

SCHEDULE "A" – GENERAL TERMS AND CONDITIONS

MADISON HOMES CORNELL ROUGE LIMITED - PHASE 6

This Schedule forms part of and is to be read with the attached Agreement of Purchase and Sale.

ADJUSTMENTS

1. All deposits are to be held by the Vendor pending completion or other termination of the Agreement, and are to be credited on account of the Purchase Price on closing. In the event that any cheque is returned NSF, stopped payment or is otherwise not negotiable, the Purchaser shall be in default and the Vendor shall have the right to terminate the Agreement in addition to all rights at law. The Purchaser shall be responsible to pay Two Hundred Fifty Dollars (\$250.00) to the Vendor for each returned cheque as an administration fee.
2. Realty taxes (including local improvement charges), and utility rates, except insofar as same are separately metered shall be apportioned and allowed to Closing. Realty taxes (including local improvement charges) may be estimated as if the Property had been assessed by the relevant taxing authority for the calendar year in which the Closing occurs, and at the option of the Vendor may be adjusted as if such taxes had been paid by the Vendor, notwithstanding the same may not, by Closing, have been levied or paid, subject however to readjustment upon the actual amount of such taxes being ascertained. The Vendor may if the Property is not individually assessed on Closing, estimate taxes for the current year and the year after closing and take a holdback from the Purchaser on closing based on the Vendor's estimate of the Purchaser's realty tax liability for the said years which holdback shall be adjusted when the relevant taxes are billed.
3. The Purchaser shall pay as an adjustment on Closing the following amounts plus applicable taxes:
 - (a) all increases in or new development charges and educational development charges levied in connection with a bylaw enacted in accordance with the *Development Charges Act, 1997*, of Ontario or the *Education Act* or any other legislation imposed after the acceptance date of this Agreement;
 - (b) the Tarion Warranty Corporation ("Tarion") enrolment fee;
 - (c) One Thousand Two Hundred Fifty Dollars (\$1,250.00) on account of the driveway apron for houses with no driveway or One Thousand Five Hundred Dollars (\$1,500.00) on account of a single car driveway paving or One Thousand Eight Hundred and Fifty Dollars (\$1,850.00) for double car driveway paving. The Vendor will not be responsible to repair any tire marks after the asphalt coat. The Purchaser acknowledges that no credit will be given with respect to paving if the Purchaser elects to do its own paving;
 - (d) the real estate transaction levy surcharge payable to the Law Society of Ontario by the Vendor's solicitors in connection with this transaction;
 - (e) installation and hook-up of water service, water meter and electrical service in the amount of One Thousand and Seventy-Five Dollars (\$1,075.00) for 9m, 11m and 12m series homes and One Thousand Six Hundred and Seventy-Five Dollars (\$1,675.00) for semi-detached and townhomes;
 - (f) the cost of recycling containers and composter units charged by the City of Markham (the "Municipality" or the "City");
 - (g) any tax and/or utility administration fees or charges as well as any other administration fees or charges charged by any governmental authority including for obtaining consents to transfers;
 - (h) the sum of One Hundred Dollars (\$100.00) to reimburse the Vendor for the cost incurred with respect to electronic registration; and
 - (i) One Hundred and Fifty Dollars (\$150.00) on account of registration of partial discharge of any blanket institutional mortgage.
4. If any of the extras and/or upgrades ordered by the Purchaser are not provided by the Vendor for any reason, the Vendor shall have the option in lieu of providing the same, to repay or credit to the Purchaser, any amount paid by the Purchaser in connection with such extras and/or upgrades. If any upgrades or extras are specifically included as a "no charge" item or as part of the Purchase Price, and such items are not provided by the Vendor for any reason, the Vendor shall have the option in lieu of providing the same, to credit to the Purchaser the Vendor's cost of the item. The Vendor's determination of the cost shall be binding upon the Purchaser. In either event, the amount so credited or paid to the Purchaser shall be accepted by the Purchaser as full and final settlement of any claim by the Purchaser with respect to such extras and/or upgrades. The Purchaser acknowledges that the Vendor's liability with respect to such extras and/or upgrades shall be limited to the credit of the amounts referred to aforesaid and, upon such payment being made or credit being given, the Vendor shall be released from any and all obligations, claims or demands whatsoever with respect thereto. All payments for upgrades or extras shall be non-refundable if this transaction is not completed as a result of the default of the Purchaser.
5. The statutory declaration of an officer of the Vendor shall constitute proof of the amount of any of the adjustments.
6. Any credits, reductions or refunds of development charges, educational development charges or other similar imposts, levies, or financial contributions payable by the Municipality, The Regional Municipality of York (the "Region"), school board, PUC or otherwise, to the extent paid for by the Vendor shall be the property of the Vendor, whether payable before or after Closing. The Purchaser shall on request sign a direction as to the payment of the same to the Vendor forthwith after request.

