketing material(s) is approximate only. NOTE: For more information on the method of calculating the floor area of any unit, reference should be made to the Directive – Floor Area Calculations published by the HCRA, as same may be updated, supplemented, replaced, and/or restated by the HCRA and/or Tarion from time to time. Actual useable floor space may (therefore) vary from any stated or represented floor area or gross floor area, and the extent of the actual or useable living area within the confines of the Dwelling may vary from any represented square footage or floor area measurement(s) made by or on behalf of the Vendor. Accordingly, the Purchaser hereby confirms and agrees that all details and dimensions of the Dwelling purchased hereunder are approximate only, and that there shall be no adjustment of the Purchase Price or claim for compensation whatsoever, whether based upon the ultimate square footage of the Dwelling, or the actual or useable living space within the confines of the Dwelling or otherwise.
8. The Purchaser covenants and agrees that he will exhaust all the remedies available to him with Tarion with respect to any claim relating to defects in workmanship or materials or with respect to any other claim arising under the ONHWPA or in respect of the Tarion Addendum, prior to pursuing any other means of redress with regard to such claims. The purchaser acknowledges that it is bound by and covenants to abide by the dispute resolution, conciliation and arbitration requirements contained in the *Ontario New Home Warranties Plan Act*. In the event the Purchaser does not comply with the provisions of this Section, and/or takes any unwarranted or unreasonable actions with respect to such claims, the Purchaser shall indemnify and be held liable for all costs and/or damages sustained by the Vendor as a result thereof.

TITLE AND CONVEYANCING MATTERS

9. The Purchaser agrees to accept title to the Real Property subject to the following items and/or the Purchaser covenants and agrees to adhere to the terms and conditions as set out in such items. Further, the Purchaser agrees to satisfy himself as to compliance with any of the following items and the Vendor shall not be obligated on the Closing Date or thereafter to obtain any compliance, releases or discharges with respect to same.
- (a) any subdivision agreement, site plan agreement, development agreement, financial agreement or other agreement entered into with any municipal authority or other governmental authority or with any public or private utility commission or railway company, including any restrictions, covenants, obligations or liabilities contained therein (collectively the “**Subdivision Agreements**”);
 - (b) any building or other restrictions and covenants that may exist or may subsequently, prior to Closing be registered against the title of the Real Property and the Purchaser agrees, if required by the Vendor, to sign the transfer/deed of land containing such restrictions and covenants and to extract the same from any subsequent purchasers;
 - (c) a right in the nature of an easement or license for the Vendor and/or the subdivider and/or the developer and their respective successors and assigns and their servants and agents to enter upon the Real Property (without such act being a trespass) at any time prior to the complete acceptance of the subdivision or development of which the Real Property forms a part (the “**Subdivision**” or the “**Development**”) by the Municipality or thereafter for completion or correction of grading and surface drainage and in order to permit the Vendor and/or the subdivider and/or the developer to carry out the obligations, if any, under the Subdivision Agreements or as imposed by any governmental authority or bonding company to effect any corrective measures with respect to the Subdivision Agreements applicable to the Real Property and the transfer/deed of land may contain a clause to this effect;
 - (d) such easements or rights-of-way, licenses or leases, permanent or temporary, as exist or may subsequently be granted in favour of the Municipality, any railway company, any applicable regional municipality, the subdivider, the developer or any public or private utility, including, but not limited to, any telephone supplier, any hydro supplier and any gas supplier for hydro, fuel, telephone, television, cable, sewers, water, sanitary and storm sewer, municipal or other services or utilities; and, further, the Purchaser covenants and agrees to assume, accept and permit any such easements, rights-of-way, licenses or leases and if such easements, rights-of-way, licenses or leases have not been determined when the Purchaser receives his conveyance, such conveyance may contain a covenant by the Purchaser for himself, and his heirs, executors, administrators, successors and assigns, to grant any additional easements, rights-of-way, licenses or leases as may be required by the Vendor, subdivider or developer, any municipal or other governmental authority or utility or railway company and the Purchaser further covenants and agrees to execute all documents without charge which may be required to convey or confirm any such easement, right-of-way, license or lease and shall exact a similar covenant in any agreement entered into between the Purchaser and any subsequent purchaser from him;
 - (e) such easements as may be required by adjoining owners for maintenance or encroachment purposes and the encroachments permitted thereby;
 - (f) as herein expressly provided; and
 - (g) any minor breaches of any of the foregoing that have been remedied or are in the process of being remedied.
10. Provided that the title to the Real Property shall on the Closing Date be good and free from all encumbrances, except as provided for in this Agreement. The title is to be examined by the Purchaser at his own expense and he is not to call for the production of any deeds or abstracts of title, surveys, proof of evidence of title or to have furnished any copies thereof, other than those in the Vendor's possession or as provided for in this Agreement. The Purchaser is to be allowed until thirty (30) days prior to the Closing Date to examine the title at his own expense and if within that time he shall furnish the Vendor in writing with any valid objections to the title which the Vendor shall be unwilling or unable to remove and which the

Purchaser will not waive, this Agreement shall, notwithstanding any intermediate acts or negotiations, be null and void and the monies paid to the Vendor to that date on account of the Deposit shall be returned as provided for herein and the Vendor shall not be liable for any damages or costs whatsoever, including, without limiting the generality of the foregoing, loss of bargain, relocation costs, loss of income, professional fees and disbursements and any amount paid to third parties on account of decoration, construction or fixturing costs. Save as to any valid objections so made within such time, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Real Property.

11. The Purchaser acknowledges that the Real Property is or will be encumbered by mortgages and/or encumbrances which the Purchaser is not to assume and that the Vendor will not be obligated to obtain and register a discharge of such mortgages and/or encumbrances insofar as they affect the Real Property until a reasonable time after the Closing (as defined in the Tarion Addendum) and the Purchaser shall accept the undertaking of the Vendor's solicitors to obtain and register as soon as reasonably possible after Closing a discharge of such mortgages and/or encumbrances except as provided for herein and further agrees not to refuse to complete this transaction on the grounds that such mortgages and/or encumbrances have not been discharged.
12. The transfer/deed of land shall be prepared at the Vendor's expense and may contain any or all of the provisions set forth in this Agreement and shall be executed by the Purchaser, if required by the Vendor, and the Purchaser shall execute and deliver on the Closing Date a covenant, undertaking or agreement incorporating all or any of the terms contained herein or as may be required by the Vendor. The Purchaser undertakes and agrees to register the transfer/deed of land at his own expense at the time of Closing. Each party is to pay the cost of registration and taxes on its own documents. The Purchaser shall deliver to the Vendor, on or before Closing, as required by the Vendor the Acknowledgement in the form attached to this Agreement, if any, duly completed and executed. The Purchaser agrees to advise the Vendor or its solicitors within thirty (30) days prior to the Closing Date of the manner in which title is to be taken by the Purchaser, failing which title to the Real Property shall be engrossed in the name of the Purchaser as noted on this Agreement and the Purchaser shall be estopped from requiring any further changes to the manner in which the transfer/deed of land is engrossed.
13. The Purchaser hereby acknowledges the full priority of any mortgage or construction financing arranged by the Vendor and/or secured by the Real Property over his interest as Purchaser for the full amount of the said mortgage or construction financing, notwithstanding any law or statute to the contrary and agrees to execute all acknowledgements or postponements required to give full effect thereto.
14. In the event that the Municipality does at some point in time provide a release of any of the Subdivision Agreements the Vendor may either provide such release to the Purchaser for registration of such release by the Purchaser at the Purchaser's expense or register the release, if any, in which event the Purchaser shall pay the Vendor the cost of registration of such release forthwith upon request although the Vendor may, at its option, add such cost to the statement of adjustments as a credit to the Vendor. The foregoing provision does not in any way whatsoever require the Vendor to request any such release or impose an obligation on the Vendor to take any steps to obtain any such release.
15. The Purchaser acknowledges that the transfer/deed of land to the Real Property to be given on the Closing Date may emanate from the registered owner of the Real Property and not from the Vendor herein, and the Purchaser agrees to accept same and to accept such owner's title covenants in lieu of the Vendor's, in the event the Vendor is not the registered owner of the Real Property on Closing.

PLANNING ACT

16. This Agreement shall be conditional upon compliance with the subdivision control provision of the *Planning Act* of Ontario, as may be amended, which compliance shall be obtained by the Vendor, at its sole expense, on or before Closing.

INSURANCE

17. The Purchaser shall place his own insurance on the Real Property for Closing.

ADJUSTMENTS

18. On the Closing Date, the Purchaser shall pay to the Vendor, as an adjustment on the statement of adjustments, in addition to any other monies required to be paid as set out in this Agreement, the following:
 - (a) an amount equal to the Tarion enrolment fee paid by the Vendor for the Real Property;
 - (b) if there are chattels involved in this transaction, the allocation of the value of such chattels shall be estimated where necessary by the Vendor and retail sales tax thereon may, at the option of the Vendor, be collected by the Vendor and remitted to the applicable taxing authority
 - (c) any amounts which remain unpaid and owing to the Vendor on account of upgrades and/or extras and/or changes ordered by the Purchaser;
 - (d) the Vendor's proportionate amount of the realty taxes (including local improvement charges) which shall be apportioned and allowed to Closing. Realty taxes (including local improvement charges) shall be estimated by the Vendor for the calendar year in which the transaction is completed and shall be adjusted as if such sum has been paid by the Vendor, notwithstanding that same may not have been levied or paid by the Date of Closing, subject, however, to readjustment when the actual amount of such taxes are ascertained;
 - (e) all amounts chargeable and billable to the Purchaser for water, hydro, gas, cable T.V. and any other services arising as a result of the Purchaser's failure to make his own contractual arrangements with the relevant public or private utility authorities and suppliers on the Closing Date and for which the Vendor is subsequently charged, it being the express intent of the parties that it shall be the sole responsibility of the Purchaser to notify all relevant utility authorities and make the necessary contractual arrangements to ensure service to the Dwelling;
 - (f) the amount of \$2,000.00 as security for any damages to or unauthorized changes that the Purchaser may make to the grading of the Real Property and/or the driveway and/or any amounts the Purchaser may owe to the Vendor and/or

for any breach of any of the Purchaser's obligations pursuant to this Agreement and any damages, costs and expenses the Vendor may incur as a result thereof. Such security shall be repaid to the Purchaser upon written request from the Purchaser after assumption of the subdivision of which the Real Property forms a part and/or such later date as the Vendor may require provided the Purchaser still owns the Real Property and occupies same as his principal residence less any amounts the Vendor may have to pay to correct or remedy any damages and changes and/or to pay itself any amounts owing to the Vendor and/or to cover any damages, costs and expenses incurred by the Vendor as a result of anything set out above;

- (g) any new taxes or increases to existing taxes, whether categorized as multi-stage sales tax, a business transfer tax, a modified retail sales tax, a value-added tax, or any other type of tax whatsoever that may be levied or charged in the future by any governmental authorities, including, but without limiting the generality of the foregoing the municipal, federal, or provincial governments or any of their agencies, on or with respect to any sale, transfer, lease or disposition of property or any provision of goods or services made in the course of a taxable activity and the Purchaser shall be solely responsible for paying and/or reimbursing the Vendor for such tax, whether or not the legislation imposing such tax places the primary responsibility for payment thereof onto the Vendor, and the Vendor shall be allowed to charge the Purchaser as an adjustment on the Closing Date with the estimated amount of any such tax, notwithstanding that such tax may not have been formally or finally levied and payable with such tax adjustment being subject to readjustment, if necessary, when the actual final assessment or levy is available or determinable. **Provided, however, that, the amount payable by the Purchaser under this paragraph shall not exceed \$5,000.00 plus applicable taxes exigible thereon;** and
- (h) in the event that there is any implementation of any new levies, capital charges, imposts, education charges or other charges of any nature or kind whatsoever (collectively the "**Levies**") or any increase in the cost of any Levies made or imposed by the Municipality or regional municipality or any other governmental and/or competent authority in connection with the Real Property between the date upon which this Agreement was executed and the date upon which a building permit for the erection of the Dwelling was issued the Purchaser shall be solely responsible for paying and/or reimbursing the Vendor for such increase or cost which amount shall be determined by the Vendor and which determination shall be conclusive between the parties hereto. **Provided, however, that, the amount payable by the Purchaser under this paragraph shall not exceed \$5,000.00 plus applicable taxes exigible thereon.**
19. If any of the adjustments to be made on the Closing Date cannot be accurately determined at the time of Closing, then the Vendor may estimate the adjustment to be made and the Closing shall take place in accordance with this estimate. There shall be a later and final adjustment when all the items to be adjusted can be accurately determined.
20. The Purchaser acknowledges and agrees that the hot water tank and related components/system and/or one or more of the mechanical components (i.e. equipment) comprising the HVAC (heating, ventilation, air conditioning) systems, as determined by the Vendor (collectively, the "**Rentals**"), is/are not included in the Purchase Price and is/are not to be owned by the Purchaser and shall remain chattel property and shall not be or become a fixture(s) and/or part(s) of the Dwelling. The Purchaser acknowledges that the Rentals will be provided by the Vendor and hereby appoints the Vendor as his/her agent for the purposes of entering into each supplier's standard rental agreement, if required. Such rental agreement(s) will take effect between the Purchaser and the applicable supplier and will automatically be assumed by the Purchaser on the closing date. The Purchaser understands that each supplier's standard rental terms and conditions applicable to new homes and the monthly rental rate (which may change from time to time), will be provided by each supplier to the Purchaser after closing. The Purchaser further acknowledges and agrees that, for the purposes of the *Consumer Protection Act, 2002* (Ontario), the Vendor shall not be considered to be the "supplier" (as such term is defined thereunder) of any one or more of the Rentals.
21. In the event any cheque given by the Purchaser is returned after being presented for payment to the financial institution on which it is drawn, by reason of there not being sufficient funds in the account on which said cheque is drawn, the Purchaser shall pay the Vendor for each such returned cheque the sum of \$500.00 plus HST as liquidated damages and not as a penalty which payment shall, at the Vendor's option, be made as an adjustment on the Closing Date in favour of the Vendor or be delivered to the Vendor together with the replacement cheque.

HARMONIZED SALES TAX

22. (a) It is acknowledged and agreed by the parties hereto that the Purchase Price already includes a component equivalent to both the federal portion and, if applicable, the provincial portion of the harmonized goods and services tax or single sales tax exigible with respect to this purchase and sale transaction less the Rebate as defined below (hereinbefore and hereinafter referred to as the "**HST**"), and that the Vendor shall remit the HST to Canada Revenue Agency ("**CRA**") on behalf of the Purchaser forthwith following the completion of this transaction. The Purchaser hereby warrants and represents to the Vendor that with respect to this transaction, the Purchaser qualifies for the new housing rebate applicable pursuant to Section 254 of the *Excise Tax Act* (Canada), as may be amended, and the new housing rebate announced by the Ontario Ministry of Revenue (collectively, the "**Rebate**"), in its Information Notice dated June 2009 – No. 2 (the "**Ontario Circular**") and further warrants and represents that the Purchaser is a natural person who is acquiring the Real Property with the intention of being the sole beneficial owner thereof on the Closing Date (and not as the agent or trustee for or on behalf of any other party or parties), and covenants that upon the Closing Date, the Purchaser or one or more of the Purchaser's relations (as such term is defined in the *Excise Tax Act*) shall personally occupy the Dwelling as his primary place of residence, for such period of time as shall be required by the *Excise Tax Act*, and any other applicable legislation, in order to entitle the Purchaser to the Rebate (and the ultimate assignment thereof to and in favour of the Vendor) in respect of the Purchaser's acquisition of the Real Property. The Purchaser further warrants and represents that he has not claimed (and hereby covenants that the Purchaser shall not hereafter claim), for the Purchaser's own account, any part of the Rebate or the RST transitional housing rebate referred to in the Ontario Circular (the "**Transitional Rebate**") in connection with the Purchaser's acquisition of the Real Property, save as otherwise hereinafter expressly provided or contemplated. The Purchaser hereby irrevocably assigns to the Vendor all of the Purchaser's rights, interests and entitlements to the Rebate and the Transitional Rebate (and concomitantly releases all of the Purchaser's claims or interests in and to the Rebate and the Transitional Rebate, to and in favour of the Vendor), and hereby irrevocably authorizes and directs CRA to pay or credit the Rebate and the Transitional Rebate directly to the Vendor. In addition, the Purchaser shall execute and deliver to the Vendor, forthwith upon the Vendor's or Vendor's solicitors' request for same (and in any event on or before the Closing Date), all requisite documents and assurances that the Vendor or the Vendor's solicitor may

reasonably require in order to confirm the Purchaser's entitlement to the Rebate and/or to enable the Vendor to obtain the benefit of the Rebate and the Transitional Rebate (by way of assignment or otherwise), including without limitation, the New Housing Application for Rebate of Goods and Services Tax Form as prescribed from time to time (the "**Rebate Forms**"). The Purchaser covenants and agrees to indemnify and save the Vendor harmless from and against any loss, cost, damage and/or liability (including an amount equivalent to the Rebate and the Transitional Rebate, plus penalties and interest thereon) which the Vendor may suffer, incur or be charged with, as a result of the Purchaser's failure to qualify for the Rebate, or as a result of the Purchaser having qualified initially but being subsequently disentitled to the Rebate, or as a result of the inability to assign the benefit of the Rebate or the Transitional Rebate to the Vendor (or the ineffectiveness of the documents purporting to assign the benefit of the Rebate or the Transitional Rebate to the Vendor). As security for the payment of such amount, the Purchaser does hereby charge and pledge his interest in the Real Property with the intention of creating a lien or charge against same. It is further understood and agreed by the parties hereto that:

- (i) if the Purchaser does not qualify for the Rebate, or fails to deliver to the Vendor or the Vendor's solicitors forthwith upon the Vendor's or the Vendor's solicitors request for same (and in any event on or before the Closing Date) the Rebate Forms duly executed by the Purchaser, together with all other requisite documents and assurances that the Vendor or the Vendor's solicitors may reasonably require from the Purchaser or the Purchaser's solicitor in order to confirm the Purchaser's eligibility for the Rebate and/or to ensure that the Vendor ultimately acquires (or is otherwise assigned) the benefit of the Rebate and the Transitional Rebate; or
- (ii) if the Vendor believes, for whatever reason, that the Purchaser does not qualify for the Rebate, regardless of any documentation provided by or on behalf of the Purchaser (including any statutory declaration sworn by the Purchaser) to the contrary, and the Vendor's belief or position on this matter is communicated to the Purchaser or the Purchaser's solicitor on or before the Closing Date;

then notwithstanding anything hereinbefore or hereinafter provided to the contrary, the Purchaser shall be obliged to pay to the Vendor (or to whomsoever the Vendor may in writing direct), by certified cheque delivered on the Closing Date, an amount equivalent to the Rebate and/or the Transitional Rebate, in addition to the Purchase Price and in those circumstances where the Purchaser maintains that he is eligible for the Rebate despite the Vendor's belief to the contrary, the Purchaser shall (after payment of the amount equivalent to the Rebate as aforesaid) be fully entitled to pursue the procurement of the Rebate directly from CRA. It is further understood and agreed that in the event that the Purchaser intends to rent out the Dwelling after the Closing Date, the Purchaser shall not be entitled to the Rebate, but may nevertheless be entitled to pursue, on his own after the Closing Date, the federal and provincial new rental housing rebates directly with CRA, pursuant to Section 256.2 of the *Excise Tax Act*, as may be amended, and other applicable legislation to be enacted relating to the provincial new rental housing rebate.

- (b) Notwithstanding any other provision herein contained in this Agreement, the Purchaser acknowledges and agrees that the Purchase Price does not include any HST exigible with respect to any of the adjustments payable by the Purchaser pursuant to this Agreement, or any extras or upgrades or changes purchased, ordered or chosen by the Purchaser from the Vendor which are not specifically set forth in this Agreement, and the Purchaser covenants and agrees to pay such HST to the Vendor in accordance with the *Excise Tax Act*. In addition, and without limiting the generality of the foregoing, in the event that the Purchase Price is increased by the addition of extras, changes, upgrades or adjustments and as a result of such increase, the quantum of the Rebate that would otherwise be available is reduced or extinguished (the quantum of such reduction being hereinafter referred to as the "**Reduction**"), then the Purchaser shall pay to the Vendor on the Closing Date the amount of (as determined by the Vendor in its sole and absolute discretion) the Reduction."

EXTRAS/UPGRADES

- 23. The Purchaser covenants and agrees that he shall pay to the Vendor in advance for all extras, upgrades or changes ordered by the Purchaser at the time such order is made and the Purchaser further acknowledges and agrees that such payment is non-refundable in the event that this transaction is not completed as a result of the Purchaser's default under any of the terms of this Agreement. Notwithstanding anything herein contained to the contrary, the Purchaser acknowledges and agrees that if, upon Closing, any of the extras, upgrades or changes ordered by the Purchaser remain incomplete in whole or in part or if the Vendor shall, in its sole discretion, determine that it will not provide extras, upgrades or changes or cannot complete the extras, upgrades or changes, then there shall be refunded to the Purchaser upon the Closing Date that portion of the amount paid by the Purchaser in connection with such extras, upgrades or changes allocated to those extras, upgrades or changes which remain incomplete in whole or in part as aforesaid, as determined by the Vendor. In the event such extras, upgrades or changes were included at no charge whether or not included as part of this Agreement then the Vendor's cost of completing such incomplete items will be refunded. The Purchaser further acknowledges and agrees that the amount so paid to the Purchaser (or for which, in the alternative, the Purchaser receives credit in the statement of adjustments) shall be accepted by the Purchaser as full and final settlement of any claim by the Purchaser with respect to the extras, upgrades or changes which remain incomplete as aforesaid. The Purchaser further acknowledges that the Vendor's liability with respect to such incomplete extras, upgrades or changes shall be limited to the return of the amounts referred to aforesaid and, thereafter, there shall be no further liability upon the Vendor in connection with such incomplete extras, upgrades or changes and upon such payment being made or credit being given, the Vendor shall be deemed to have been released from any and all obligations, claims or demands whatsoever with respect to such incomplete extras, upgrades or changes.

NOTICE AND WARNING CLAUSES

- 24. The Purchaser hereby confirms that he has been advised of the matters set out in the Schedule attached to this Agreement titled "Warning Clauses and Notice Provisions". The Purchaser acknowledges that the Subdivision Agreements and any subsequent agreements to be entered into or registered between the Vendor and the Municipality or any other applicable party may require the Vendor to provide the Purchaser with certain notices or warnings including, without limiting the generality of the foregoing, notices or warnings regarding the usage of the Real Property, environmental issues, noise levels from adjacent roadways or otherwise, maintenance of municipal fencing, school transportation and related educational issues, and the status of services and works in the Subdivision. The Purchaser acknowledges and agrees that as a result of development agreements not yet being entered into with the Municipality (e.g. Site Plan Agreements, Subdivision Agreements and other agreements permitting the development of the Real Property and the construction of the Dwelling thereon), if that is the case,

the Vendor may be unable, at this time, to provide the Purchaser with all such notices and warnings. After all required notices and warnings are available, a copy thereof shall be sent to the Purchaser as a notice in the manner set out in this Agreement and such transmittal shall constitute acknowledgment of receipt of a copy thereof and the Purchaser irrevocably designates the Vendor as its attorney and/or agent to execute and deliver on his behalf to the Municipality or any other applicable party any required acknowledgments with respect thereto. On or before Closing, the Purchaser shall, if required by the Vendor, forthwith execute upon request from the Vendor or its solicitors an acknowledgment or amendment to this Agreement containing the required notices and warning clauses, failing which the Purchaser shall be in default under this Agreement.

INSURANCE/RISK

25. All buildings and equipment comprising the Dwelling and the Real Property shall be and remain at the risk of the Vendor until Closing and pending completion of the sale, the Vendor will hold all insurance policies and the proceeds thereof for the Vendor's benefit alone. In the event of damage to the Dwelling, the Vendor may either in its sole discretion (a) repair the damage, finish the Dwelling and complete the sale and, if necessary, delay the Closing Date in the manner permitted in paragraph 7 of the Tarion Addendum; or (b) terminate this Agreement and return to the Purchaser all deposit monies paid by the Purchaser to the Vendor payable under law if the damage to the Dwelling has frustrated this Agreement at law.

PURCHASER COVENANTS AND AGREEMENTS

26. Notwithstanding the closing of this transaction, the Purchaser hereby covenants and agrees to allow the Vendor, the subdivider or the developer, the Municipality, the regional municipality, the public and/or private utilities, the telephone and/or cable company or persons authorized by any of them, free, open and unobstructed access to the Real Property and the Dwelling at all reasonable hours in order to make inspections and to do such work or repairs, including, but not restricted to, correction of sodding and/or grading, installation of catch basins, installation, repair, construction or reconstruction and/or maintenance of any of the municipal services, public and/or private utilities and other services, including sewers and water mains and/or fencing, which may be the responsibility of the Vendor, subdivider or the developer, pursuant to any Subdivision Agreements or other agreements with a municipality or other authority; and for any of the purposes aforesaid or related thereto, such entry on the Real Property and Dwelling by any such persons shall not be deemed to be committing trespass and the Purchaser does hereby give leave and licence to any of such persons for the purposes aforesaid and free access for any such persons shall continue for such period of time as may be set out in the Subdivision Agreements or any other agreements affecting the Real Property or as may be required by the Vendor, the subdivider or the developer and/or any municipal or governmental authority, regulatory body or public or private utility. The Purchaser further covenants to comply with and not to breach any of the Subdivision Agreements or any other such agreements. In addition, until the subdivision has been assumed by the Municipality, the Purchaser shall not construct or permit to be constructed upon the Real Property, without the prior written consent of the Vendor (which may be unreasonably or arbitrarily withheld), any fencing, pools, porches, patios, paving, landscaping, tree planting or any other obstruction.
27. The Purchaser undertakes and covenants that he will not, at any time either before or after the Closing Date, without the prior written authority of the Vendor (and on the Vendor's terms) and the subdivider or the developer (which may be unreasonably or arbitrarily withheld) interfere with or alter the drainage ditch, obstruct the natural flow of water or obstruct the drainage as designed and engineered by the subdivider or the developer, erect fences, porches, patios, planting, paving, swimming pool, clothes lines or obstructions of any kind, remove top soil or subsoil, cut down living trees or do anything which may change or alter the grading or obstruct the drainage of the Real Property or surrounding lots or lands in any way and if he does, the Vendor or its servants, successors, agents and assigns may enter thereon and correct such grading or remove or relocate such obstructions at the Purchaser's expense and be paid, forthwith upon demand, the cost thereof. The Purchaser shall adhere to the overall drainage patterns of the Subdivision, including such easements as may exist or may be required for the purpose of water drainage upon the Real Property to and from adjoining lands, and the Purchaser agrees to grant such easements as may be required from time to time by the Vendor or subdivider or developer for drainage. The foregoing covenant may, at the option of the Vendor, be included in any transfer of title to the Purchaser and shall run with the land. The Purchaser agrees that he shall be solely responsible for watering and general maintenance of sod and/or seeding from the Closing Date or from the date that sod and/or seeding is laid, whichever shall be later, and the Vendor shall have no obligation in that regard whatsoever. If the Vendor is required by the subdivider, developer or any governmental authority to replace any laid sod and/or seeding as a result of the Purchaser's default under this Section, the Purchaser shall promptly pay the Vendor for same and the Vendor shall not be obliged to do so until payment has been made therefore in full to the Vendor by the Purchaser.
28. The Vendor hereby notifies the Purchaser and the Purchaser acknowledges that the subdivider or the developer has agreed to provide and pay for paved roads, sidewalks, curbs, street lighting, sanitary and storm sewers, street signs and other services as required by the Subdivision Agreements and that such is the responsibility of the subdivider or the developer and not the Vendor. In the event that title to the Real Property is transferred directly from the subdivider or the developer or another party (the "Party") rather than the Vendor the Purchaser covenants and agrees to execute and deliver on the Closing Date an acknowledgement and release in a form satisfactory to the Vendor and/or subdivider and/or developer and/or the Party releasing the subdivider or the developer or the Party, as the case may be, from any and all matters in respect of the within transaction and acknowledging that the subdivider or the developer or the Party, as the case may be, has no liability, obligation or responsibility to the Purchaser.
29. The Purchaser agrees that until all lots or blocks in the Subdivision are sold, the Vendor shall have the exclusive right to maintain model homes, signs, sales staff and marketing material(s) in the Subdivision and to show prospective purchasers through the Subdivision and through any unsold homes and the Purchaser agrees not to display any sign on the Real Property offering the Real Property for sale or rent. In the event that the Purchaser displays any such sign on the Real Property, the Vendor shall have the absolute right to enter on the Real Property and remove such sign without such act being a trespass.
30. The Purchaser agrees that in the event that there is any water leakage into the basement or any other damage of any kind or nature whatsoever which the Vendor shall be required at law or by Tarion to repair, the Vendor shall not be liable for any consequential damage caused by the water or otherwise nor for any damage to any improvements, fixtures, furnishings or personal property of the Purchaser, but shall be responsible only for the repair of such damage or leakage in accordance with the terms hereof. Further, the Purchaser waives his right to any claim against the Vendor for damage to the Dwelling due to shrinkage, warpage, twisting or settlement or any secondary or consequential damage resulting therefrom. Further, the Vendor shall not be liable for any secondary or consequential damages whatsoever which may result from any defect in materials, design or workmanship related to the Dwelling. The Purchaser further acknowledges that the Vendor is not

responsible for the repair of any exterior work resulting from settlement, including driveways, walkways, patio stones or sodded areas or for any damage to interior household improvements or decor caused by material shrinkage, twisting or warpage. The Purchaser agrees that this Section may be pleaded by the Vendor in estoppel of any claims by the Purchaser pursuant to this Section.

31. The Purchaser agrees that prior to the Closing Date he will not in any circumstances enter onto the Real Property without the express written authority of the Vendor and accompanied by a representative of the Vendor and any entry other than as aforesaid shall be deemed to be a trespass and the Vendor shall be entitled to exercise any rights that it may have pursuant to this Agreement or at law as a result of same. In addition, the Purchaser agrees that he will not in any circumstances, either personally or by his agent, servant or authorized representative, perform or have performed any work of any nature or kind whatsoever on the Dwelling or the Real Property prior to the conveyance of the Real Property to the Purchaser and in the event of a breach of this covenant, the Vendor shall be entitled, at its sole option, to deem such breach as an event of default by the Purchaser under this Agreement or to take whatever steps are necessary to remove, correct or remedy any such work, and in such event, at the Vendor's sole option, the costs and expenses thereof plus a fifteen percent (15%) administration fee shall be paid to the Vendor by the Purchaser forthwith upon demand by the Vendor or added to the Purchase Price as an adjustment on the Closing Date. In the event the Vendor completes the sale of the Real Property to the Purchaser all warranties related to any items and/or matters the Purchaser affected by his actions shall be void.
32. The Purchaser acknowledges that due to the nature and extent of construction work which will be required to be undertaken by the Vendor on the Real Property in connection with the excavation, erection, and construction of the Dwelling, one or more trees may be removed from the Real Property and others may or will suffer damage or destruction both before and after Closing, as a result of the removal, interference or the destruction of roots, contact with the trunk by equipment or machinery or otherwise. The Purchaser hereby acknowledges, covenants, and agrees that the Vendor shall not be responsible or liable in any manner, whatsoever, for any loss or destruction to trees or for any loss or destruction to the property of the Purchaser howsoever caused nor shall the Vendor be responsible or liable for the removal of any trees or parts thereof, from the Real Property, at any time, whatsoever. It is understood and agreed that the Vendor has made no representation, warranty, guarantee, collateral agreement or condition whatsoever, regarding the preservation, removal, condition or health of trees on the Real Property.
33. The Purchaser agrees that he will not, for a period of at least two (2) years from the Closing Date, plant any trees, shrubs, vines, hedges or other landscaping on the Real Property without the express written consent of the Vendor which consent may be unreasonably or arbitrarily withheld. The Vendor shall have the right during such period to enter on the Real Property, without notice to the Purchaser, and to remove, without any liability, whatsoever, any such trees, shrubs, vines, hedges or other landscaping planted on the Real Property in contravention of this Section without such act being a trespass.

NON-REGISTRATION AND NO ASSIGNMENT AND NO OBJECTION

34. The Purchaser covenants and agrees that he will at no time register or attempt to register this Agreement on title to the Real Property by way of caution, deposit, assignment or in any way whatsoever, and it is expressly agreed by all parties hereto that any such registration or attempt by the Purchaser or anyone acting for or through him shall constitute an event of default under this Agreement. In the event that this Agreement, a caution, a deposit, an assignment or any other instrument whatsoever is registered against or dealing with the title in contravention of this provision, then the Purchaser hereby appoints the Vendor his true and lawful attorney and/or agent for the purposes of removing the instrument from title, including the giving of any discharge, lifting or release of any caution, deposit or the assignment of any rights pursuant to this Agreement. The Purchaser hereby irrevocably consents to a court order removing any such notice of this Agreement, caution, deposit or any other documents or instruments whatsoever from title to the Real Property. The Purchaser shall bear all costs incurred by the Vendor in the exercise of any of its rights pursuant to this provision. The Purchaser acknowledges that notwithstanding any rule of law to the contrary that by executing this Agreement he has not acquired any equitable or legal interest in the Dwelling or the Real Property.
35. The Purchaser covenants and agrees that he will in no way, directly or indirectly, list for sale or lease, advertise for sale or lease, rent, convey, transfer, sell or lease, nor in any way assign his interest under this Agreement or the Purchaser's rights and interests hereunder or in the Real Property, nor directly or indirectly permit any third party to list or advertise the Real Property for sale or lease at any time prior to the Closing Date without the prior written consent of the Vendor which consent may be unreasonably or arbitrarily withheld. The Purchaser acknowledges and agrees that once a breach of the preceding covenant and agreement occurs such breach shall be a default hereunder and, at the Vendor's sole option, be deemed incapable of rectification, and accordingly the Purchaser acknowledges and agrees that in the event of such breach the Vendor shall have the unilateral right and option of taking whatever steps are available to the Vendor in the event of the Purchaser's default. The Purchaser shall not be permitted to direct title to any third parties without the prior written consent of the Vendor which consent may be unreasonably or arbitrarily withheld.
36. The Purchaser covenants and agrees that he shall not directly nor indirectly object to nor oppose any official plan amendment(s), rezoning application(s), severance application(s), minor variance application(s) and/or site plan application(s), nor any other applications ancillary thereto relating to the development of the Real Property, or any neighbouring or adjacent lands. The Purchaser further acknowledges and agrees that this covenant may be pleaded as an estoppel or bar to any opposition or objection raised by the Purchaser thereto.

ELECTRONIC REGISTRATION AND TENDER

37. The parties waive personal tender and agree that tender in the absence of any other mutually acceptable arrangement and subject to the provisions of this Agreement shall be validly made by the Vendor upon the Purchaser by a representative of the Vendor (which shall include the Vendor's solicitor) attending or being available at the offices of the Vendor's solicitors at 3:30 p.m. on the Closing Date and remain there until 4:30 p.m. of the same date and being ready, willing and able to complete the subject transaction. In the event the Purchaser or his solicitor fails to appear or appears and fails to close the subject transaction such attendance by the Vendor's representative shall be deemed satisfactory evidence that the Vendor was ready, willing and able to complete the sale at such time. Payment shall be tendered by certified cheque drawn on any Canadian chartered bank.