SALES TAX

7. (a) For the purposes of this Agreement, the Purchase Price shown on Page 1 of this Agreement has been calculated as follows:
 - (i) the Purchaser qualifying for the Federal and Provincial New Housing Rebates and the RST transitional new housing rebate (collectively the "Rebates") applicable;
 - (ii) the Purchase Price being inclusive of HST payable at the rate applicable as of the date of this Agreement and the Vendor crediting the Purchaser with the Rebates applicable as of the date of this Agreement;
 - (iii) the Purchaser assigning or transferring to the Vendor the full amount of the Rebates calculated on the basis that it is entitled to the full benefit of the same; and
 - (iv) the Purchaser paying as an adjustment on Closing the HST exigible on any adjustments to the Purchase Price credited to the Vendor on the adjustments and on upgrades and/or extras ordered by the Purchaser.
- (b) The net sale price shown on the statement of adjustments will be the Purchase Price shown on Page 1 of this Agreement less HST payable, plus the Rebates applicable.

- (c) The Purchaser acknowledges and confirms that the Purchase Price is calculated on the basis of the Purchaser qualifying for the Rebates failing which the Purchaser will not be given credit for the Rebates and will pay to the Vendor the amount of the Rebates on the closing. The Purchaser acknowledges that it is its responsibility to obtain advice from its lawyer that it is entitled to the Rebate. The decision as to whether or not the Purchaser will be credited on Closing with the Rebates is at the discretion of the Vendor acting reasonably.
- (d) The Purchaser agrees to execute and deliver to the Vendor on Closing a certificate or statutory declaration on the Vendor's form to the effect that all the Purchasers and transferees on the transfer qualify for the Rebates, together with such other documentation and evidence which the Vendor may require from time to time
- (e) It is understood and agreed by the parties hereto that: (i) if the Purchaser is not entitled to the full amount of the Rebates; (ii) if the Vendor believes, for whatever reason, that the Purchaser does not qualify for the Rebates, 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 Closing; or (iii) if the Vendor does not receive the benefit of the full amount of the Rebates, whether or not as a result of the Purchaser's acts or omissions, then the Purchase Price shall be adjusted to reflect the Rebates not received and the Purchaser shall pay the difference on Closing. In the event any of the Rebates are disallowed in whole or in part following the Closing, the Purchaser shall pay to the Vendor forthwith on demand the amount of the Rebate disallowed plus any interest or penalty assessed and the Vendor shall have a lien on the Property until the amount is paid. The Purchaser shall be responsible for appealing the said reassessment at its own expense if it so desires after payment of the amount of the HST reassessed to the Vendor and shall be entitled to the benefit of any amount awarded on the reassessment.
- (f) In the event that between the date of execution of this Agreement and on the Closing Date the rate of HST applicable to this transaction increases, or the amount of Rebates applicable to this transaction decrease, or any new sales taxes or other taxes or levies are imposed which are payable by the Vendor in connection with this transaction, the Purchaser shall pay the difference to the Vendor on closing in addition to the Purchase Price.
- (g) The Purchaser acknowledges that for the Rebate to be credited that the Property is being acquired for use as a primary place of residence of all the named Purchasers or a relation of the Purchaser as defined, in accordance with The *Excise Tax Act*, as amended from time to time. If the Purchaser takes title as a trustee, as a corporation, or is intending to use the Property as a rental property, is intending to resell the Property, will not be the first occupant, then the Purchaser does not qualify for the Rebates. If title is directed to any persons not named herein as Purchaser, such persons must be added as Purchasers by way of amendment. If any persons named herein as Purchaser are not taking title, those persons should be deleted from the Agreement by way of amendment.
- (h) The Purchaser agrees to submit to the Vendor on or before Closing a properly completed and fully executed application in the prescribed form for the Rebates together with the assignment of the Purchaser's right, title and interest in and to the Rebates to the Vendor, together with such other documentation as the Vendor may require from time to time to give effect to the foregoing.