38. Given that the electronic registration system (hereinafter referred to as the “**Teraview Electronic Registration System**” or “**TERS**”) is operative in the applicable Land Titles Office in which the Real Property is registered, the following provisions shall prevail:

- (a) the Purchaser shall be obliged to retain a solicitor, who is both an authorized TERS user and in good standing with the Law Society of Upper Canada, to represent the Purchaser in connection with the completion of this transaction. The Purchaser shall authorize such solicitor to, at the option of the Vendor’s solicitor, either execute an escrow closing agreement with the Vendor’s solicitor on the standard form recommended by the Law Society of Upper Canada (hereinafter referred to as the “**Escrow Document Registration Agreement**”) establishing the procedures and timing for completing this transaction or to otherwise agree to be bound by the procedures set forth in the Escrow Document Registration Agreement. If the Vendor’s solicitor provides written notice to the Purchaser’s solicitor that it accepts and agrees to be bound by the terms of the form of Document Registration Agreement prepared by the Law Society of Upper Canada and adopted by the Joint LSUC – CBAO Committee on Electronic Registration of Title Documents, as may be amended from time to time, the Vendor’s solicitor and the Purchaser’s solicitor shall be deemed to have executed such form which shall be the Escrow Document Registration Agreement defined in this paragraph and referred to in this Agreement.
- (b) the delivery and exchange of documents, monies and keys to the Dwelling, and the release thereof to the Vendor and the Purchaser, as the case may be:
 - (i) shall not occur contemporaneously with the registration of the transfer/deed (and other registerable documentation); and
 - (ii) shall be governed by the Escrow Document Registration Agreement, pursuant to which the solicitor receiving the documents, keys and/or certified funds will be required to hold same in escrow, and will not be entitled to release same except in strict accordance with the provisions of the Escrow Document Registration Agreement;
- (c) if the Purchaser’s solicitor is unwilling or unable to complete this transaction via TERS, in accordance with the provisions contemplated under the Escrow Document Registration Agreement, then said solicitor shall be obliged to personally attend at the office of the Vendor’s solicitor, at such time on the Closing Date as may be directed by the Vendor’s solicitor or as mutually agreed upon, in order to complete this transaction via TERS utilizing the computer facilities in the Vendor’s solicitor’s office and shall pay a fee as determined by the Vendor’s solicitor, acting reasonably, for the use of the Vendor’s solicitor’s computer facilities;
- (d) the Purchaser expressly acknowledges and agrees that he will not be entitled to receive the transfer/deed of land to the Real Property for registration until the balance of funds due on the Closing Date, in accordance with the statement of adjustments, are either remitted by certified cheque(s) via personal delivery or by electronic funds transfer to the Vendor’s solicitor (or in such other manner as the latter may direct) prior to the release of the transfer/deed of land for registration;
- (e) each of the parties hereto agrees that the delivery of any documents not intended for registration on title to the Real Property may be delivered to the other party hereto by telefax transmission (or by a similar system reproducing the original) or by electronic transmission of electronically signed documents through the Internet (and in particular and without limiting the generality of the foregoing, the Vendor may post its closing documents on the Lawyer Done Deal website, www.lawyerdonedeal.com/dr, in which event the Purchaser’s solicitor shall be deemed to have received the delivery of those documents upon the Vendor’s solicitor having posted the documents thereon and having advising the Purchaser’s solicitor that they are available to be retrieved therefrom together with instructions on how to do so; and such delivery shall be deemed to be a good and sufficient tender of such documents) provided that all documents so transmitted have been duly and properly executed by the appropriate parties/signatories thereto which may be by electronic signature. The party transmitting any such document shall also deliver the original of same [unless the document is an electronically signed document pursuant to the *Electronic Commerce Act of Ontario*, as may be amended] to the recipient party by overnight courier sent the day after Closing, if same has been so requested by the recipient party; and
- (f) notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by the Vendor upon the Purchaser when the Vendor’s solicitor has:
 - (i) delivered all closing documents to the Purchaser’s solicitor in accordance with the provisions of the Escrow Document Registration Agreement or the provisions of this Agreement (and without limiting the generality of the foregoing, the delivery of documents pursuant to subparagraph 38 (e), above) and keys are also delivered to the Purchaser’s solicitor or made available for the Purchaser to pick up at the Vendor’s sales office, customer service office or construction site office;
 - (ii) advised the Purchaser’s solicitor, in writing, that the Vendor is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and
 - (iii) has completed all steps required by TERS in order to complete this transaction that can be performed or undertaken by the Vendor’s solicitor without the cooperation or participation of the Purchaser’s solicitor and specifically, when the Transfer of the Unit is created on the TERS system and messaged to the Purchaser’s solicitor under the TERS system;

without the necessity of personally attending upon the Purchaser or the Purchaser’s solicitor with the aforementioned documents and/or keys and/or funds, and without any requirement to have an independent witness evidencing the foregoing.

39. Notwithstanding anything herein contained to the contrary, in the event the Purchaser or the Purchaser’s solicitor advises the Vendor or the Vendor’s solicitor, on or before the Closing Date, that the Purchaser is unable or unwilling to complete the purchase of the Real Property, the Vendor shall be relieved of any obligation to make any formal tender upon the Purchaser

or the Purchaser's solicitor and the Vendor may forthwith exercise any and all of its rights and/or remedies in this Agreement and/or at law.

DEFAULT AND REMEDIES

40. (a) The Purchaser shall be deemed to be in default under this Agreement in each and every one of the following events, namely:
- (i) upon the non-payment of all or any portion of the Purchase Price, or any other amount due hereunder;
 - (ii) upon a breach of, or failure in the performance or observance of any covenant, term, agreement, restriction, stipulation or provision of this Agreement to be performed and/or observed by the Purchaser; and
 - (iii) upon any lien, execution or encumbrance, arising from any action, inaction or default whatsoever of the Purchaser, being charged against or affecting the Real Property.
- (b) If the Purchaser is in default under this Agreement in respect of an obligation of the Purchaser which is to be performed as a part of their Closing obligations or covenants due on the Closing Date, or, otherwise occurs on the Closing Date, then no written notice of default shall be required or need be delivered. For any other form of default under this Agreement, the Purchaser shall have five (5) calendar days (i.e. all days including Saturdays, Sundays and all Provincial and Federal statutory holidays) after written notice thereof has been delivered to the Purchaser or the Purchaser's solicitor, by the Vendor or its solicitors, to remedy/rectify such default. If the Purchaser is in default or remains in default after delivery of notice, as the case may be, then in addition to any other rights or remedies which the Vendor may have, the Vendor, at its option, shall have the rights and remedies as set out below. A certificate of the Vendor or an officer of the Vendor that default has been made, the date of default and that notice of such default, if required, has been delivered as aforesaid, shall be conclusive evidence of the facts therein stated.
- (c) In the event of a default by the Purchaser, then, in addition to any other rights or remedies which the Vendor may have, the Vendor, at its sole option, shall have the right to terminate this Agreement and preserve any rights the Vendor may have against the Purchaser and in such event, all monies paid hereunder (including the deposit monies paid or agreed to be paid by the Purchaser pursuant to this Agreement which sums shall be accelerated on demand of the Vendor), together with any interest earned thereon and monies paid or payable for extras or upgrades or changes ordered by the Purchaser, whether or not installed in the Dwelling, shall be forfeited to the Vendor. The Purchaser agrees that the forfeiture of the aforesaid monies shall not be a penalty and it shall not be necessary for the Vendor to prove it suffered any damages in order for the Vendor to be able to retain the aforesaid monies. The Vendor shall in such event still be entitled to claim damages from the Purchaser in addition to any monies forfeited to the Vendor. In the event the Vendor's solicitors are holding any of the deposit monies in trust pursuant to this Agreement, then in the event of a default, the Vendor's solicitors shall pay to the Vendor the said deposit monies together with any interest accrued thereon, provided the Vendor has delivered to its solicitors a certificate of the Vendor or an officer of the Vendor, certifying that the Purchaser has committed a default pursuant to this Agreement that has not been remedied and that the Vendor has terminated this Agreement and that the Vendor is therefore entitled to the said deposit monies and accrued interest, if any. Thereupon the Purchaser hereby releases the Vendor's solicitors from any obligation to hold the said deposit monies, if any, and interest, if any, in trust, and shall not make any claim whatsoever against the said solicitors and the Purchaser hereby irrevocably authorizes and directs the said solicitors to deliver the said deposit monies, if any, and accrued interest, if any, to the Vendor.
- (d) It is understood and agreed that the rights contained in this Section on the part of the Vendor are in addition to any other rights (whether of a more onerous nature or not) which the Vendor may have at law, in equity or under any other provisions of this Agreement, and the Vendor expressly has the right to exercise all or any one or more of the rights contained in this Agreement, or at law or in equity, without exercising at such time, the remainder of such right or rights and without prejudice to the subsequent right of the Vendor to exercise any remaining right or rights at law, in equity or in this Agreement. In the event the Purchaser fails to make payment of any amount as and when required pursuant to the terms of this Agreement, the payment amount shall bear interest at a rate equal to eight per cent (8%) above the prime rate of the Vendor's bank, calculated from the due date to the date of payment. Prime rate for any day means the prime lending rate of interest expressed as a rate per annum (computed on a year of 365 days) which the Vendor's bank establishes from time to time as the reference rate of interest in order to determine interest rates it will charge for demand loans made in Canada in Canadian dollars as the same is in effect from time to time. In the event of any other default under this Agreement by the Purchaser the Vendor shall have the right, at its sole option, but not the obligation, to take whatever steps are necessary to correct and/or remedy such default and the Purchaser shall pay forthwith to the Vendor upon demand the costs and expenses of the Vendor in doing so plus a fifteen percent (15%) administration fee. In the event the Purchaser fails to pay any of the foregoing amounts to the Vendor after demand the Vendor shall have the right, at its option, to add any of such outstanding amounts to the Purchase Price as an adjustment on the Closing Date.
41. The Purchaser covenants and agrees to pay to the Vendor all amounts to correct and remedy all damage caused by the Purchaser or those for whom he is in law responsible to any services installed within the Subdivision, which services shall, without limitation, include survey stakes, landscaping, trees, curbs, curb cuts, streets, roads, sidewalks, street signs, street lighting, sanitary and storm sewers and any underground services installed by or on behalf of any public or private utilities. The amounts so paid by the Vendor shall form and constitute a Vendor's lien against the Real Property which Vendor's lien may be enforced in the same manner as a mortgage/charge thereon.
42. The Purchaser hereby agrees to indemnify and save harmless the Vendor, its servants and agents, successors and assigns, from all actions, causes of action, claims and demands whatsoever for, upon or by reason of any damage, loss or injury to a person or property of the Purchaser or any of his friends, relatives, workmen, agents or anyone else for whom at law the Purchaser is responsible who have entered on the Real Property or any part of the Subdivision whether with or without the authorization, express or implied, of the Vendor.
43. No waiver by the Vendor of any breach of covenant or default in the performance of any obligation hereunder or any failure by the Vendor to enforce its rights herein shall constitute any further waiver of the Vendor's rights herein, it being the

express intent of the parties that any waiver or forbearance in enforcing its rights by the Vendor shall apply solely to that particular breach or failure.

44. Notwithstanding anything contained in this Agreement it is understood and agreed by the parties hereto that in the event that construction of the Dwelling is not completed on or before the Closing Date for any reason or in the event the Vendor cannot complete the subject transaction on the Closing Date, other than as a result of the Purchaser's default, the Vendor shall not be responsible or liable to the Purchaser in any way for any damages or costs whatsoever including without limitation loss of bargain, relocation costs, loss of income, professional fees and disbursements and any amount paid to third parties on account of decoration, construction or fixturing costs other than those costs set out in the Tarion Addendum.

CAUSE OF ACTION/VENDOR ASSIGNMENT

45. (a) The Purchaser acknowledges and agrees that notwithstanding any rights which he might otherwise have at law or in equity arising out of this Agreement, the Purchaser shall not assert any of such rights, nor have any claim or cause of action whatsoever as a result of any matter or thing arising under or in connection with this Agreement (whether based or founded in contract law, tort law or in equity, and whether for innocent misrepresentation, negligent misrepresentation, breach of contract, breach of fiduciary duty, breach of constructive trust or otherwise), against any person, firm, corporation or other legal entity, other than the person, firm, corporation or legal entity specifically named or defined as the Vendor herein, even though the Vendor may be (or may ultimately be found or adjudged to be) a nominee or agent of another person, firm, corporation or other legal entity, or a trustee for and on behalf of another person, firm, corporation or other legal entity, and this acknowledgment and agreement may be pleaded as an estoppel and bar against the Purchaser in any action, suit, application or proceeding brought by or on behalf of the Purchaser to assert any of such rights, claims or causes of action against any such third parties.
- (b) At any time prior to the Closing Date, the Vendor shall be permitted to assign this Agreement (and its rights, benefits and interests hereunder) to any person, firm, partnership or corporation and upon any such assignee assuming all obligations under this Agreement and notifying the Purchaser or the Purchaser's solicitor of such assignment, the Vendor named herein shall be automatically released from all obligations and liabilities to the Purchaser arising from this Agreement, and said assignee shall be deemed for all purposes to be the vendor herein as if it had been an original party to this Agreement, in the place and instead of the Vendor.

NOTICE

46. Any notice required to be delivered under the provisions of the Tarion Addendum shall be delivered in the manner required therein.
47. Any other notice given pursuant to the terms of this Agreement shall be deemed to have been properly given if it is in writing and is delivered by hand, ordinary prepaid post, facsimile transmission or electronic mail to the attention of the Purchaser or the Purchaser's solicitor to their respective addresses set out in this Agreement and to the Vendor or the Vendor's solicitors to their respective addresses set out in this Agreement or in all cases such other address as may from time to time be given by notice in accordance with the foregoing. Such notice shall be deemed to have been received on the day it was delivered by hand, facsimile transmission or electronic mail and on the third day following posting excluding Saturdays, Sundays and statutory holidays. In the event of a mail stoppage or slow down, all notices shall be delivered, sent by facsimile transmission or sent by electronic mail. This Agreement or any amendments or addendum thereto may, at the Vendor's option, be properly delivered, if delivered by facsimile transmission or if a copy of same is computer scanned and forwarded by electronic mail to the other party. Notwithstanding anything herein to the contrary and in addition thereto, notices from the Vendor to the Purchaser to be given pursuant to Schedule "G" hereto may be delivered by the Vendor to the Purchaser or their solicitor, if any, by telephone conversation or by leaving a voice-message on the Purchaser's or their Solicitor's (if any) voice-mail system and shall be deemed to be delivered on the date on which such telephone conversation takes place or such voice-message is delivered. Provided further that a certificate of delivery of notice signed by a sales representative or officer of the Vendor, certifying the date and method of delivery of a notice from the Vendor to the Purchaser or their Solicitor, shall be conclusive evidence of same.

PURCHASER'S CONSENT TO THE COLLECTION AND LIMITED USE OF PERSONAL INFORMATION

48. The Purchaser hereby consents to the Vendor's collection, use and disclosure of the Purchaser's personal information for the purpose of enabling the Vendor to proceed with the Purchaser's purchase of the Real Property, completion of this transaction, and for post-closing and after-sales customer care purposes. Such personal information includes the Purchaser's name, home address, e-mail address, telefax/telephone number, age, date of birth, marital status, residency status, social insurance number (only with respect to subparagraph (b) below), financial information, desired Dwelling design(s) and colour/finish selections. In particular but without limiting the foregoing, the Vendor may disclose such personal information to:
- (a) any relevant governmental authorities or agencies, including without limitation, the Land Titles Office (in which the Real Property is registered), the Ministry of Finance for the Province of Ontario (i.e. with respect to Land Transfer Tax), and the Canada Revenue Agency ("CRA") (i.e. with respect to HST);
- (b) CRA, to whose attention the T-5 interest income tax information return and/or the NR4 non-resident withholding tax information return is submitted (where applicable), which will contain or refer to the Purchaser's social insurance number or business registration number (as the case may be), as required by Regulation 201(1)(b)(ii) of the *Income Tax Act (Canada)*, as may be amended;
- (c) any companies or legal entities that are associated with, related to or affiliated with the Vendor (or with the Vendor's parent/holding company, if applicable) and are developing one or more other developments, projects or communities that may be of interest to the Purchaser or members of the Purchaser's family, for the limited purposes of marketing, advertising and/or selling various products and/or services to the Purchaser and/or members of the Purchaser's family;
- (d) any financial institution(s) providing (or wishing to provide) mortgage financing, banking and/or other financial or related services to the Purchaser and/or members of the Purchaser's family with respect to the Real Property, including without limitation, the Vendor's construction lender(s), the person and/or firm monitoring the project of

which the Real Property forms a part (the “**Project**”) and its costs, the Vendor’s designated construction lender(s), Tarion and/or any warranty bond provider and/or deposit insurer, required in connection with the development and/or construction financing of the Project and/or the Real Property and/or the financing of the Purchaser’s acquisition of the Property from the Vendor;

- (e) any insurance companies of the Vendor providing (or wishing to provide) insurance coverage with respect to the Project and/or the Real Property (or any portion thereof) and any title insurance companies providing (or wishing to provide) title insurance to the Purchaser or the Purchaser’s mortgage lender(s) in connection with the completion of this transaction;
- (f) any trades/suppliers or sub-trades/suppliers, who have been retained by or on behalf of the Vendor (or who are otherwise dealing with the Vendor) to facilitate the completion and finishing of the Dwelling and the Real Property and the installation of any extras or upgrades ordered or requested by the Purchaser;
- (g) one or more providers of cable television, telephone, telecommunication, security alarm systems, hydro-electricity, water/chilled water/hot water, gas and/or other similar or related services to the Real Property (or any portion thereof) (collectively, the “**Utilities**”) unless the Purchaser gives the Vendor prior notice in writing not to disclose the Purchaser’s personal information to one or more of the Utilities;
- (h) one or more third party data processing companies which handle or process marketing campaigns on behalf of the Vendor or other companies that are associated with, related to or affiliated with the Vendor, and who may send (by e-mail or other means) promotional literature/brochures about new developments, projects or communities and/or related services to the Purchaser and/or members of the Purchaser’s family unless the Purchaser gives the Vendor prior notice in writing not to disclose the Purchaser’s personal information to one or more of the aforementioned third party data processing companies;
- (i) the Vendor’s solicitors, to facilitate the closing of this transaction, including the closing by electronic means via the TERS, and which may (in turn) involve the disclosure of such personal information to an internet application service provider for distribution of documentation; and
- (j) any person, where the Purchaser further consents to such disclosure or disclosures required by law.

Any questions or concerns of the Purchaser with respect to the collection, use or disclosure of his personal information may be delivered to the Vendor at the address set out in the Tarion Addendum to the attention of the Privacy Officer.

KEYS

49. The Purchaser agrees that keys may be released to the Purchaser at the Vendor’s sales office, customer service office or construction site office upon completion of this transaction, unless otherwise determined by the Vendor. The Vendor’s or its solicitors’ advice that keys are available for release to the Purchaser constitutes a valid delivery of keys to the Purchaser.

ONE-TIME UNILATERAL RIGHT TO EXTEND CLOSING

50. The Vendor shall have a one-time unilateral right to extend the Closing Date for one (1) Business Day (as defined in the Tarion Addendum) to avoid the necessity of tender where the Purchaser is not ready to close on the Closing Date and delayed closing compensation will not be payable for such period.

CONSTRUCTION LIEN ACT

51. The Purchaser covenants and agrees that he is a “home buyer” within the meaning of the Construction Lien Act of Ontario, as may be amended, and will not claim any lien holdback on the Closing Date.

GENERAL

52. This offer, when accepted, shall constitute a binding agreement of purchase and sale. Time shall in all respects be of the essence of this Agreement. All of the Purchaser’s and Vendor’s covenants and obligations contained in this Agreement shall survive Closing of this transaction. It is agreed that there is no representation, warranty, guarantee, collateral agreement or condition affecting this Agreement or the Dwelling or the Real Property, except as set forth herein in writing, and this Agreement shall not be amended except in writing. The Purchaser releases and absolves the Vendor of any obligation to perform or comply with any promises or representations as may have been made by any sales representative or in any sales or marketing material(s), unless the same has been reduced to writing herein.
53. This offer and acceptance is to be read with all changes (including gender and number) required by the context, and shall be construed in accordance with the laws of the Province of Ontario.
54. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
55. The parties hereto agree that the signatures and/or initials on this Agreement or its acceptance, rejection or modification can be transmitted by fax transmission or, at the Vendor’s option, by email (wherein a copy is scanned and forwarded by email to the other party) and that communication by such means will be legal and binding on all parties hereto.
56. In the event there are any matters provided for in this Agreement which are or may be the Vendor’s responsibility pursuant to a municipal, regional or other governmental authority requirement and which the Municipality and/or Region and/or any other governmental authority no longer requires the Vendor to perform, complete, construct or install then such matter(s) shall be deleted from this Agreement and the Vendor shall have no responsibility or obligation in respect thereof.

57. The Purchaser agrees to comply with the terms of any direction re: funds provided by the Vendor or its solicitors in respect of the balance due on the Closing Date and to deliver on the Closing Date certified cheques for the balance due on Closing as directed by the Vendor or its solicitors.
58. The headings of this Agreement form no part hereof and are inserted for convenience of reference only.
59. If any provision of this Agreement or the application to any circumstances shall be held to be invalid or unenforceable, then the remaining provisions of this Agreement or the application thereof to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.
60. The Purchaser and the Vendor acknowledge that this Agreement shall be deemed to be a contract under seal. For the purpose of this Agreement, the term "date of acceptance", or, "acceptance" shall be deemed to mean the date of acceptance by the Vendor, or, in the alternative, if this Agreement is subject to offers and counter-offers, then that date upon which the final acceptance is indicated by the ultimate acceptance of the last counter-offer.
61. The Purchaser agrees as follows:
- (a) if any documents required to be executed and delivered by the Purchaser to the Vendor are, in fact, executed by a third party appointed as the attorney for the Purchaser, then the power of attorney appointing such person must be registered in the Land Titles Office where the Real Property is registered, and a notarial copy thereof (together with a statutory declaration sworn by the Purchaser's solicitor unequivocally confirming, without any qualification whatsoever, that the said power of attorney has not been revoked) shall be delivered to the Vendor and the Vendor's solicitors along with such documents; and
 - (b) where the Purchaser is a corporation, or where the Purchaser is buying in trust for another person or corporation for a disclosed or undisclosed beneficiary or principal (including, without limitation, a corporation to be incorporated), the execution of this Agreement by the principal or principals of such corporation, or by the person named as the Purchaser in trust as the case may be, shall be deemed and construed to constitute the personal indemnity of such person or persons so signing with respect to the obligations of the Purchaser herein and shall be fully liable to the Vendor for the Purchaser's obligations under this Agreement and the Purchaser may not plead such agency, trust relationship or any other relationships as a defence to such liability.

ADDITIONAL PROVISIONS

62. Any fencing, retaining walls or noise barriers or other items of a similar nature erected by the Vendor or the Municipality on, adjacent to or abutting the Real Property shall be maintained by the Purchaser, after Closing, without any modification or alteration whatsoever and in good order and tidy appearance and any landscaping provided by the Vendor in connection therewith shall be maintained by the Purchaser in good order and condition.
63. The Purchaser hereby acknowledges that complete engineering data in respect of the municipally approved final grading of the Real Property may not, as yet, be completed. Accordingly, it may either (i) not be possible to construct the Dwelling with a walkout basement, lookout basement, backsplitted or rear deck or (ii) the Vendor may be required to construct the Dwelling with a walkout basement, lookout basement, backsplitted or rear deck even though one was not contemplated. In the event that this Agreement calls for a walkout basement, lookout basement, backsplitted or rear deck and the Municipality will not permit the walkout basement, lookout basement, backsplitted or rear deck, the Vendor shall provide written notice of same to the Purchaser and the Purchaser shall accept the Real Property without the walkout basement, lookout basement, backsplitted or rear deck and be entitled to an abatement in the Purchase Price on Closing of the amount paid for the consideration of the walkout basement, lookout basement, backsplitted or rear deck, as determined solely by the Vendor and evidenced by a certificate of the Vendor or statutory declaration of an officer of the Vendor. In the event that this Agreement does not call for a walkout basement, lookout basement, backsplitted or rear deck, and the Municipality requires the construction of a walkout basement, lookout basement, backsplitted or rear deck, the Vendor shall provide written notice of same to the Purchaser and the Purchaser shall accept the walkout basement, lookout basement, backsplitted or rear deck and pay the Vendor's actual costs of such additional construction for same without mark up but include the cost of all associated construction equipment, labour and materials as an adjustment on the Closing Date (which costs shall be determined solely by the Vendor and evidenced by a certificate of the Vendor or statutory declaration of an officer of the Vendor). In dwellings where a lookout basement is required, a deck with steps and larger rear wall basement windows may be required. The Vendor may install such deck with steps and windows and the Purchaser shall pay to the Vendor, as an adjustment on the Closing Date, an amount equal to the Vendor's actual costs to supply and install such deck with steps and larger rear wall basement windows without mark up, but include the cost of all associated construction equipment, labour and materials (which costs shall be determined solely by the Vendor and evidenced by a certificate of the Vendor or statutory declaration of an officer of the Vendor). In addition, in dwellings where a walkout basement, lookout basement or backsplitted is required, lot grading circumstances may require that the patio doors on the main floor be constructed with wrought iron installed on its exterior and may require one (1) patio door and one (1) window be installed in the rear wall of the basement and the costs associated with same shall be dealt with in the same manner as set out above.
64. If the Municipality requires the installation of an air conditioning unit or any additional improvements (the "Municipal Additional Requirements") in or about the Dwelling, the Purchaser covenants and agrees to pay to the Vendor for the cost of the Municipal Additional Requirements and for the installation thereof. The Purchaser shall pay such cost forthwith upon request from the Vendor or as an adjustment on the Closing Date to the credit of the Vendor, at the Vendor may decide.
65. Within fourteen (14) days of the date of acceptance of this Agreement by the Vendor and, thereafter, within seven (7) days of written request by the Vendor, from time to time, the Purchaser shall deliver to the Vendor evidence of a satisfactory mortgage commitment signed by a lending institution or other mortgagee acceptable to the Vendor confirming that the said lending institution or acceptable mortgagee will be advancing funds to the Purchaser sufficient to pay the balance due on the Closing Date. The Vendor may, in its sole discretion, elect to accept in the place of such mortgage commitment, other evidence satisfactory to the Vendor, in its sole and unfettered discretion, that the Purchaser will have sufficient funds to pay the balance due on the Closing Date. If the Purchaser fails to provide the mortgage commitment or other evidence as aforesaid, then the Purchaser shall be deemed to be in default under this Agreement. If a copy of the mortgage commitment is provided by a mortgage broker or other party on behalf of the financial institution/applicable lender then the mortgage broker

or other party shall be satisfactory to the Vendor in its sole discretion failing which the Purchaser shall be deemed to be in default under this Agreement.

66. In the event that prior to Closing, the Purchaser's lender withdraws its approval of the Purchaser for a loan to purchase the Real Property due to any default, act or omission of the Purchaser or the Purchaser advises the Vendor that he cannot obtain financing for the purchase of the Real Property then the Purchaser shall be deemed to be in default under this Agreement. The Vendor shall also have the right, but not the obligation, at its sole option to take back or arrange financing whether a first and/or second mortgage directly from the Purchaser for an amount determined by the Vendor for a one year term payable interest only on the outstanding principal balance of such mortgage at a rate of interest not to exceed the prime rate of interest of the Vendor's bank plus five per cent per annum calculated and payable monthly with any adjustments to the prime rate being made as same occur. The mortgage(s) shall be on the Vendor's or arranged mortgagee's standard form of mortgage and contain a due on sale clause and payment of monthly instalments of interest by post-dated cheque or pre-authorized payment clause and the Purchaser covenants and agrees to execute and deliver such mortgage(s) on the Closing Date. The Purchaser shall also forthwith upon request do all acts and execute and deliver all documents both before and after Closing as may be required by the Vendor or the arranged mortgagee in connection with the taking back or giving of such mortgage(s). The Purchaser covenants that his spouse shall execute all such additional documents as may be required including a guarantee of the repayment of such mortgage(s).

SS
SAMPLE

MIDHURST VALLEY – SCHEDULE “B” STANDARD FEATURES

September 17, 2021

QUALITY CONSTRUCTION

1. Architecturally designed homes in traditional and transitional architecture, as per elevation. House siting and exterior colour package selections are architecturally controlled.
2. Exterior Elevations:
Elevation A – Traditional: Genuine clay brick, “maintenance free”* Hardie panels, shakes and siding with 30-year manufacturer’s warranty, stone veneer, precast concrete sills, quoins and / or wood detailing, as per plan. Sides and rear of homes to be brick, as per Vendor’s Architectural Plans. Ground floor front elevation exterior porches and porticos with decorative columns and railings, as per plan. Steel clad insulated front entry door with glass panes in doors, as per plan, includes pewter or black grip sets(s) – Vendor’s choice. Black exterior light at front door(s) and at each sectional roll up garage door, as per plan. 8’ x 7’ Steel Insulated Carriage Style Garage Door with Glazing, as per plan.

Elevation B – Transitional 1: Genuine clay brick, “maintenance free”* Hardie panels, shakes and siding with 30-year manufacturer’s warranty, stone veneer, precast concrete sills, quoins and / or wood detailing and metal roof, as per plan. Sides and rear of homes to be brick, as per Vendor’s Architectural Plans. Ground floor front elevation exterior porches and porticos with decorative columns and railings, as per plan. Second floor front elevation exterior balconies with decorative columns and railings, as per plan. Steel Clad insulated front entry door with transoms or sidelights, as per plan, includes pewter or black grip set(s) – Vendor’s choice. Black exterior light at front door(s) and at each sectional roll up garage door, as per plan. 8’ x 7’ Steel Insulated Contemporary Style Garage Door with No Glazing, as per plan.

Elevation C – Transitional 2: Genuine clay brick, aluminum siding, stone, glass railings, raked and/or tooled masonry joints (Vendor’s choice), dormers, decorative columns, frieze boards, precast detailing, metal roofs and decorative brackets, as per Vendor’s Architectural Plans. Ground floor front elevation exterior porches and porticos with decorative columns and railings, as per plan. Second floor front elevation exterior balconies with decorative columns and glass railings, as per plan. Steel Clad insulated front entry door with transoms or sidelights, as per plan, includes pewter or black grip set(s) – Vendor’s choice. Black exterior light at front door(s) and at each sectional roll up garage door, as per plan. 8’ x 7’ Steel Insulated Contemporary Style Garage Door with Etched Glazing, as per plan.

3. Corner lot flankage elevations to receive enhanced architectural details, as per architectural control.
4. 2” x 6” exterior stud walls with OSB wall sheathing.***
5. Engineered roof systems with raised heel trusses.
6. Prefinished “maintenance free”* aluminum soffits, fascia, eavestroughs and downspouts (as per elevation).
7. Premium manufacturer’s limited lifetime shingles as per plan.
8. Wood and steel beam construction.
9. Engineered floor joist system for all subfloors, not including landings.
10. 5/8” premium engineered OSB tongue & groove subfloor, nailed, glued, screwed and sanded.***
11. 3/8” plywood or 7/16” OSB roof sheathing, Vendor’s choice.***
12. Poured concrete foundation walls.
13. Precast patterned patio slabs from driveway to front porch as per approved grading and/or site plan. Front & rear

door(s) to receive precast concrete patio step(s) where site grading requires.

14. Ceiling heights – Approximately 8’0” ceilings in basement, 9’0” ceilings on ground floor and 8’4” ceilings on second floor.***
15. Entry-resistant framing on all perimeter doors.
16. Thermopane exterior metal French door(s) “no screen(s)” and / or vinyl sliding patio door(s) “with screen(s)” as per plan.
17. Concrete garage floor with reinforced grade beams.
18. Garage interior to be finished with drywall taped (1 coat) and primed.
19. PEX (Cross-linked polyethylene) hot and cold water lines throughout.
20. All homes to be “Grey Water Ready”.

DOORS AND WINDOWS

21. “Maintenance free”* thermopane Energy Star® qualified coloured vinyl casement windows (coloured windows as per the exterior colour packages approved by the Controlling Architect) on all elevations (including rear). Muntin bars within the panes of glass on front elevation only, as per plan.** All windows to be double glazed with low emissive coating, argon filled gas and insulated spacer bars for greater energy cost savings. All operable windows to have screens. Some decorative windows have fixed glass panes.
22. All exterior door(s), windows and building perforations are foam insulated and fully caulked.
23. Insulated metal door from garage into house, as per plan. ** The Vendor reserves the right to substitute the door from the garage to the house with a wall if grade difference exceeds 2 or 3 risers depending on the house plan and zoning bylaw restrictions.
24. Where applicable, and at the Vendor’s discretion, the floor at the garage entry door may be dropped up to 2 risers to accommodate the entry door(s), as per plan.
25. Thermopane exterior metal French door(s) as per plan (screen not included).**

ELECTRICAL

26. 200 AMP service with circuit breakers and copper wiring throughout.
27. Heavy-duty cable and outlet for stove and dryer.
28. One waterproof exterior electrical outlet at rear, one at the front porch, one outlet on a separate circuit in the garage and one switch controlled outlet at the front porch soffit for holiday lighting (location of outlets determined by Vendor).**
29. Outlet in garage ceiling for future installation of each garage overhead door opener (opener not supplied by Vendor). One per garage door.
30. All electrical outlets and light fixtures located within all perimeter walls and second floor ceilings are installed in sealed boxes.
31. Ceiling fixtures in foyers, hallways, mudroom, office, living room, family room, laundry, kitchen, servery, walk-in pantry, recreation room, breakfast area, media room, all bedrooms, bathrooms and walk-in closets with energy efficient LED bulbs (min 75% of home) with Vendor supplied fixtures as required by code.**
32. Switch controlled capped ceiling outlet provided for future dining area light fixture, as per plan.
33. All electrical switches and outlets to be white Décora.
34. Prewired for television (RG6 cable) and telephone (CAT5e cable) in primary bedroom, family room, office and media.**

35. All rough-in outlets as noted for TV, telephone, data/voice/video cabling to be left as non-terminated wiring.
36. Electronic smoke detectors on all levels of the home and in all bedrooms. Carbon monoxide detectors on all levels.
37. Front entry door chimes.
38. Electrical outlet provided below counter within kitchen island and/or peninsula cabinet, as per code (only applicable on the island when the island is permanently fixed, as per plan).**
39. One rough-in for future power supply for electrical vehicle, including conduit and electrical box located in garage.***
66. Trimmed archways as per plan.**
67. Natural finish oak staircase in finished areas including nosing, posts, pickets, handrails, treads, risers, and stringers selected from Vendor's standard samples.
68. All closets including linen and walk-in pantries to have white vinyl coated wire shelving.
69. Trim to be approx. 5¼" baseboards and 2¾" casing in all finished areas, as per plan.**
70. Interior pewter or brushed nickel finish door levers and door hardware (hinges painted), Vendor's choice.
71. Privacy locks on primary bedroom and bathroom doors.

HEATING & INSULATION

40. Upgraded R31 expandable spray foam insulation to garage ceiling and exterior overhangs where there are livable areas above.
41. Exterior walls insulated to R22. R60 insulation in attic space above living areas.
42. Electronic programmable thermostat centrally located on main floor, at Vendor's discretion.
43. Power vented Energy Star® qualified gas fired hot water tank, on a rental basis.
44. Hot water tank and one or more mechanical components on a rental basis with designated supplier at Vendor's sole discretion.
45. High-efficiency, Energy Star® qualified forced air gas furnace with ductwork sized for central air conditioning. Location and orientation may vary at Vendor's discretion without notice.**
46. Air conditioner included.
47. All homes to be equipped with one HRV (Heat Recovery Ventilator) paired with furnace.
48. All exposed mainline metal ductwork joints in basement are sealed.
49. Ducts professionally cleaned and sanitized. (Purchaser supplied with certificate which is to be redeemed within 3 months from date of closing).
50. Direct vent gas fireplace, no hearth, as per plan.

LAUNDRY

51. Energy Star® qualified exhaust fan in laundry room; applies only if no operating window is present in the laundry room.
52. Exterior venting for dryer in laundry room.
53. Stand alone or Single basin laundry tub set in a base cabinet with 2 handle faucet, as per plan.
54. Second floor laundry rooms only, to have tiled baseboards, floor drain and marble threshold, as per plan.**
55. Optional upper cabinets in laundry room, as per plan.**
56. "Oatey" box (or equivalent) recessed in the wall of finished laundry rooms in the vicinity of the washer to facilitate ease of connection of the washing machine hot and cold water lines as well as the drain.
57. Stacked or side-by-side Washer and Dryer in white, as per plan, supplied and installed

INTERIOR FEATURES

58. Interior walls to be painted with 2 (two) coats of off-white premium latex paint, 1 (one) coat prime plus 1 (one) coat finish.
59. All interior doors and trim to be painted with (2) two coats of white premium latex paint, one (1) coat prime and one (1) coat finish.
60. Interior door height standard approximately 6' 8", as per plan.
61. Smooth ceilings throughout the ground floor, excluding closets, cloak rooms & walk-in pantries, which will receive stipple spray ceilings without smooth borders.
62. Smooth ceilings in second floor hallways, bathrooms, laundry rooms & media rooms.
63. Sprayed stipple ceilings with 4" smooth borders in second floor bedrooms, and closets.
64. Raised tray ceiling in the primary bedroom with smooth painted finish inside the tray ceiling, as per plan.**
65. Cathedral, raised, vaulted and arched ceilings as per applicable plan.**

KITCHEN FEATURES

72. Valance moulding under the kitchen uppers, as per plan (electrical not included).
73. Kitchen cabinetry with hardware, as per plan. Colour matched kick plates.**
74. Granite countertops in kitchen and servery, as per plan.
75. Kitchen servery with base cabinet, as per plan.**
76. Kitchen uppers to receive crown moulding at the top of the uppers, as per plan.**
77. Kitchen cabinetry to have extended upper cabinets, as per plan.**
78. Full depth fridge gable(s) with deep upper cabinet above fridge space, as per plan.
79. Ceramic tile backsplash in kitchen & servery, from Vendor's standard samples as per plan.
80. Split electrical outlets provided above the kitchen countertop and dedicated outlet for the refrigerator.
81. Pantry, Island, or Work Island with Extended Breakfast Bar (some extended breakfast bars to have legs), as per plan.**
82. Double stainless steel undermount sink in kitchen, with single handle pulldown kitchen faucet.
83. Stove exhaust hood fan in cabinet (stainless steel) with light, vented to exterior, supplied, and installed.
84. Dishwasher rough-in includes electrical and plumbing, as per plan.

APPLIANCES

85. 33" stainless steel front Energy Star® qualified Refrigerator with bottom mount freezer, supplied and installed.
86. 30" stainless steel front self-clean smooth top Electric Range, supplied and installed.
87. 24" stainless steel front Dishwasher, supplied and installed.

BATHROOM FEATURES

88. Bathroom cabinetry with hardware. Colour matched kick plates as per plan. **
89. Granite countertop in primary ensuite, as per plan. Post formed laminate countertops in powder room and bathrooms, as per plan.**
90. Pedestal sink in powder room, as per plan.**
91. Primary ensuite with double sinks as per plan.**
92. Washerless single-lever water efficient faucet(s) in all bathroom vanities with pop-up drains.**
93. Bathroom fixtures to be white.
94. Primary ensuite to have free-standing acrylic tub, with integrated single-lever and handheld water efficient Roman faucet, as per plan.**
95. Primary ensuite separate shower stalls, where applicable, to be finished with clear glass panels and half panels (as per design), chrome frame complete with clear glass shower door, as per plan (ceiling not tiled) and a waterproof recessed ceiling light.**
96. Primary ensuite shower with one (1) piece marble slab seat, as per plan.**
97. Secondary bathrooms which feature a separate shower stall, where applicable, to have waterproof interior recessed ceiling light and to be fully tiled not including the ceiling, as per plan. Chrome framed glass shower door, as per plan.**

- 98. Ceramic wall tiles in tub enclosures, where applicable, to height of dropped ceiling (ceiling not tiled).
- 99. Mirrors in all bathrooms with wall mounted lighting above the mirror.
- 100. Energy Star® qualified exhaust fan in all bathrooms.
- 101. Pressure balance bathtub and shower faucets in all bathrooms, where applicable, for safety and comfort.
- 102. Moisture resistant tile backer with built-in moisture barrier in shower stall and tub enclosure, as per plan.
- 103. Energy efficient water saver showerhead and toilet tanks.