CERTIFICATE OF COMPLETION

- 8.
- (a) A New Homeowner Information Package distributed by Tarion is available and will be provided to the Purchaser at or before the Pre Delivery Inspection (the "PDI"), either by electronic storage medium or through the Tarion-approved and designated URL link: www.tarion.com/HomeownerInformationPackage. The Purchaser agrees to sign a Confirmation of Receipt for the same, if required by the Vendor.
 - (b) The Purchaser and/or its designate agrees to meet the Vendor's representative at a time to be designated by the Vendor prior to its occupancy of the Property to conduct the PDI at which time they will inspect and list all items remaining uncompleted or defective at the time of such inspection and will list any mutually agreed upon incomplete items and deficiencies in the Property, on the TARION approved Certificate of Completion and Possession ("CCP") and PDI form, which form shall be executed by both the Purchaser and the Vendor's representative forthwith after such inspection. The Vendor undertakes to do such work as is necessary to rectify the listed deficiencies and complete the uncompleted items listed on the said PDI form, within a reasonable time after occupancy having regard to weather conditions and the availability of supplies and labour. This undertaking and those deemed to be given by the Vendor under the *Ontario New Home Warranty Plan Act* (the "ONHWP Act") shall constitute the Vendor's only undertaking with respect to incomplete or deficient work. The Purchaser agrees and undertakes to give the Vendor access as is necessary to do such work. The Purchaser acknowledges and agrees that no further request for completion or correction of items may be maintained by the Purchaser, and this shall serve as a good and sufficient release of the Vendor in that regard. In no event shall holdbacks be permitted for any incomplete items. If the Purchaser is represented by a designate, the designate shall provide the Vendor with its authority signed by the Purchaser or by its lawful attorney and the signature of the designate shall be binding upon the Purchaser.
9. The Purchaser agrees that in no event shall the Purchaser be entitled to obtain possession of the Property unless and until the Purchaser or its designate has executed the Confirmation of Receipt and CCP and PDI forms referred to in Paragraphs 8(a) and (b) above. If the Purchaser or its designate has failed or refused to execute the said forms as required hereunder the Purchaser is in default and the Vendor shall have the option of either completing this transaction but refusing to allow possession of the Property by the Purchaser until the said forms have been duly executed by the Purchaser or its designate, or of terminating this Agreement, whereupon all monies paid hereunder as deposits or otherwise shall be forfeited to the Vendor as liquidated damages and not as penalty in addition to any rights of the Vendor hereunder.

NEW HOME WARRANTIES PROGRAM

10. The Purchaser further acknowledges and agrees that those warranties given in Paragraph 8 hereof and those deemed to be given by the Vendor under the ONHWP Act shall constitute the sole warranty of workmanship or materials, in respect of all aspects of the construction of the Property whether implied by this Agreement or at law or in equity or by any statute or otherwise, and shall be restricted to the time period and in respect of those items covered or provided by the ONHWP Act. The Purchaser releases the Vendor from any damage to interior improvements, decor or chattels caused by leakage, material shrinkage, twisting, or warpage as well as any secondary or consequential damages, it being understood that the Vendor's obligation shall be restricted to rectify any defects or deficiencies for which it is responsible. The Purchaser further acknowledges that the ground is subject to normal settlement and the Vendor is not responsible for damage caused to sod, landscaping or other exterior work resulting therefrom. The Vendor will not be responsible to repair any tire marks on the driveway after the asphalt is installed. The Purchaser further agrees not to install any foundation planting within six (6) feet of any external wall or to finish the whole or any part of the basement for a period of twelve (12)

months after the completion date of the sale. A breach of either of the above terms relieves the Vendor of any obligation to rectify any deficiency resulting in basement water leakage or seepage.