FLOORING FEATURES

- 104. Choice of 12" X 12" or 13" x 13" ceramic tile in the foyer, cloak room, kitchen, servery, breakfast, mudroom, walk-in pantry, lower entry, all bathrooms and laundry room from Vendor's standard samples, as per plan.**
- 105. Torly's laminate pre-finished flooring*** on the ground floor, second floor hallways, media rooms & mid-height landings from Vendor's standard samples, as per plan.**
- 106. Purchasers' choice from Vendor's standard 35oz Berber with ¼" high density chip foam underpad*** or 40oz polyester broadloom with 12mm standard foam underpad*** in all second floor areas except for tiled and laminate areas, as per plan. Choice of colours from Vendor's standard samples (one colour throughout).

EXTERIOR FEATURES

- 107. Two (2) water taps with inside shut-off valves. One (1) in garage and one (1) at the back of the house, located at Vendor's discretion.
- 108. Front and rear yard to be fully sodded except for hard surface areas, as per plan. Side yard to be sod or gravel, at vendor's discretion, as per plan.
- 109. Two stage asphalt driveway, as per plan (Driveway consisting of base coat and top coat).
- 110. Where rear 'lookout basement' conditions are applicable, the following features are standard and included in any premiums applicable to the lot: the wood deck off the main floor will be approximately 5' x 10' at minimum, complete with stairs to grade and oversized casement window(s) on the rear basement wall, layout as per Vendor's Architectural recommendations; balance of standard size windows to be vinyl sliders. Where "walkout basement" conditions apply, the following features are standard and included in any premiums applicable to the lot: sliding patio door, oversized casement window(s), additional brick or siding, framing, insulation on rear wall of basement and a wood balcony approximately 5' x 10' at minimum off main floor rear sliding patio door or French door (no stairs), as per plan, additional exterior light fixture and electrical outlet. On lots with walkout or lookout grading conditions, the number of basement windows and location of basement windows may change, as per Vendor's Architect's recommendations.***,**

VENDOR'S GUARANTEE & CONDITIONS

- 111. All selections, including upgrades, are to be made from Vendor's samples.
- 112. Geranium has been registered with Tarion Warranty Corporation since 1985 and is in good standing. A completely computerized customer service program is available for a period of one year after closing. The following three inspection forms are to be submitted to the Vendor's Head Office: A pre-delivery inspection form to be completed with the Vendor prior to closing. A second inspection form submitted a maximum of 30 days following the closing date. A final year end inspection form submitted anytime between a maximum of 30 days prior to and up to the one-year anniversary of the closing date.
- 113. Tarion coverage: One (1) year warranty on defects in workmanship and materials. Two (2) year warranty on electrical, plumbing and heating delivery and distribution system, water penetration through building envelope and foundation. Seven (7) year warranty on major structural defects. Purchaser agrees to pay Tarion enrolment fee on closing date.
- 114. The Purchaser acknowledges that they have been advised of and do hereby agree to all the following, specific and general notices, warnings, cautions and limitations as are set out below. Provided that specific terms shall not in any way diminish or replace general terms of the same or similar nature or kind.

*"Maintenance Free" means as per manufacture's stated representations in respect of each product, and the Vendor does not make any representation or offer any warranty in respect thereof.

**Availability determined by house design.

***All measurements, specifications, sizes and finishing details are approximate and subject to change without notice.

1. In accordance with the Agreement of Purchase and Sale, the Vendor shall have the right to substitute other products and materials for those listed in this Schedule or provided for in the plans and specifications provided that the substituted products and materials are of a quality equal to, or better than, the products and materials so listed or so provided.
2. Vendor's samples are subject to natural variations in colour and grain. Floor and wall tiles, all countertops, laminate flooring, kitchen cabinets, vanity cabinets and wall finishes are subject to pattern, shade and colour variations.
3. Carpet: The Berber and/or Sisal carpet installed in the home at the Property will not be a seamless installation. The carpet seams will be visible and accepted as installed by the Vendor or the Vendor's agent. Any such seams shall not be considered an item which is damaged or incomplete for the purposes of the Purchaser's Pre-Delivery Inspection and for the completion of the Purchaser's Pre-Delivery Inspection Form.
4. Frameless shower: The Vendor will make every reasonable effort to design and assemble this frameless shower door to restrict water from penetrating outside the shower enclosure. The Vendor will not warrant water damage resulting from water exiting the shower enclosure through and or around the shower door. The Vendor will not repair any damage that may occur below the shower door sill.
5. Tile: The nature of the rectangular tiles (eg. 12"x 24", etc.) are inherently curved and uneven. Once installed in the home, especially in a brick pattern style, they

- will accentuate the unevenness and bowed appearance in the centre of the tile. Any inconsistency of the installation of irregular size tiles will not be a warrantable item under Taron Construction Performance Guidelines. Unevenness shall not be considered an item which is damaged or incomplete for the purpose of the Purchaser's Pre-Delivery Inspection and completion of the Purchaser's Pre-Delivery Inspection Form.
6. Smooth ceilings: Due to the factory finish of gypsum drywall panels and the conventional methods of concealing joints and fasteners with the products available today, certain conditions may detract from the quality of the "smooth" finish of the ceilings. Even though the gypsum drywall panel surface is meticulously treated and as smooth as possible, conditions involving a combination of lighting (both natural and electrical) and gloss-enamel or high-gloss paint may bring about shadows which accentuate even the slightest surface variation across the face of the panel. These surface variations in colour and sheen may affect the quality of the finished product and likely will be most visible where there are treated joints, fastener heads, or corner beads. To eliminate the problems noted above, the recommended installation is that your ceiling surfaces be finished with a machine-applied medium to heavy texture spray.
 7. Stained stairs: The hardwood flooring to be installed on the Property is factory finished through an automated process, whereas the stained Staircase will be finished manually on-site. As well, the materials used by the contractors assembling the Staircase do not use material from the same suppliers and as such, the stain will not be absorbed in the same fashion for each piece of oak. Accordingly, on-site finishing of the Staircase will result in variations in colour, sheen and consistency of finish and, as such, the Staircase and the hardwood flooring will differ in appearance.
 8. Hardwood floors: Purchaser(s) are advised that the normal installation practice, as recommended by the hardwood manufacturer, is to install the hardwood perpendicular to the floor joists. Since not all floor joists run in the same direction throughout the home, the Purchaser(s) acknowledge and accept that the hardwood will not all run in one direction but will be installed as per the hardwood manufacturer's recommendation. The Purchaser accepts this method of installation.
 9. Where hardwood floors are being installed as a standard feature or selected as an extra by the Purchaser(s) in "wet" areas, including but not limited to the kitchen, breakfast, foyer, mudroom, etc, the Purchaser hereby releases the Vendor from all liability as it relates to water damage, swelling and/or imperfections that may exist as a result of the hardwood being installed in the wet areas.
 10. All natural stone samples shown at the Décor centre/sales office may vary from the product received from the manufacturer for installation. Purchaser acknowledges and accepts that the manufacturing process can result in differences in finish, colour, texture, veining and after decorative attributes of the natural stone product. The Vendor does not warrant the consistency of these attributes and reserves the sole and absolute discretion to install the natural stone product.
 11. Lighting: Purchaser(s) acknowledge and accept that due to construction and installation of framing members (lumber), plumbing pipes and HVAC systems, the location of ceiling electrical rough-ins and/or light fixtures and/or smoke and CO detectors may not be 'centred' within the ceiling space of any particular room(s).
 12. Eco-laminate flooring may react to normal fluctuations of humidity levels by producing gapping or cupping, both of which shall be considered acceptable. The Purchaser acknowledges that failure to maintain a standard humidity level in the home may result in excessive gapping or cupping, for which the Vendor shall not be responsible.
 13. Ceiling heights will be less than the stated ceiling height where ceiling bulkheads are installed and where dropped ceilings are required.
 14. If the home is at a stage of construction which will enable the Vendor to permit the Purchaser to make colour and material choices from the Vendor's standard samples, then the Purchaser shall have until the date designated by the Vendor to properly complete the Vendor's colour and material selection form.
 15. The Purchaser acknowledges that there shall be no reduction in the price or credit for any standard feature listed herein which is omitted at the Purchaser's request.
 16. References to model types or model numbers refer to current manufacturer's models or Vendor's house models, as the case may be. If these types or models shall change, the Vendor shall provide an equivalent model (not applicable to Vendor's house model).
 17. Wall locations are approximate, and walls or portions of walls may be furred out, or have a vertical box installed altered to accommodate structural and/or mechanical requirements.
 18. All measurement, specifications, sizes, products, materials and finishing details are approximate, subject to change without notice and shall be from Vendor's standard samples, as applicable and as the circumstances may be.
 19. Pursuant to this Agreement or this Schedule or pursuant to a supplementary agreement or purchase order the Purchaser may have requested the Vendor to construct an additional feature within the home which is in the nature of an optional extra (such as, by way of example only, a fireplace); if, as a result of building, construction or site conditions within the home or development, the Vendor is not able to construct such extra, then the Vendor may, by written notice to the Purchaser, terminate the Vendor's obligation to construct the extra. In such event, the Vendor shall refund to the Purchaser the monies, if any, paid by the Purchaser to the Vendor in respect of such extra, without interest and in all other respects this Agreement shall continue in full force and effect and the Vendor shall have no further obligation or responsibility to the Purchaser, whatsoever, in respect thereof.

September 2021

Purchaser(s) Initial

Purchaser(s) Initial

SCHEDULE "D"

NOTICES AND WARNING CLAUSES

The Purchaser acknowledges he/she is/are advised of the following:

The Owner agrees to include the notices and warning clauses set out in this Schedule into all agreements of purchase and sale entered into subsequent to the execution of this Agreement for all properties, land, buildings and structures constructed or situated on the lots and blocks.

D.1 Hammerheads

Purchasers of Lots abutting a hammerhead or temporary turning circle are advised of the intended use of this area as a hammerhead or turning area, and the road may or will be extended in future.

D.2 Noise

Purchasers are advised that as a result of the development of this subdivision adjacent to, but not limited to, existing roads, commercial operations, railway lands and walkways and parks that noise levels may cause disturbances or loss of privacy which may affect the living environment of the residents. The Municipality shall not be held responsible for any complaints or claims arising from the noise of such services and facilities.

D.3 Night Lighting

Purchasers of lots adjacent to a public walkway or park are advised of the potential for exposure to night lighting that may occur in the walkway or park from time to time.

D.4 Park Development

Purchasers are advised that as a result of the development of the community park facilities that active lighted facilities may cause a disturbance or loss of privacy.

D.5 Environmental Protection Lands

Purchasers of lots adjacent to environmentally protected lands and shall install signage, as appropriate, to identify the limits of any environmentally protected lands as they relate to the applicable residential lots, if any.

D.6 Postal Service

Purchasers are advised that door-to-door postal service will not be available within this Plan. Owners are advised that a community super mailbox or group mailbox will be located within or nearby the Lands as determined by Canada Post.

D.7 School Locations and School Boards

Pupils from this development attending educational facilities operated by the Simcoe County District School Board and/or the Simcoe Muskoka Catholic District School Board may be transported to accommodated in temporary facilities out of the neighborhood school's area.

Purchasers are advised that the public schools on designed sites in the community are not guaranteed. Further, purchasers are advised that potential school sites may not be developed for the use as a school in the event that these sites are determined to be surplus or are not required by a school board, and that commercial, residential, or institutional uses may instead be established on any such site. Attendance at schools in the area yet to be constructed is also not guaranteed. Pupils may be accommodated in temporary facilities and/or directed to schools outside of the area.

Purchasers are advised that school buses will not enter cul de sacs and that pick-up points will not be located within the subdivision until major construction activity has been completed.

D.8 Airport

If applicable, Purchasers are advised that this plan is in close proximity of an airport and will not object to the day-to-day operations of the facility or any future expansion of the airport or its operations.

Purchasers are advised that noise levels may cause disturbances or loss of privacy which may affect the living environment of the residents. The Municipality shall not be held responsible for any complaints or claims arising from the noise of such services and facilities.

D.9 Employment and Industrial Lands

Purchasers of lots adjacent to employment or industrial uses are to be advised of the potential for exposure to

noise and dust that may occur.

D.10 Outdoor Recreation Uses

Purchasers of lots adjacent to outdoor recreation uses including gun clubs and active agricultural operations surrounding the Midhurst Settlement Area are to be advised of the potential of dust, potential odour, outdoor ambient noise and slow moving traffic.

D.11 Private Laneways

Purchasers are advised that private laneways may be subject to a common elements condominium corporation and agreements for maintenance, snow removal, and garbage pick-up. Accordingly, purchasers are to be advised that all laneways should be kept free and clear of vehicles to ensure that emergency service, snow removal and waste collection vehicles have continued access, and that failure to comply with this requirement will result in ticketing and towing of vehicles.

D.12 Railway Lines

The Owner agrees to include a clause within all offers of purchase and sale or lease, and be registered on title or included in the lease for each dwelling affected by any noise and vibration, advising that an active railway is located in close proximity to the intersection of Snow Valley Road and Wilson Drive.

D.13 Parking

Purchasers of lots with single car garages shall agree that the garage represents one parking space as per the requirements of the Municipality’s relevant zoning-by-law, and that parking by-laws may be established during certain seasons restricting the total number of cars that can be parked on each lot.

DATED this _____ day of _____, 20_____.

SIGNED, SEALED AND DELIVERED)

in the presence of:)

_____)

_____)
Purchaser



WITNESS:)

(as to all Purchasers’)
signatures, if more than)
one purchaser))

_____)
Purchaser



SCHEDULE "E"

FINANCING CONDITION

1. This Schedule forms an integral part of the Agreement of Purchase and Sale between these parties and to which it is attached (the "Purchase Agreement").
2. The Purchase Agreement is conditional for a period of three (3) calendar days (i.e. all days including Saturdays, Sundays and all Provincial or Federal statutory holidays) following the date of acceptance of the Purchase Agreement by the Vendor ("the Limitation Period"), to permit the Purchaser(s) to arrange a new first mortgage having a principal amount and other terms and conditions suitable to the Purchaser(s) (the proceeds of which shall be used to complete this transaction).
3. If within the Limitation Period the Purchaser(s) or a lawyer retained on their behalf in respect of this transaction delivers a notice in writing to the Vendor, or its Solicitors named in the Purchase Agreement, stating that the Purchaser(s) have not satisfied this condition, the Purchase Agreement shall be terminated and rendered null and void and all deposit cheques delivered by the Purchaser(s) shall be returned forthwith upon execution of the Vendor's form of Release agreement.
4. This condition is for the benefit of the Purchaser(s) and may be waived by the Purchaser(s) by way of written notice delivered to the Vendor prior to the expiry of the Limitation Period.
5. Failing the receipt of the notice referred to in paragraph 3 above within the said Limitation Period, the condition in this Schedule "E" shall lapse and/or be deemed to have been waived and the parties shall complete their respective covenants contained in the Purchase Agreement.

DATED this _____ day of _____, 20____.

SIGNED, SEALED AND DELIVERED)
in the presence of:)

Purchaser

WITNESS:
(as to all Purchaser's
signatures, if more than
one purchaser)

Purchaser

ACCEPTED and DATED this _____ day of _____, 20____.

THE THREE (3) DAY CONDITION - LIMITATION PERIOD - COMMENCES ON THE DATE OF ACCEPTANCE, ABOVE, AND ENDS ON THE _____ DAY OF _____, 20____.

MIDHURST VALLEY (CARSON) INC.

Per: _____
[Authorized Signing Officer]

I have authority to bind the Corporation



SCHEDULE "F"

LAWYER'S APPROVAL CONDITION

1. This Schedule forms an integral part of the Agreement of Purchase and Sale between these parties and to which it is attached (the "Purchase Agreement").
2. The Purchase Agreement is conditional for a period of three (3) calendar days (i.e. all days including Saturday, Sunday and Federal or Provincial statutory holidays) following the date of acceptance of the Purchase Agreement ("the Limitation Period"), to permit the Purchaser(s) to obtain legal advice.
3. If within the Limitation Period the Purchaser(s) or a lawyer retained on their behalf in respect of this transaction delivers a notice in writing to the Vendor, or its Solicitors named in the Purchase Agreement, stating that the Purchaser is not satisfied with the terms of the Purchase Agreement, the Purchase Agreement shall be terminated and rendered null and void and all deposit cheques delivered by the Purchaser shall be returned forthwith upon execution of the Vendor's form of Release agreement.
4. This condition is for the benefit of the Purchaser and may be waived by the Purchaser by way of written notice delivered to the Vendor prior to the expiry of the Limitation Period.
5. Failing the receipt of the notice referred to in paragraph 3 above within the said Limitation Period, the condition in this Schedule "F" shall lapse and/or be deemed to have been waived and the parties shall complete their respective covenants contained in the Purchase Agreement.

DATED this _____ day of _____, 20__.

SIGNED, SEALED AND DELIVERED)

in the presence of:)

_____) _____

Purchaser

WITNESS:)

(as to all Purchasers')

signatures, if more than)

one purchaser))

_____)
Purchaser

ACCEPTED and DATED this _____ day of _____, 2021.

THE THREE (3) DAY CONDITION - LIMITATION PERIOD - COMMENCES ON THE DATE OF ACCEPTANCE ABOVE AND ENDS ON THE _____ DAY OF _____, 20__.

MIDHURST VALLEY (CARSON) INC.

Per: _____

[Authorized Signing Officer]

I have authority to bind the Corporation



SCHEDULE "G"
RESTRICTIONS

In this document:

- (a) the term "**Benefiting Lands**" shall mean Lots 1 to 293, Plan 51M-1204, Midhurst, Ontario, now owned by the "**Applicant**".
- (b) the term "**Applicant**" shall mean 1757704 Ontario Inc., its successors and assigns.
- (c) the term "**Lands**" means all of the Lots 1 to 293 on Plan 51M-1204 (the "**Subdivision**") and the terms "**Lot**" and "**Lots**" and "**Block**" and "**Blocks**" refer to an individual "Lot" or "Lots" or "Block" or "Blocks" within the lands.
- (d) the term "**Municipality**" shall mean the "Township of Springwater".
- (e) the term "**Owner(s)**" shall mean the registered owner(s), of each individual Lot and Block from time to time, as indicated in the records maintained by the Land Registry Office at Durham (No. 51);
- (f) in these restrictions, words importing the singular include the plural and vice versa, and words importing a specific gender include the other genders, as the case may be.