TITLE

11. The Purchaser agrees to accept title subject to and agrees to be bound by the following:
- (a) Any development, subdivision, or site plan agreements, and applicable by-laws, whether registered or not.
 - (b) Any easements, rights-of-way, encroachment agreements, restrictions, conditions or covenants that run with the Property, and subject to all rights, licences and easements or agreements now registered or to be registered for the installation and maintenance of any public or other utility including, without limitation, telephone, hydro, gas, water and cable-television.
 - (c) Any easements, rights-of-way, licences or agreements with the Municipality, Region, electrical utility, and other service providers with respect to services.
 - (d) The right of re-entry by the Vendor and/or subdivider or their agents for the purpose of correction of any damage to subdivision services or rectifying grading.
 - (e) Any maintenance easements and minor encroachment easements.
 - (f) An easement on those lots with storm water catch basins.

12. The Vendor shall not be required to provide evidence of compliance or a release of any easements, agreements, registered restrictions or covenants notwithstanding that the said instruments may provide for releases or partial releases. The Vendor represents that on closing all conditions in such subdivision development or site control agreements or building or other restrictions registered on title which are required to be complied with prior to the occupation of the Property will have been complied with and the Purchaser accepts such representation as proof of compliance. The Purchaser acknowledges that road access may be over reserves or road widenings which have not been assumed as public highway by by-law.

13. The Purchaser shall accept the Vendor's solicitors undertaking to obtain and register a discharge of any mortgage, lien or charge affecting the lands which is to be discharged on or before closing, and the Vendor's undertaking to pay any arrears in utility accounts, and outstanding taxes.

14. Provided that the title is good and free from all encumbrances, save as aforesaid, and except as to any registered restrictions or covenants that run with the Property provided that such are complied with, the Purchaser is not to call for the production of any title deed or abstract or other evidence of title except such as are in the possession of the Vendor. The Purchaser is to be allowed until forty-five (45) days prior to the Closing Date, or any extensions thereof, to examine the title at the Purchaser's own expense. If within that time any valid objection to title is made in writing to the Vendor which the Vendor shall be unable or unwilling to remove and which the Purchaser will not waive, this Agreement shall, notwithstanding any intermediate negotiations in respect of such objections, be null and void and the deposits and any amounts paid to the Vendor on account of the Purchase Price shall be returned to the Purchaser and the Vendor shall not be liable for any costs or damages. 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.

15. The Vendor hereby agrees to indemnify the Purchaser for lien claims which are the responsibility of the Vendor, its trades and/or suppliers in full satisfaction of the Purchaser's rights under the *Construction Act* and the Purchaser will not claim any lien holdback on closing.

CLOSING

16. The Vendor shall be entitled to insert in the transfer specific covenants by the Purchaser pertaining to such restrictions, easements, covenants or agreements referred to in this Agreement or the Vendor may require that the Purchaser deliver its separate written covenant on Closing. In the event that title to the Property is not registered in the Vendor's name, the Purchaser shall accept title from the registered owner directly, and shall execute an acknowledgement releasing the transferor from any obligation contained in this Agreement.

17. This Agreement shall be completed on the Closing Date. The dwelling shall be deemed to be completed when an Occupancy Permit (as defined in the TARION Addendum) or a Vendor's confirmation that the Conditions of Occupancy (as defined in the TARION Addendum) has been provided to the Purchaser. The Purchaser acknowledges and agrees that the issuance by the Municipality of an Occupancy Permit or the delivery of the Vendor's confirmation shall, subject to the provisions of the PDI and the ONHWP Act, conclusively be deemed to be evidence of satisfaction by the Vendor of all construction obligations, and the quality and sufficiency thereof including, without limitation, all mechanical, structural and architectural matters.

18. The Purchaser acknowledges that the grading, sodding, exterior painting, paving and other exterior work may not be complete on Closing, but agrees to close the transaction on the Closing Date notwithstanding. The final grading, sodding and paving may be delayed for up to two (2) years following Closing, depending on the weather conditions and to permit normal ground settlement.

19. In the event the Vendor is unable to close on the Closing Date for whatever reason, it shall advise the Purchaser of the revised Closing Date in accordance with the Tarion Addendum and the Closing Date shall be extended to the date specified by the Vendor and the Purchaser shall be limited strictly to its claims, if any, for Delayed Closing Compensation under the ONHWP Act as set out in the Tarion Addendum and it shall not have any other rights to any further claims for damages or costs of any nature, either at law or equity, other than the said claim.

20. The Vendor may, at its option, delay the Closing for one (1) business day if the Purchaser is not ready to close without payment of Delayed Closing Compensation.

21. The Purchaser acknowledges that if title to the Property is registered in the name of the subdivider, that it will, at the Vendor's option, accept title to the Property by way of a Transfer of Land from the subdivider. The Purchaser acknowledges that notwithstanding the Transfer from the subdivider, it has no cause of action or recourse against the subdivider pertaining to the Property and that it will execute a release on Closing of any claims as against the subdivider, except for the covenants of a transferor contained in the *Land Registration Reform Act*.

PURCHASER'S COVENANTS

22. The Purchaser covenants and agrees:

- (a) to advise the Vendor or its solicitors at least thirty (30) days prior to closing of the manner in which title is to be taken by the Purchaser. If the Purchaser fails to so notify the Vendor, the Vendor shall be entitled to engross the Transfer/Deed of Land in favour of the Purchaser. If the Purchaser changes the manner in which it wishes to take title after documents have been prepared, a fee of Five Hundred Dollars (\$500.00) will be charged for each change requested. Title may only be taken in the name of the Purchaser named herein or a relation of the Purchaser, as defined in accordance with Section 254 of *The Excise Tax Act*, as amended from time to time, except with the consent of the Vendor, which consent may be arbitrarily withheld or granted subject to conditions. Please note that in order to qualify for the HST Rebates, the transferees must all be Purchasers named in the Agreement and all such transferees must qualify for the Rebates. It is the responsibility of the Purchaser to ensure that the Agreement is amended if necessary to make sure the transferees match the named Purchasers or they will not be entitled to be credited with the Rebates;
- (b) to register the Transfer/Deed of Land, at its own expense, on Closing;
- (c) not to register Notice of this Agreement, Certificate of Pending Litigation, Purchaser's Lien or a Caution against title to the Property it being acknowledged that this Agreement does not create an interest in the Property. Provided that if the Purchaser is in default of this clause, the Purchaser hereby irrevocably nominates the Vendor as its attorney to execute such instruments as may be necessary to remedy this default;
- (d) prior to Closing, not to sell, advertise, list for sale, transfer or assign this Agreement or make or attempt to make any other disposition of the Property or the Agreement without the consent of the Vendor, which consent may be arbitrarily withheld or granted subject to conditions. 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;
- (e) that this Agreement is subordinate to and postponed to any mortgages arranged by the Vendor and any advances thereunder from time to time, and to any easement, licence or other agreement to provide services to the Property or to any lands adjacent thereto;
- (f) not to directly or indirectly, nor cause anyone through it, directly or indirectly to, object or oppose any amendment or change in zoning by-laws or official plan related to the adjoining lands or any adjacent properties in which the Vendor, the subdivider or any related companies may have any interest or to any severances or applications for consents to any variances from zoning or other by-laws or other municipal approvals relating to any proposed condominium or adjoining lands or any adjacent properties in which the Vendor, the subdivider or related companies may have any interest. The foregoing may be pleaded as an estoppel or bar to any opposition or objection raised;
- (g) the Purchaser covenants not to alter the grading, change the elevation or contour of the Property in any way which will affect the surface drainage pattern of Property or the adjoining lots and premises, except in accordance with the drainage plan approved by the Municipality, and without the written consent of the Vendor. The Purchaser further agrees that it will not construct any fences, patios, pools, sheds or similar structures prior to assumption of the subdivision by the Municipality without the written consent of the Vendor. Any breach which requires rectification may be carried out by the Vendor or the subdivider at the sole expense of the Purchaser payable forthwith upon demand plus fifteen percent (15%) on account of administration;
- (h) after closing to be responsible for the maintenance, repair and replacement of any storm water catchbasins and leads, fences, berms, retaining walls, acoustical barriers, or other works located within the lot;
- (i) to be responsible for watering and maintenance of sod, trees and landscaping after installation on the lot and on the adjoining boulevard or laneway and for the replacement of the same if necessary;
- (j) not to change the location or configuration of the driveway, or alter the fences, trees, or other landscaping installed by the subdivider or Vendor, prior to assumption of the subdivision without consent of the Vendor, and thereafter only as approved by the Municipality;
- (k) after Closing, to provide or accept for registration, within seven (7) days of written request by the Vendor, any easements requested by the Vendor to conform with Municipal, the Region or utility authority requirements, including without limitation, maintenance easements in favour of any adjoining owners, provided they do not interfere with any buildings on the Property and to obtain postponements to the said easements of any charges registered by the Purchaser. The Purchaser hereby irrevocably authorizes and directs the Vendor's solicitor to sign and register electronically on its behalf any such transfers of easements not so provided within the said seven (7) day period;
- (l) the Purchaser shall indemnify the Vendor from any costs incurred in order to rectify any grading, damage or alteration to any subdivision service damaged or altered by the Purchaser or other breach of its obligations. The Purchaser shall pay the Vendor on closing a non-refundable grading fee in the amount of Five Hundred Dollars (\$500.00) (which amount shall not limit the responsibility of the Purchaser) which may be used by the Vendor to rectify any breach of the Purchaser's obligations including damages for which the Purchaser, or its successors or assigns are responsible. The opinion of the Vendor's consulting engineer shall be binding in the event of any dispute as to the allocation of responsibility.
- (m) The Purchaser acknowledges that the Vendor/subdivider and or the City reserves the right, notwithstanding the completion of the sale of a lot, to enter upon the said lot for a period of two (2) years after the completion of the sale or until assumption of the services, whichever date is later, in order to carry out any lot grading work which in the opinion of the City is required.