The following restrictions and covenants shall run with the Lands and shall be binding upon the Owners and occupants of the Lands and shall remain in force from the date hereof until August 20, 2061.

1. The Owner shall not place anything upon their Lot or Block which could restrict, inhibit and/or prevent representatives of either the Applicant or the Municipality to install, inspect, maintain and/or repair the above and below grade municipally-approved services or municipally-approved structures and fixtures, including any below grade services, situated within or beneath the Lands.
2. (a) The Owner shall not, without the prior written authority of the Applicant and/or the Municipality (which may be arbitrarily withheld), alter the grading or drainage or interfere with or alter any drainage ditches, swales, retaining walls, catch basins, or obstruct the natural flow of water, or obstruct the drainage as designed and engineered to the Subdivision and shall not take or permit any action which will/does not adhere to the overall grading and drainage patterns of the Subdivision, including pre-servicing such easements as may exist, or may be required for the purpose of water drainage upon the Lands, to and from adjoining lands, and the Owner agrees to grant such easements as may be required from time to time by the Applicant and/or the Municipality for drainage purposes.

(b) In addition, no owner of any lot shall remove, alter, interfere with, or fail to maintain any catchbasin located on a lot for drainage purposes. No owner shall alter grading of the lot in any way so as to adversely affect the drainage pattern of the surrounding lots. Where the owner alters drainage, no owner shall attempt to block or interfere with the Municipality's right to enter the property to correct the grading and to assign the costs of such work, including an administrative fee, to the owner.

(c) The owner shall not alter or interfere with the grading and drainage levels and patterns as approved by the Municipality with respect to the said lots and, without limiting the generality of the foregoing, no owner of any part of any lot shall alter, fill, fence, stop up or allow to become clogged or fall into a state of disrepair, any rear or side yard drainage depression or swale, catchbasin or other drainage channel, facility or installation, as such alteration or other action as stated above may cause a failure of the drainage system in the area.
3. (a) The Owner shall not, prior to the entire Subdivision being assumed by the Municipality, without the prior written consent of the Applicant (which may be arbitrarily withheld), and thereafter, without the prior written approval of the Municipality (which may be arbitrarily withheld), erect/construct fences, porches, patios, planting, paving, swimming pool, clothes lines or obstructions of any kind upon their Lot or Block or any part of the Lands, remove top soil or subsoil, cut down living trees or do anything which may change or alter the grading or obstruct the drainage of the Lands or surrounding lots or lands in any way and if they do, the Municipality and/or the Applicant or their servants, successors, agents and assigns may enter thereon (without such act being a trespass) and correct such grading or remove or relocate such obstructions at the Owner's expense and be paid, forthwith upon demand, the cost thereof.

(b) No owner of any lot shall construct, widen, remove or alter any curb cut within the road allowance of a municipal road or create or construct any driveway entrance, or cause any such work to be done except with the approval of the Municipality. In addition, no owner shall obstruct or encumber any Highway in the Municipality. Obstructions and encumbrances shall include, but not be limited to, the construction, placement or maintenance of posts, fences, trees, hedges, landscaping, irrigation systems and wooden or concrete driveway curbs. All obstruction or encumbrances shall be removed by the owner upon receipt of notification from the Municipality. If the request for removal is not complied within the specified time, the Municipality may cause the same to be removed, and the owner shall be liable to the Municipality for all costs incurred in the removal of the obstruction. The Municipality may recover all expenses on the Collector's rolls in the same manner as municipal taxes.
4. No owner of any lot shall be entitled to connect roof leaders to the foundation drain collector or to the weeping tile. Roof leaders shall be required to discharge onto the lots, with the use of concrete splash pads such that the side lot swales will drain the runoff to the road or rear lots, or in accordance with the drainage facilities

shown in the Municipally approved final lot grading plan for the lot. Drainage cannot be designed in such a way that flooding, ponding or the build-up of ice on a sidewalk or adjacent road surface occurs.

5. No owner of any lot shall excavate the lands except for excavation for the purpose of construction in accordance with the drawings approved by the Municipality. No soil, sand, gravel or other similar material shall be removed from the lands except with the prior permission of the Municipality.
6. No owner of any lot shall place or permit to be placed any fence, tree, shrub, hedge, landscape berm, signboard or other object within a Highway or within the lands laid out in the Plan for a Highway, whether or not such lands actually contain a paved portion of a Highway. Without limiting the generality of the foregoing, no driveway curb or pillar may be placed within a Highway or within the lands laid out in the Plan for a Highway, whether or not such lands actually contain a paved portion of a Highway and no driveway placed within such lands shall be constructed or altered so as to interfere with the operation of any municipal services, such as snow and garbage removal equipment
7. The Owner shall not install any air conditioning system at a later date, unless the air conditioning equipment and exterior vents are installed so that said equipment is in the least noise sensitive location in respect of the installation and that the method and manner of installation complies with the requirements of the Ministry of Environment and Climate Change's criteria and other applicable requirements specified by the Municipality. The air conditioning equipment should be screened, if required, or integrated with the landscape design.
8. The Owner shall not place any signs, billboards, notices or advertising matter of any kind upon the Lands or anything growing thereon, or upon or in any buildings, fences or other things erected or placed thereon other than in accordance with the Municipality's sign by-law in effect at the time.
9. The Owner shall not erect any antennae, television or radio transmitter or receiver, or any other communications devices on any building or structure situate on their Lot or Block, so long as there is a commercial cable service available thereto, except that one satellite dish per dwelling may be installed, provided, however, that:
 - (a) the satellite dish does not exceed 24" in diameter;
 - (b) the satellite dish is erected on the backside of the ridge of the roof and is not visible from the street;
 - (c) the satellite dish is not immediately adjacent to abutting properties or obstructive of any views or sight-lines of any buildings on an adjacent property.
10. The Owner shall not erect any exterior drying apparatus or device on their Lot or Block or attached to any dwelling or building thereto, other than a free-standing, folding drying rack.
11. The Owner shall not remove or destroy any live trees on the Lands.
12.
 - (a) No motor vehicle (other than private passenger motor vehicles), no boats and/or boat trailers, and no trailers with living, sleeping or eating accommodation, shall be placed, located, kept or maintained on the Lands or any part thereof unless concealed in a wholly enclosed garage.
 - (b) No motor vehicle which is not being used from day to day, or which is undergoing repairs of any nature shall be parked or located upon the Lands or any part thereof, unless concealed in a wholly enclosed garage.
13. The Owner shall not refuse or deny the Applicant the right, at all reasonable times to remove, or cause removal, or repair or replace any matter or thing upon their Lot or Block which is in breach of these restrictions; provided that such removal or repair shall be at the expense of the Owner, be payable upon demand, and shall be a charge against the Owner's Lot or Block; and entry upon the Owner's Lot or Block for such purposes shall not be deemed a trespass and the Owner consents to such entry.
14. No building, structure or any addition thereto, landscaping, driveway and parking area, shall be maintained or kept save in good repair and condition, to the reasonable standards satisfactory to the Applicant or its successors and assigns, and the Municipality.
15. The Owner of a Lot or Block covenants and agrees with all other Owners as follows:
 - (a) not to contravene or cause to be contravened by any act or omission any provision of any agreement, restriction or regulation of the Municipality or any other authority having jurisdiction thereover, their respective successors and assigns, pertaining to the development, servicing, grading, drainage, landscaping, use and occupancy of any part of the Lands and appurtenances, whether now in effect or hereinafter imposed;
 - (b) not to do anything on any part of the Lands or elsewhere which will interfere with or cause damage to any service installed or to be installed in the Subdivision, which services include without limitation roads, ditches, curbs, drains, sidewalks, stakes/bars, water boxes and other water, sewer, gas and hydro works. Any such damage so caused may be corrected by the Municipality, the Applicant or other appropriate authority at the Owner's expense and shall (together with a management fee equal to 15% of such costs) be a charge against title to the Owner's Lot or Block and payable, on demand.
 - (c) not to refuse to grant, forthwith upon request and without charge, any easement or right required by any municipal or other servicing authority for the installation/maintenance of any service, provided

that such does not prevent the erection of dwelling units on that part of the Lands so affected in compliance with the applicable zoning and building requirements.

16. No house or structure shall be constructed upon the Lands except in conformity with the building and zoning requirements of the Municipality.

General Clauses

17. Provided always that notwithstanding anything herein contained, the Applicant, and its successors and assigns shall have power by instrument or instruments in writing from time to time to waive, alter or modify the above covenants and restrictions in their application to the Lands or any part(s) thereof.
18. Wherever in these restrictive covenants, reference is made to the successors and assigns of the Applicant, it shall mean the successors in title, the Owner and Owners for the time being, of the last part of the Lands which the Applicant shall convey away (which may be without notice to the Owner of any Lot or Lots or Block or Blocks to any part thereof comprising part of the Lands).
19. To the intent that the burden of the restrictive covenants shall run with the Lands until August 20, 2061, and to the intent that the benefit of these restrictive covenants may be annexed to and run with the Benefiting Lands, each Owner of any Lot or Lots or Block or Blocks or any part thereof included with the Lands, for itself, its successors and assigns, covenants and agrees with the Applicant, its successors and assigns, that such Owner and such Owner's successors in title, from time to time, of all or any part or parts of the Lands, will observe and comply with the stipulations, restrictions and provisions herein, and that nothing shall be erected or fixed, placed or done upon the Lands, or any part thereof, in breach or violation of, or contrary to the fair meaning of the said stipulations, restrictions and provisions set forth herein.
20. These covenants and restrictions shall be deemed independent and severable and the invalidity or unenforceability of any one covenant or restriction (or a portion(s) thereof) shall not affect the validity or enforceability of any other covenant or restriction (or the remaining portion(s) thereof).

SCHEDULE "H"

DEPOSITS

1. The initial \$100,000.00 IN DEPOSITS shall be paid to the Vendor.
2. The balance of all deposits shall be paid to the Vendor's solicitors, Jeffrey P. Shankman, Barristers & Solicitors, in trust (hereinafter referred to as "J. P. Shankman"), and will be deposited to their trust account.
3. Provided, however, that, the Vendor may elect to obtain excess deposit insurance or similar coverage (e.g., insurance bond) to protect the value of the deposits paid by the Purchaser pursuant to this Agreement of Purchase and Sale which exceed the automatic coverage provided by Tarion Warranty Corporation pursuant to the *Ontario New Homes Warranties Plan Act* ("ONHWPA"); and upon receipt of evidence by J. P. Shankman (with a copy of such evidence provided to the Purchaser or the Purchaser's solicitor) that the Vendor has obtained excess insurance or similar coverage (e.g., insurance bond), in respect of this transaction covering the deposits called for herein which exceed those automatically protected pursuant to ONHWPA, J. P. Shankman shall be entitled to deliver the deposits held by them in trust, if any, covered by such excess insurance or similar coverage (e.g., insurance bond), to the Vendor, and thereupon, J. P. Shankman shall be relieved from any and all obligations, whatsoever, to the Purchaser in respect of all such deposits, if any. Interest earned on deposits, if any, shall be the sole property of the Vendor.

DATED this _____ day of _____, 20 _____

SIGNED, SEALED AND DELIVERED)
in the presence of:)

_____))
Witness)

_____))
Purchaser)

_____))
Witness)

_____))
Purchaser)



ACCEPTED and DATED this _____ day of _____, 20 _____

MIDHURST VALLEY (CARSON) INC.



Per: _____
[Authorized Signing Officer]

I have authority to bind the Corporation

**Freehold Form
(Tentative Closing Date)**

Property _____

**Statement of Critical Dates
Delayed Closing Warranty**

This Statement of Critical Dates forms part of the Addendum to which it is attached, which in turn forms part of the agreement of purchase and sale between the Vendor and the Purchaser relating to the Property. **The Vendor must complete all blanks set out below. Both the Vendor and Purchaser must sign this page.**

NOTE TO HOME BUYERS: Home buyers are encouraged to refer to the Home Construction Regulatory Authority's website www.hcraontario.ca to confirm a vendor's licence status prior to purchase as well as to review advice about buying a new home. Please visit Tarion's website: www.tarion.com for important information about all of Tarion's warranties including the Delayed Occupancy Warranty, the Pre-Delivery Inspection and other matters of interest to new home buyers. The Warranty Information Sheet, which accompanies your purchase agreement and has important information, is strongly recommended as essential reading for all home buyers. The website features a calculator which will assist you in confirming the various Critical Dates related to the occupancy of your home.

VENDOR _____
Midhurst Valley (Carson) Inc.
Full Name(s)

PURCHASER _____
Full Name(s)

1. Critical Dates

The **First Tentative Closing Date**, which is the date that the Vendor anticipates the home will be completed and ready to move in, is: the ____ day of _____, 20__.

A **Second Tentative Closing Date** can subsequently be set by the Vendor by giving proper written notice at least 90 days before the First Tentative Closing Date. The Second Tentative Closing Date can be up to 120 days after the First Tentative Closing Date, and so could be as late as: the ____ day of _____, 20__.

The Vendor must set a **Firm Closing Date** by giving proper written notice at least 90 days before the Second Tentative Closing Date. The Firm Closing Date can be up to 120 days after the Second Tentative Closing Date, and so could be as late as: the ____ day of _____, 20__.

If the Vendor cannot close by the Firm Closing Date, then the Purchaser is entitled to delayed closing compensation (see section 7 of the Addendum) and the Vendor must set a Delayed Closing Date.

The Vendor can set a Delayed Closing Date that is up to 365 days after the earlier of the Second Tentative Closing Date and the Firm Closing Date: This **Outside Closing Date** could be as late as: the ____ day of _____, 20__.

2. Notice Period for a Delay of Closing

Changing a Closing date requires proper written notice. The Vendor, without the Purchaser's consent, may delay Closing twice by up to 120 days each time by setting a Second Tentative Closing Date and then a Firm Closing Date in accordance with section 1 of the Addendum but no later than the Outside Closing Date.

Notice of a delay beyond the First Tentative Closing Date must be given no later than: the ____ day of _____, 20__.

(i.e., at least **90 days** before the First Tentative Closing Date), or else the First Tentative Closing Date automatically becomes the Firm Closing Date.

Notice of a second delay in Closing must be given no later than: the ____ day of _____, 20__.

(i.e., at least **90 days** before the Second Tentative Closing Date), or else the Second Tentative Closing Date becomes the Firm Closing Date.

3. Purchaser's Termination Period

If the purchase of the home is not completed by the Outside Closing Date, then the Purchaser can terminate the transaction during a period of **30 days** thereafter (the "**Purchaser's Termination Period**"), which period, unless extended by mutual agreement, will end on: the ____ day of _____, 20__.

If the Purchaser terminates the transaction during the Purchaser's Termination Period, then the Purchaser is entitled to delayed closing compensation and to a full refund of all monies paid plus interest (see sections 7, 10 and 11 of the Addendum).

Note: Any time a Critical Date is set or changed as permitted in the Addendum, other Critical Dates may change as well. At any given time the parties must refer to: the most recent revised Statement of Critical Dates; or agreement or written notice that sets a Critical Date, and calculate revised Critical Dates using the formulas contained in the Addendum. Critical Dates can also change if there are unavoidable delays (see section 5 of the Addendum).

Acknowledged this ____ day of _____, 20__.

VENDOR: _____

PURCHASER: _____

**Freehold Form
(Tentative Closing Date)**

**Addendum to Agreement of Purchase and Sale
Delayed Closing Warranty**

This addendum, including the accompanying Statement of Critical Dates (the “**Addendum**”), forms part of the agreement of purchase and sale (the “**Purchase Agreement**”) between the Vendor and the Purchaser relating to the Property. This Addendum is to be used for a transaction where the home purchase is in substance a purchase of freehold land and residential dwelling. This Addendum contains important provisions that are part of the delayed closing warranty provided by the Vendor in accordance with the *Ontario New Home Warranties Plan Act* (the “**ONHWP Act**”). If there are any differences between the provisions in the Addendum and the Purchase Agreement, then the Addendum provisions shall prevail. **PRIOR TO SIGNING THE PURCHASE AGREEMENT OR ANY AMENDMENT TO IT, THE PURCHASER SHOULD SEEK ADVICE FROM A LAWYER WITH RESPECT TO THE PURCHASE AGREEMENT OR AMENDING AGREEMENT, THE ADDENDUM AND THE DELAYED CLOSING WARRANTY.**

Tarion recommends that Purchasers register on Tarion’s **MyHome** on-line portal and visit Tarion’s website – **tarion.com**, to better understand their rights and obligations under the statutory warranties.

The Vendor shall complete all blanks set out below.

VENDOR Midhurst Valley (Carson) Inc.
Full Name(s)

<u>905 477 1177</u>	<u>Markham</u>	<u>ON</u>	<u>L3R 1G9</u>
<u>905 477 7733</u>	<u>City</u>	<u>Province</u>	<u>Postal Code</u>
<u></u>	<u>grace@jpscounsel.com</u>	<u></u>	<u></u>
<u></u>	<u>Email*</u>	<u></u>	<u></u>

PURCHASER

Full Name(s)

<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u>City</u>	<u>Province</u>	<u>Postal Code</u>
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u>Email*</u>	<u></u>	<u></u>

PROPERTY DESCRIPTION

<u>Township of Springwater</u>	<u>ON</u>	<u></u>
<u>City</u>	<u>Province</u>	<u>Postal Code</u>
<u>Plan 51M1204</u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

Short Legal Description

Number of Homes in the Freehold Project _____ (if applicable – see Schedule A)

INFORMATION REGARDING THE PROPERTY

The Vendor confirms that:

- (a) The Property is within a plan of subdivision or a proposed plan of subdivision. Yes No
If yes, the plan of subdivision is registered. Yes No
If the plan of subdivision is not registered, approval of the draft plan of subdivision has been given. Yes No
- (b) The Vendor has received confirmation from the relevant government authorities that there is sufficient:
 - (i) water capacity; and (ii) sewage capacity to service the Property. Yes No

If yes, the nature of the confirmation is as follows: _____

If the availability of water and sewage capacity is uncertain, the issues to be resolved are as follows: _____

- (c) A building permit has been issued for the Property. Yes No
- (d) Commencement of Construction: has occurred; or is expected to occur by the _____ day of _____, 20____.

The Vendor shall give written notice to the Purchaser within 10 days after the actual date of Commencement of Construction.