ACCESS

23. Notwithstanding the Closing of this transaction and the delivery of title to the Property to the Purchaser, the Vendor or any person authorized by it shall be entitled at all reasonable times and upon reasonable prior notice to the Purchaser to enter the Property in order to complete construction, remedy deficiencies, make inspections and to do any work or repairs therein or thereon which may be deemed necessary by the Vendor in connection with the completion of its warranty obligations or obligations to the Municipality. No notice shall be required to be given to the Purchaser in the event of entry onto the part of the Property consisting of the front, rear or side yards.

DAMAGE

24. The Property shall be and remain at the risk of the Vendor until Closing. In the event of damage to the Property the Vendor may in its sole discretion either terminate this Agreement and return to the Purchaser all monies theretofore paid by the Purchaser to the Vendor on account of the Purchase Price, or make such repairs as are necessary to complete this transaction, it being understood and agreed that all insurance policies and the proceeds thereof are to be for the benefit of the Vendor alone.

TENDER

25. Any tender of documents or money hereunder shall be made upon the Vendor or the Purchaser or any solicitor acting for either of them and money may be tendered by negotiable cheque certified by a Chartered Bank or Trust Company. If the Vendor's lawyer so directs, the Purchaser shall use the Teraview Closure service for the electronic transfer of funds. In such case the Purchaser acknowledges that it will cause the funds to be delivered electronically as the Vendor's lawyer directs prior to the release of the Transfer and will pay any transaction costs. The Purchaser acknowledges that part of the closing funds may be redirected electronically to pay off the institutional lender holding the blanket mortgage on the Property or to the Vendor directly. The Purchaser waives personal tender and agrees that tender shall be validly and effectively made if the Vendor faxes copies of any executed documents which it wishes to tender or has the same posted to the Lawyer Done Deal™ website or similar electronic delivery service at any time during the hours the Land Registry Office in which title of the Property is registered is open on the Closing Date, and is ready, willing and able to complete this transaction. In the event that the Purchaser or its representative fails to close, the faxing of documents to the other party or advising that the same are posted to the Lawyer Done Deal™ website or similar electronic delivery website is hereby agreed to be satisfactory evidence that the Vendor was ready, willing and able to complete the sale. Keys may be released at the site or sales office or delivered on Closing. The Vendor's advice that keys are available for release shall constitute a valid tender of keys. The Vendor shall not be responsible if the Purchaser does not pick up the keys during the regular business hours when the sales or site office is open and the keys will be available the next business day. It is the Purchaser's responsibility to ensure that the closing documents and funds which it is tendering are delivered to the Vendor's lawyer or as it may direct during the hours the Land Registry Office is open and delivery after that time will be deemed received the next business day.