***Note: Since important notices will be sent to this address, it is essential that you ensure that a reliable email address is provided and that your computer settings permit receipt of notices from the other party.**

Freehold Form (Tentative Closing Date)

SETTING AND CHANGING CRITICAL DATES

1. Setting Tentative Closing Dates and the Firm Closing Date

- (a) **Completing Construction Without Delay:** The Vendor shall take all reasonable steps to complete construction of the home on the Property and to Close without delay.
- (b) **First Tentative Closing Date:** The Vendor shall identify the First Tentative Closing Date in the Statement of Critical Dates attached to the Addendum at the time the Purchase Agreement is signed.
- (c) **Second Tentative Closing Date:** The Vendor may choose to set a Second Tentative Closing Date that is no later than 120 days after the First Tentative Closing Date. The Vendor shall give written notice of the Second Tentative Closing Date to the Purchaser at least 90 days before the First Tentative Closing Date, or else the First Tentative Closing Date shall for all purposes be the Firm Closing Date.
- (d) **Firm Closing Date:** The Vendor shall set a Firm Closing Date, which can be no later than 120 days after the Second Tentative Closing Date or, if a Second Tentative Closing Date is not set, no later than 120 days after the First Tentative Closing Date. If the Vendor elects not to set a Second Tentative Closing Date, the Vendor shall give written notice of the Firm Closing Date to the Purchaser at least 90 days before the First Tentative Closing Date, or else the First Tentative Closing Date shall for all purposes be the Firm Closing Date. If the Vendor elects to set a Second Tentative Closing Date, the Vendor shall give written notice of the Firm Closing Date to the Purchaser at least 90 days before the Second Tentative Closing Date, or else the Second Tentative Closing Date shall for all purposes be the Firm Closing Date.
- (e) **Notice:** Any notice given by the Vendor under paragraphs (c) and (d) above, must set out the stipulated Critical Date, as applicable.

2. Changing the Firm Closing Date – Three Ways

- (a) The Firm Closing Date, once set or deemed to be set in accordance with section 1, can be changed only:
 - (i) by the Vendor setting a Delayed Closing Date in accordance with section 3;
 - (ii) by the mutual written agreement of the Vendor and Purchaser in accordance with section 4; or
 - (iii) as the result of an Unavoidable Delay of which proper written notice is given in accordance with section 5.
- (b) If a new Firm Closing Date is set in accordance with section 4 or 5, then the new date is the "Firm Closing Date" for all purposes in this Addendum.

3. Changing the Firm Closing Date – By Setting a Delayed Closing Date

- (a) If the Vendor cannot Close on the Firm Closing Date and sections 4 and 5 do not apply, the Vendor shall select and give written notice to the Purchaser of a Delayed Closing Date in accordance with this section, and delayed closing compensation is payable in accordance with section 7.
- (b) The Delayed Closing Date may be any Business Day after the date the Purchaser receives written notice of the Delayed Closing Date but not later than the Outside Closing Date.
- (c) The Vendor shall give written notice to the Purchaser of the Delayed Closing Date as soon as the Vendor knows that it will be unable to Close on the Firm Closing Date, and in any event at least 10 days before the Firm Closing Date, failing which delayed closing compensation is payable from the date that is 10 days before the Firm Closing Date, in accordance with paragraph 7(c). If notice of a new Delayed Closing Date is not given by the Vendor before the Firm Closing Date, then the new Delayed Closing Date shall be deemed to be the date which is 90 days after the Firm Closing Date.
- (d) After the Delayed Closing Date is set, if the Vendor cannot Close on the Delayed Closing Date, the Vendor shall select and give written notice to the Purchaser of a new Delayed Closing Date, unless the delay arises due to Unavoidable Delay under section 5 or is mutually agreed upon under section 4, in which case the requirements of those sections must be met. Paragraphs (b) and (c) above apply with respect to the setting of the new Delayed Closing Date.
- (e) Nothing in this section affects the right of the Purchaser or Vendor to terminate the Purchase Agreement on the bases set out in section 10.

4. Changing Critical Dates – By Mutual Agreement

- (a) This Addendum sets out a framework for setting, extending and/or accelerating Critical dates, which cannot be altered contractually except as set out in this section 4. Any amendment not in accordance with this section is voidable at the option of the Purchaser.
- (b) The Vendor and Purchaser may at any time, after signing the Purchase Agreement, mutually agree in writing to accelerate or extend any of the Critical Dates. Any amendment which accelerates or extends any of the Critical Dates must include the following provisions:
 - (i) the Purchaser and Vendor agree that the amendment is entirely voluntary – the Purchaser has no obligation to sign the amendment and each understands that this purchase transaction will still be valid if the Purchaser does not sign this amendment;
 - (ii) the amendment includes a revised Statement of Critical Dates which replaces the previous Statement of Critical Dates;
 - (iii) the Purchaser acknowledges that the amendment may affect delayed closing compensation payable; and

Freehold Form (Tentative Closing Date)

- (iv) if the change involves extending either the Firm Closing Date or the Delayed Closing Date, then the amending agreement shall:
- i. disclose to the Purchaser that the signing of the amendment may result in the loss of delayed closing compensation as described in section 7;
 - ii. unless there is an express waiver of compensation, describe in reasonable detail the cash amount, goods, services, or other consideration which the Purchaser accepts as compensation; and
 - iii. contain a statement by the Purchaser that the Purchaser waives compensation or accepts the compensation referred to in clause ii above, in either case, in full satisfaction of any delayed closing compensation payable by the Vendor for the period up to the new Firm Closing Date or Delayed Closing Date.

If the Purchaser for his or her own purposes requests a change of the Firm Closing Date or the Delayed Closing Date, then subparagraphs (b)(i), (iii) and (iv) above shall not apply.

- (c) A Vendor is permitted to include a provision in the Purchase Agreement allowing the Vendor a one-time unilateral right to extend a Firm Closing Date or Delayed Closing Date, as the case may be, for one (1) Business Day to avoid the necessity of tender where a Purchaser is not ready to complete the transaction on the Firm Closing Date or Delayed Closing Date, as the case may be. Delayed closing compensation will not be payable for such period and the Vendor may not impose any penalty or interest charge upon the Purchaser with respect to such extension.
- (d) The Vendor and Purchaser may agree in the Purchase Agreement to any unilateral extension or acceleration rights that are for the benefit of the Purchaser.

5. Extending Dates – Due to Unavoidable Delay

- (a) If Unavoidable Delay occurs, the Vendor may extend Critical Dates by no more than the length of the Unavoidable Delay Period, without the approval of the Purchaser and without the requirement to pay delayed closing compensation in connection with the Unavoidable Delay, provided the requirements of this section are met.
- (b) If the Vendor wishes to extend Critical Dates on account of Unavoidable Delay, the Vendor shall provide written notice to the Purchaser setting out a brief description of the Unavoidable Delay, and an estimate of the duration of the delay. Once the Vendor knows or ought reasonably to know that an Unavoidable Delay has commenced, the Vendor shall provide written notice to the Purchaser by the earlier of: 20 days thereafter; and the next Critical Date.
- (c) As soon as reasonably possible, and no later than 20 days after the Vendor knows or ought reasonably to know that an Unavoidable Delay has concluded, the Vendor shall provide written notice to the Purchaser setting out a brief description of the Unavoidable Delay, identifying the date of its conclusion, and setting new Critical Dates. The new Critical Dates are calculated by adding to the then next Critical Date the number of days of the Unavoidable Delay Period (the other Critical Dates changing accordingly), provided that the Firm Closing Date or Delayed Closing Date, as the case may be, must be at least 10 days after the day of giving notice unless the parties agree otherwise. Either the Vendor or the Purchaser may request in writing an earlier Firm Closing Date or Delayed Closing Date, and the other party's consent to the earlier date shall not be unreasonably withheld.
- (d) If the Vendor fails to give written notice of the conclusion of the Unavoidable Delay in the manner required by paragraph (c) above, then the notice is ineffective, the existing Critical Dates are unchanged, and any delayed closing compensation payable under section 7 is payable from the existing Firm Closing Date.
- (e) Any notice setting new Critical Dates given by the Vendor under this section shall include an updated revised Statement of Critical Dates.

EARLY TERMINATION CONDITIONS

6. Early Termination Conditions

- (a) The Vendor and Purchaser may include conditions in the Purchase Agreement that, if not satisfied, give rise to early termination of the Purchase Agreement, but only in the limited way described in this section.
- (b) The Vendor is not permitted to include any conditions in the Purchase Agreement other than: the types of Early Termination Conditions listed in Schedule A; and/or the conditions referred to in paragraphs (j), (k) and (l) below. Any other condition included in a Purchase Agreement for the benefit of the Vendor that is not expressly permitted under Schedule A or paragraphs (j), (k) and (l) below is deemed null and void and is not enforceable by the Vendor, but does not affect the validity of the balance of the Purchase Agreement.
- (c) The Vendor confirms that this Purchase Agreement is subject to Early Termination Conditions that, if not satisfied (or waived, if applicable), may result in the termination of the Purchase Agreement. ✓ Yes ○ No
- (d) If the answer in (c) above is "Yes", then the Early Termination Conditions are as follows. The obligation of each of the Purchaser and Vendor to complete this purchase and sale transaction is subject to satisfaction (or waiver, if applicable) of the following conditions and any such conditions set out in an appendix headed "Early Termination Conditions":

**Freehold Form
(Tentative Closing Date)**

Condition #1 (if applicable)

Description of the Early Termination Condition:

Purchaser's financial resources. See Appendix to Addendum attached.

The Approving Authority (as that term is defined in Schedule A) is: n/a

The date by which Condition #1 is to be satisfied is the n/a day of n/a , 20 n/a .

Condition #2 (if applicable)

Description of the Early Termination Condition:

Obtaining Construction Financing. See Appendix to Addendum attached.

The Approving Authority (as that term is defined in Schedule A) is: n/a

The date by which Condition #2 is to be satisfied is the n/a day of n/a , 20 n/a .

The date for satisfaction of any Early Termination Condition may be changed by mutual agreement provided in all cases it is set at least 90 days before the First Tentative Closing Date, and will be deemed to be 90 days before the First Tentative Closing Date if no date is specified or if the date specified is later than 90 days before the First Tentative Closing Date. This time limitation does not apply to the condition in subparagraph 1(b)(iv) of Schedule A which must be satisfied or waived by the Vendor within 60 days following the later of: (A) the signing of the Purchase Agreement; and (B) the satisfaction or waiver by the Purchaser of a Purchaser financing condition permitted under paragraph (l) below.

Note: The parties must add additional pages as an appendix to this Addendum if there are additional Early Termination Conditions.

- (e) There are no Early Termination Conditions applicable to this Purchase Agreement other than those identified in subparagraph (d) above and any appendix listing additional Early Termination Conditions.
- (f) The Vendor agrees to take all commercially reasonable steps within its power to satisfy the Early Termination Conditions identified in subparagraph (d) above.
- (g) For conditions under paragraph 1(a) of Schedule A the following applies:
 - (i) conditions in paragraph 1(a) of Schedule A may not be waived by either party;
 - (ii) the Vendor shall provide written notice not later than five (5) Business Days after the date specified for satisfaction of a condition that: (A) the condition has been satisfied; or (B) the condition has not been satisfied (together with reasonable details and backup materials) and that as a result the Purchase Agreement is terminated; and
 - (iii) if notice is not provided as required by subparagraph (ii) above then the condition is deemed not satisfied and the Purchase Agreement is terminated.
- (h) For conditions under paragraph 1(b) of Schedule A the following applies:
 - (i) conditions in paragraph 1(b) of Schedule A may be waived by the Vendor;
 - (ii) the Vendor shall provide written notice on or before the date specified for satisfaction of the condition that: (A) the condition has been satisfied or waived; or (B) the condition has not been satisfied nor waived, and that as a result the Purchase Agreement is terminated; and
 - (iii) if notice is not provided as required by subparagraph (ii) above then the condition is deemed satisfied or waived and the Purchase Agreement will continue to be binding on both parties.
- (i) If a Purchase Agreement or proposed Purchase Agreement contains Early Termination Conditions, the Purchaser has three (3) Business Days after the day of receipt of a true and complete copy of the Purchase Agreement or proposed Purchase Agreement to review the nature of the conditions (preferably with legal counsel). If the Purchaser is not satisfied, in the Purchaser's sole discretion, with the Early Termination Conditions, the Purchaser may revoke the Purchaser's offer as set out in the proposed Purchase Agreement, or terminate the Purchase Agreement, as the case may be, by giving written notice to the Vendor within those three Business Days.
- (j) The Purchase Agreement may be conditional until Closing (transfer to the Purchaser of title to the home), upon compliance with the subdivision control provisions (section 50) of the *Planning Act*, which compliance shall be obtained by the Vendor at its sole expense, on or before Closing.
- (k) The Purchaser is cautioned that there may be other conditions in the Purchase Agreement that allow the Vendor to terminate the Purchase Agreement due to the fault of the Purchaser.
- (l) The Purchase Agreement may include any condition that is for the sole benefit of the Purchaser and that is agreed to by the Vendor (e.g., the sale of an existing dwelling, Purchaser financing or a basement walkout). The Purchase Agreement may specify that the Purchaser has a right to terminate the Purchase Agreement if any such condition is not met, and may set out the terms on which termination by the Purchaser may be effected.

Freehold Form (Tentative Closing Date)

MAKING A COMPENSATION CLAIM

7. Delayed Closing Compensation

- (a) The Vendor warrants to the Purchaser that, if Closing is delayed beyond the Firm Closing Date (other than by mutual agreement or as a result of Unavoidable Delay as permitted under sections 4 and 5), then the Vendor shall compensate the Purchaser up to a total amount of \$7,500, which amount includes: (i) payment to the Purchaser of a set amount of \$150 a day for living expenses for each day of delay until the date of Closing; or the date of termination of the Purchase Agreement, as applicable under paragraph (b) below; and (ii) any other expenses (supported by receipts) incurred by the Purchaser due to the delay.
- (b) Delayed closing compensation is payable only if: (i) Closing occurs; or (ii) the Purchase Agreement is terminated or deemed to have been terminated under paragraph 10(b) of this Addendum. Delayed closing compensation is payable only if the Purchaser's claim is made to Tarion in writing within one (1) year after Closing, or after termination of the Purchase Agreement, as the case may be, and otherwise in accordance with this Addendum. Compensation claims are subject to any further conditions set out in the ONHWP Act.
- (c) If the Vendor gives written notice of a Delayed Closing Date to the Purchaser less than 10 days before the Firm Closing Date, contrary to the requirements of paragraph 3(c), then delayed closing compensation is payable from the date that is 10 days before the Firm Closing Date.
- (d) Living expenses are direct living costs such as for accommodation and meals. Receipts are not required in support of a claim for living expenses, as a set daily amount of \$150 per day is payable. The Purchaser must provide receipts in support of any claim for other delayed closing compensation, such as for moving and storage costs. Submission of false receipts disentitles the Purchaser to any delayed closing compensation in connection with a claim.
- (e) If delayed closing compensation is payable, the Purchaser may make a claim to the Vendor for that compensation after Closing or after termination of the Purchase Agreement, as the case may be, and shall include all receipts (apart from living expenses) which evidence any part of the Purchaser's claim. The Vendor shall assess the Purchaser's claim by determining the amount of delayed closing compensation payable based on the rules set out in section 7 and the receipts provided by the Purchaser, and the Vendor shall promptly provide that assessment information to the Purchaser. The Purchaser and the Vendor shall use reasonable efforts to settle the claim and when the claim is settled, the Vendor shall prepare an acknowledgement signed by both parties which:
 - (i) includes the Vendor's assessment of the delayed closing compensation payable;
 - (ii) describes in reasonable detail the cash amount, goods, services, or other consideration which the Purchaser accepts as compensation (the "Compensation"), if any; and
 - (iii) contains a statement by the Purchaser that the Purchaser accepts the Compensation in full satisfaction of any delay compensation payable by the Vendor.
- (f) If the Vendor and Purchaser cannot agree as contemplated in paragraph 7(e), then to make a claim to Tarion the Purchaser must file a claim with Tarion in writing within one (1) year after Closing. A claim may also be made and the same rules apply if the sale transaction is terminated under paragraph 10(b), in which case, the deadline for a claim is one (1) year after termination.

8. Adjustments to Purchase Price

Only the items set out in Schedule B (or an amendment to Schedule B), shall be the subject of adjustment or change to the purchase price or the balance due on Closing. The Vendor agrees that it shall not charge as an adjustment or readjustment to the purchase price of the home, any reimbursement for a sum paid or payable by the Vendor to a third party unless the sum is ultimately paid to the third party either before or after Closing. If the Vendor charges an amount in contravention of the preceding sentence, the Vendor shall forthwith readjust with the Purchaser. This section shall not: restrict or prohibit payments for items disclosed in Part I of Schedule B which have a fixed fee; nor shall it restrict or prohibit the parties from agreeing on how to allocate as between them, any rebates, refunds or incentives provided by the federal government, a provincial or municipal government or an agency of any such government, before or after Closing.

MISCELLANEOUS

9. Ontario Building Code – Conditions of Closing

- (a) On or before Closing, the Vendor shall deliver to the Purchaser:
 - (i) an Occupancy Permit (as defined in paragraph (d)) for the home; or
 - (ii) if an Occupancy Permit is not required under the Building Code, a signed written confirmation by the Vendor that all conditions of occupancy under the Building Code have been fulfilled and occupancy is permitted under the Building Code.
- (b) Notwithstanding the requirements of paragraph (a), to the extent that the Purchaser and the Vendor agree that the Purchaser shall be responsible for one or more prerequisites to obtaining permission for occupancy under the Building Code, (the "Purchaser Occupancy Obligations"):

Freehold Form (Tentative Closing Date)

- (i) the Purchaser shall not be entitled to delayed closing compensation if the reason for the delay is that the Purchaser Occupancy Obligations have not been completed;
 - (ii) the Vendor shall deliver to the Purchaser, upon fulfilling all prerequisites to obtaining permission for occupancy under the Building Code (other than the Purchaser Occupancy Obligations), a signed written confirmation that the Vendor has fulfilled such prerequisites; and
 - (iii) if the Purchaser and Vendor have agreed that such prerequisites (other than the Purchaser Occupancy Obligations) are to be fulfilled prior to Closing, then the Vendor shall provide the signed written confirmation required by subparagraph (ii) on or before the date of Closing.
- (c) If the Vendor cannot satisfy the requirements of paragraph (a) or subparagraph (b)(ii), the Vendor shall set a Delayed Closing Date (or new Delayed Closing Date) on a date that the Vendor reasonably expects to have satisfied the requirements of paragraph (a) or subparagraph (b)(ii), as the case may be. In setting the Delayed Closing Date (or new Delayed Closing Date), the Vendor shall comply with the requirements of section 3, and delayed closing compensation shall be payable in accordance with section 7. Despite the foregoing, delayed closing compensation shall not be payable for a delay under this paragraph (c) if the inability to satisfy the requirements of subparagraph (b)(ii) above is because the Purchaser has failed to satisfy the Purchaser Occupancy Obligations.
- (d) For the purposes of this section, an "Occupancy Permit" means any written or electronic document, however styled, whether final, provisional or temporary, provided by the chief building official (as defined in the *Building Code Act*) or a person designated by the chief building official, that evidences that permission to occupy the home under the Building Code has been granted.

10. Termination of the Purchase Agreement

- (a) The Vendor and the Purchaser may terminate the Purchase Agreement by mutual written agreement. Such written mutual agreement may specify how monies paid by the Purchaser, including deposit(s) and monies for upgrades and extras are to be allocated if not repaid in full.
- (b) If for any reason (other than breach of contract by the Purchaser) Closing has not occurred by the Outside Closing Date, then the Purchaser has 30 days to terminate the Purchase Agreement by written notice to the Vendor. If the Purchaser does not provide written notice of termination within such 30-day period then the Purchase Agreement shall continue to be binding on both parties and the Delayed Closing Date shall be the date set under paragraph 3(c), regardless of whether such date is beyond the Outside Closing Date.
- (c) If: calendar dates for the applicable Critical Dates are not inserted in the Statement of Critical Dates; or if any date for Closing is expressed in the Purchase Agreement or in any other document to be subject to change depending upon the happening of an event (other than as permitted in this Addendum), then the Purchaser may terminate the Purchase Agreement by written notice to the Vendor.
- (d) The Purchase Agreement may be terminated in accordance with the provisions of section 6.
- (e) Nothing in this Addendum derogates from any right of termination that either the Purchaser or the Vendor may have at law or in equity on the basis of, for example, frustration of contract or fundamental breach of contract.
- (f) Except as permitted in this section, the Purchase Agreement may not be terminated by reason of the Vendor's delay in Closing alone.

11. Refund of Monies Paid on Termination

- (a) If the Purchase Agreement is terminated (other than as a result of breach of contract by the Purchaser), then unless there is agreement to the contrary under paragraph 10(a), the Vendor shall refund all monies paid by the Purchaser including deposit(s) and monies for upgrades and extras, within 10 days of such termination, with interest from the date each amount was paid to the Vendor to the date of refund to the Purchaser. The Purchaser cannot be compelled by the Vendor to execute a release of the Vendor as a prerequisite to obtaining the refund of monies payable as a result of termination of the Purchase Agreement under this paragraph, although the Purchaser may be required to sign a written acknowledgement confirming the amount of monies refunded and termination of the purchase transaction. Nothing in this Addendum prevents the Vendor and Purchaser from entering into such other termination agreement and/or release as may be agreed to by the parties.
- (b) The rate of interest payable on the Purchaser's monies is 2% less than the minimum rate at which the Bank of Canada makes short-term advances to members of Canada Payments Association, as of the date of termination of the Purchase Agreement.
- (c) Notwithstanding paragraphs (a) and (b) above, if either party initiates legal proceedings to contest termination of the Purchase Agreement or the refund of monies paid by the Purchaser, and obtains a legal determination, such amounts and interest shall be payable as determined in those proceedings.

12. Definitions

"Business Day" means any day other than: Saturday; Sunday; New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day; and any special holiday proclaimed by the Governor General or the Lieutenant Governor; and where New Year's Day, Canada Day or Remembrance Day falls on a Saturday or Sunday, the following Monday is not a Business Day, and where Christmas Day falls on a Saturday or Sunday, the following Monday and Tuesday are not Business Days; and where Christmas Day falls on a Friday, the following Monday is not a Business Day.

"Closing" means the completion of the sale of the home including transfer of title to the home to the Purchaser, and **"Close"** has a corresponding meaning.

"Commencement of Construction" means the commencement of construction of foundation components or elements (such as footings, rafts or piles) for the home.

Freehold Form (Tentative Closing Date)

“Critical Dates” means the First Tentative Closing Date, the Second Tentative Closing Date, the Firm Closing Date, the Delayed Closing Date, the Outside Closing Date and the last day of the Purchaser’s Termination Period.

“Delayed Closing Date” means the date, set in accordance with section 3, on which the Vendor agrees to Close, in the event the Vendor cannot Close on the Firm Closing Date.

“Early Termination Conditions” means the types of conditions listed in Schedule A.

“Firm Closing Date” means the firm date on which the Vendor agrees to Close as set in accordance with this Addendum.

“First Tentative Closing Date” means the date on which the Vendor, at the time of signing the Purchase Agreement, anticipates that it will be able to close, as set out in the Statement of Critical Dates.

“Outside Closing Date” means the date which is 365 days after the earlier of the Firm Closing Date; or Second Tentative Closing Date; or such other date as may be mutually agreed upon in accordance with section 4.

“Property” or “home” means the home including lands being acquired by the Purchaser from the Vendor.

“Purchaser’s Termination Period” means the 30-day period during which the Purchaser may terminate the Purchase Agreement for delay, in accordance with paragraph 10(b).

“Second Tentative Closing Date” has the meaning given to it in paragraph 1(c).

“Statement of Critical Dates” means the Statement of Critical Dates attached to and forming part of this Addendum (in form to be determined by Tarion from time to time), and, if applicable, as amended in accordance with this Addendum.

“The ONHWP Act” means the *Ontario New Home Warranties Plan Act* including regulations, as amended from time to time.

“Unavoidable Delay” means an event which delays Closing which is a strike, fire, explosion, flood, act of God, civil insurrection, act of war, act of terrorism or pandemic, plus any period of delay directly caused by the event, which are beyond the reasonable control of the Vendor and are not caused or contributed to by the fault of the Vendor.

“Unavoidable Delay Period” means the number of days between the Purchaser’s receipt of written notice of the commencement of the Unavoidable Delay, as required by paragraph 5(b), and the date on which the Unavoidable Delay concludes.

13. Addendum Prevails

The Addendum forms part of the Purchase Agreement. The Vendor and Purchaser agree that they shall not include any provision in the Purchase Agreement or any amendment to the Purchase Agreement or any other document (or indirectly do so through replacement of the Purchase Agreement) that derogates from, conflicts with or is inconsistent with the provisions of this Addendum, except where this Addendum expressly permits the parties to agree or consent to an alternative arrangement. The provisions of this Addendum prevail over any such provision.

14. Time Periods, and How Notice Must Be Sent

- (a) Any written notice required under this Addendum may be given personally or sent by email, fax, courier or registered mail to the Purchaser or the Vendor at the address/contact numbers identified on page 2 or replacement address/contact numbers as provided in paragraph (c) below. Notices may also be sent to the solicitor for each party if necessary contact information is provided, but notices in all events must be sent to the Purchaser and Vendor, as applicable. If email addresses are set out on page 2 of this Addendum, then the parties agree that notices may be sent by email to such addresses, subject to paragraph (c) below.
- (b) Written notice given by one of the means identified in paragraph (a) is deemed to be given and received: on the date of delivery or transmission, if given personally or sent by email or fax (or the next Business Day if the date of delivery or transmission is not a Business Day); on the second Business Day following the date of sending by courier; or on the fifth Business Day following the date of sending, if sent by registered mail. If a postal stoppage or interruption occurs, notices shall not be sent by registered mail, and any notice sent by registered mail within 5 Business Days prior to the commencement of the postal stoppage or interruption must be re-sent by another means in order to be effective. For purposes of this section 14, Business Day includes Remembrance Day, if it falls on a day other than Saturday or Sunday, and Easter Monday.
- (c) If either party wishes to receive written notice under this Addendum at an address/contact number other than those identified on page 2 of this Addendum, then the party shall send written notice of the change of address, fax number, or email address to the other party in accordance with paragraph (b) above.
- (d) Time periods within which or following which any act is to be done shall be calculated by excluding the day of delivery or transmission and including the day on which the period ends.
- (e) Time periods shall be calculated using calendar days including Business Days but subject to paragraphs (f), (g) and (h) below.
- (f) Where the time for making a claim under this Addendum expires on a day that is not a Business Day, the claim may be made on the next Business Day.
- (g) Prior notice periods that begin on a day that is not a Business Day shall begin on the next earlier Business Day, except that notices may be sent and/or received on Remembrance Day, if it falls on a day other than Saturday or Sunday, or Easter Monday.
- (h) Every Critical Date must occur on a Business Day. If the Vendor sets a Critical Date that occurs on a date other than a Business Day, the Critical Date is deemed to be the next Business Day.
- (i) Words in the singular include the plural and words in the plural include the singular.
- (j) Gender-specific terms include both sexes and include corporations.

**Freehold Form
(Tentative Closing Date)**

15. Disputes Regarding Termination

- (a) The Vendor and Purchaser agree that disputes arising between them relating to termination of the Purchase Agreement under section 11 shall be submitted to arbitration in accordance with the *Arbitration Act, 1991* (Ontario) and subsection 17(4) of the ONHWP Act.
- (b) The parties agree that the arbitrator shall have the power and discretion on motion by the Vendor or Purchaser or any other interested party, or of the arbitrator's own motion, to consolidate multiple arbitration proceedings on the basis that they raise one or more common issues of fact or law that can more efficiently be addressed in a single proceeding. The arbitrator has the power and discretion to prescribe whatever procedures are useful or necessary to adjudicate the common issues in the consolidated proceedings in the most just and expeditious manner possible. The *Arbitration Act, 1991* (Ontario) applies to any consolidation of multiple arbitration proceedings.
- (c) The Vendor shall pay the costs of the arbitration proceedings and the Purchaser's reasonable legal expenses in connection with the proceedings unless the arbitrator for just cause orders otherwise.
- (d) The parties agree to cooperate so that the arbitration proceedings are conducted as expeditiously as possible, and agree that the arbitrator may impose such time limits or other procedural requirements, consistent with the requirements of the *Arbitration Act, 1991* (Ontario), as may be required to complete the proceedings as quickly as reasonably possible.
- (e) The arbitrator may grant any form of relief permitted by the *Arbitration Act, 1991* (Ontario), whether or not the arbitrator concludes that the Purchase Agreement may properly be terminated.

For more information please visit www.tarion.com

**Freehold Form
(Tentative Closing Date)**

SCHEDULE A

Types of Permitted Early Termination Conditions

1. The Vendor of a home is permitted to make the Purchase Agreement conditional as follows:

- (a) upon receipt of Approval from an Approving Authority for:
- (i) a change to the official plan, other governmental development plan or zoning by-law (including a minor variance);
 - (ii) a consent to creation of a lot(s) or part-lot(s);
 - (iii) a certificate of water potability or other measure relating to domestic water supply to the home;
 - (iv) a certificate of approval of septic system or other measure relating to waste disposal from the home;
 - (v) completion of hard services for the property or surrounding area (i.e., roads, rail crossings, water lines, sewage lines, other utilities);
 - (vi) allocation of domestic water or storm or sanitary sewage capacity;
 - (vii) easements or similar rights serving the property or surrounding area;
 - (viii) site plan agreements, density agreements, shared facilities agreements or other development agreements with Approving Authorities or nearby landowners, and/or any development Approvals required from an Approving Authority; and/or
 - (ix) site plans, plans, elevations and/or specifications under architectural controls imposed by an Approving Authority.

The above-noted conditions are for the benefit of both the Vendor and the Purchaser and cannot be waived by either party.

- (b) upon:
- (i) subject to paragraph 1(c), receipt by the Vendor of confirmation that sales of homes in the Freehold Project have exceeded a specified threshold by a specified date;
 - (ii) subject to paragraph 1(c), receipt by the Vendor of confirmation that financing for the Freehold Project on terms satisfactory to the Vendor has been arranged by a specified date;
 - (iii) receipt of Approval from an Approving Authority for a basement walkout; and/or
 - (iv) confirmation by the Vendor that it is satisfied the Purchaser has the financial resources to complete the transaction.

The above-noted conditions are for the benefit of the Vendor and may be waived by the Vendor in its sole discretion.

- (c) the following requirements apply with respect to the conditions set out in subparagraph 1(b)(i) or 1(b)(ii):
- (i) the 3 Business Day period in section 6(i) of the Addendum shall be extended to 10 calendar days for a Purchase Agreement which contains a condition set out in subparagraphs 1(b)(i) and/or 1(b)(ii);
 - (ii) the Vendor shall complete the Property Description on page 2 of this Addendum;
 - (iii) the date for satisfaction of the condition cannot be later than 9 months following signing of the purchase Agreement; and
 - (iv) until the condition is satisfied or waived, all monies paid by the Purchaser to the Vendor, including deposit(s) and monies for upgrades and extras: (A) shall be held in trust by the Vendor's lawyer pursuant to a deposit trust agreement (executed in advance in the form specified by Tarion Warranty Corporation, which form is available for inspection at the offices of Tarion Warranty Corporation during normal business hours), or secured by other security acceptable to Tarion and arranged in writing with Tarion, or (B) failing compliance with the requirement set out in clause (A) above, shall be deemed to be held in trust by the Vendor for the Purchaser on the same terms as are set out in the form of deposit trust agreement described in clause (A) above.

2. The following definitions apply in this Schedule:

"Approval" means an approval, consent or permission (in final form not subject to appeal) from an Approving Authority and may include completion of necessary agreements (i.e., site plan agreement) to allow lawful access to and use and Closing of the property for its intended residential purpose.

"Approving Authority" means a government (federal, provincial or municipal), governmental agency, Crown corporation, or quasi-governmental authority (a privately operated organization exercising authority delegated by legislation or a government).

"Freehold Project" means the construction or proposed construction of three or more freehold homes (including the Purchaser's home) by the same Vendor in a single location, either at the same time or consecutively, as a single coordinated undertaking.

3. Each condition must:

- (a) be set out separately;
- (b) be reasonably specific as to the type of Approval which is needed for the transaction; and
- (c) identify the Approving Authority by reference to the level of government and/or the identity of the governmental agency, Crown corporation or quasi-governmental authority.

4. For greater certainty, the Vendor is not permitted to make the Purchase Agreement conditional upon:

- (a) receipt of a building permit;
- (b) receipt of an Closing permit; and/or
- (c) completion of the home.

SCHEDULE B

Adjustments to Purchase Price or Balance Due on Closing

PART I Stipulated Amounts/Adjustments

These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing, the dollar value of which is stipulated in the Purchase Agreement and set out below.

[Draft Note: List items with any necessary cross-references to text in the Purchase Agreement.]

SAMPLE

**Freehold Form
(Tentative Closing Date)**

PART II All Other Adjustments – to be determined in accordance with the terms of the Purchase Agreement

These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing which will be determined after signing the Purchase Agreement, all in accordance with the terms of the Purchase Agreement.

[Draft Note: List items with any necessary cross-references to text in the Purchase Agreement.]

SAMPLE

TARION ADDENDUM - SCHEDULE B

Adjustments to Purchase Price or Balance Due on Closing

Part 1 – Stipulated Amounts/Adjustments [see each specified paragraph (below) in Schedule “A” to the Agreement of Purchase and Sale for the complete terms thereof]

1. Para 18(f) - Security Deposit - \$2,000.00;
2. Para 21 - NSF cheque charges - \$500.00 plus H.S.T. for each returned cheque;
3. Para 20 – rental and/or lease of hot water tank and related components/systems and/or one or more of the mechanical components (i.e. equipment) comprising the HVAC (heating, ventilation, air conditioning) systems; - \$45 plus HST (2021 Rate).

*H.S.T. will be added to all items, if applicable.

Part 2 – All Other Adjustments [see each specified paragraph (below) in Schedule “A” to the Agreement of Purchase and Sale for the complete terms thereof]

1. Para 6 – Interest on unpaid balance of Purchase Price (if applicable);
2. Para 14 – The Vendor’s cost to register a release of Subdivision Agreement(s);
3. Para 18(a) - An amount equal to the Tarion enrolment fee paid by the Vendor for the Real Property;
4. Para 18(b) – The value of chattels included in the transaction;
5. Para 18(c) - Any amounts which remain unpaid and owing to the Vendor on account of upgrades and/or extras and/or changes ordered by the Purchaser;
6. Para 18 (d) - The Vendor’s proportionate amount of the realty taxes (including local improvement charges) which shall be apportioned and allowed to closing;
7. Para 18(e) – All amounts chargeable and billable to Purchaser for utilities, and any other services arising as a result of the Purchaser’s failure to make his own contractual arrangement with the relevant authorities/suppliers on the Closing Date for which the Vendor is subsequently charged;
8. Para 18(g) – any new taxes or increases to existing taxes. These costs shall not exceed \$5,000.00 plus applicable taxes exigible thereon;
9. Para 18(h) – any new levies etc. These costs shall not exceed \$5,000.00 plus applicable taxes exigible thereon.
10. Para 19 –Readjustments;
11. Para 22(a) - H.S.T. Rebate (if Purchaser does not qualify);
12. Para 22(b) – Reduction of H.S.T. Rebate, if applicable;
13. Para 23 – all amounts chargeable for Vendors extras and upgrades ordered by the Purchaser;
14. Paras 27, 31, 40(d) and 41 – The Vendor’s costs to correct certain Purchaser actions;
15. Para 34 – Costs of removing unauthorized title registrations;
16. Para 38(c) – Costs regarding the use of the Vendor’s solicitor’s computer facilities;
17. Para 42 – Purchaser indemnity for entry;
18. Para 63 – Cost of walkout basement, lookout basement, backsplint or rear deck (if applicable); and
19. ~~Para 69 – Installation of additional improvements (if required by the Municipality).~~

*H.S.T. will be added to all items, if applicable.

**APPENDIX TO TARION ADDENDUM
TO AGREEMENT OF PURCHASE AND SALE
EARLY TERMINATION CONDITIONS**

The Early Termination Conditions referred to in paragraph 6 (d) of the Tarion Addendum are as follows:

CONDITIONS PERMITTED IN PARAGRAPH 1 (b) OF SCHEDULE “A” TO THE TARION ADDENDUM

Description of Early Termination Condition:

No. 1 – Purchaser(s) Financial Resources

1. This Agreement is conditional upon the Vendor being satisfied, in its sole and absolute discretion, with the credit worthiness of the Purchaser.
2. The Purchaser covenants and agrees to provide all requisite information and materials including proof respecting income and source of funds or evidence of a satisfactory mortgage approval signed by a lending institution or other mortgagee acceptable to the Vendor, confirming that the said lending institution or acceptable mortgagee will be advancing funds to the Purchaser sufficient to pay the balance due on the Closing Date, as the Vendor may require to determine the Purchaser’s credit worthiness.
3. The Vendor shall have sixty (60) days from the date of acceptance of this Agreement by the Vendor to satisfy itself with respect to such credit worthiness.
4. In the event that the Vendor does not notify the Purchaser that this condition has **not** been satisfied, within the said sixty (60) day period, then the Vendor shall be deemed to have satisfied itself as to the credit worthiness of the Purchaser and this condition shall be deemed to have been satisfied within the conditional period and this Agreement shall continue in full force and effect.

The date by which this condition is to be satisfied is the _____ day of _____, 2021.

**APPENDIX TO TARION ADDENDUM
TO AGREEMENT OF PURCHASE AND SALE
EARLY TERMINATION CONDITIONS**

The Early Termination Conditions referred to in paragraph 6 (d) of the Tarion Addendum are as follows:

CONDITIONS PERMITTED IN PARAGRAPH 1 (b) OF SCHEDULE “A” TO THE TARION ADDENDUM

Description of Early Termination Condition:

No. 2 – Obtaining Construction Financing

This Agreement is conditional upon the Vendor obtaining financing for the construction of the Freehold Project, on terms satisfactory to it, in its discretion.

The date by which this Condition is to be satisfied shall be the date being nine (9) months following the date of the execution of the Agreement of Purchase and Sale.