ELECTRONIC CLOSING AND REGISTRATION

26. The Purchaser acknowledges and agrees that it will retain a lawyer to represent it for the Closing. The Purchaser will authorize its lawyer to enter into a Document Registration Agreement on the most current form posted on the website of the Law Society of Ontario. The delivery of documents and the release thereof to the Vendor and Purchaser may, at the respective lawyer's discretion:

- (i) not occur contemporaneously with the registration of the transfer/deed (and other registrable documentation); and
 - (ii) be subject to conditions whereby the lawyer receiving documents and/or money will be required to hold them in trust and not release them except in accordance with the terms of a written agreement between the lawyers.
- (a) If the Purchaser's lawyer is unwilling to complete the transaction in escrow, then the said solicitor (or the authorized agent thereof) shall attend at the office of the Vendor's lawyer or the office of its designated agent or at the appropriate Land Registry Office, as directed by the Vendor's lawyer to complete the transaction.
 - (b) The Purchaser acknowledges that it will not be entitled to receive the Transfer/ Deed released for registration until the balance due on closing and any other required cheques are delivered to the Vendor's solicitor or as it may direct and such other documents required to be produced on closing as the Vendor's solicitor shall specify, are personally delivered to the Vendor's solicitor or as it may direct. The failure of the Purchaser's lawyer to complete the Transfer or to sign the same for completeness and release on the time for closing shall be deemed to be a default.
 - (c) The Vendor and the Purchaser agree that the delivery of documents (other than documents to be registered and such other documents required to be produced on closing as the Vendor's solicitor shall specify to be personally delivered) on closing may occur by fax or similar system reproducing them provided that all documents have been properly executed by the appropriate parties. The person transmitting the documents shall also provide original documents by overnight courier to the recipient sent the day of Closing.
 - (d) The Purchaser also acknowledges that the Vendor's closing documents may be delivered by means of posting to the Lawyer Done Deal™ website or similar electronic delivery and may be signed electronically pursuant to the *Electronic Commerce Act*. The Purchaser shall pay as an adjustment on Closing, the transaction cost charged by Lawyer Done Deal™ or similar electronic delivery service.

NOTICE

27. Subject to the TARION Addendum requirement for notice, any other notice required to be given shall be deemed to have been given if emailed, faxed, mailed by prepaid ordinary mail or hand delivered to the Purchaser or Vendor at their respective addresses indicated herein on the signature page with a copy to the Vendor's solicitor or such other address as the Vendor shall notify the Purchaser or the Purchaser's solicitor, and such notice shall be deemed to have been received on the second (2nd) business day following the date of posting or if hand delivered, faxed or emailed on the date of delivery or of facsimile to the recipient if the same is a business day or on the next business day if the delivery date was not a business day. The delivery by email or fax of a copy of a signed document shall be binding upon the party sending the same to the same extent as if the original was delivered.

CONSTRUCTION

28. The Vendor shall indicate which items of interior decorating the Purchaser may choose to be completed to its specifications from the Vendor's samples. The Purchaser is to have no choice of décor with respect to items already ordered, installed or completed. The Purchaser shall have ten (10) days from the notification by the Vendor to complete its colours and materials selection from the Vendor's samples, failing which the Vendor may exercise all of the Purchaser's rights to colour and material selection and such selection shall be binding on the Purchaser. The Purchaser acknowledges that variations from Vendor's samples of colours and materials may occur in the colour, shade, and finish of installed items as a result of production processes. Any changes or upgrades after the Purchaser's choice is made must be agreed to by the Vendor in writing and may be subject to an additional charge. Any non-standard items selected by the Purchaser shall only be binding on the Vendor if included on an Authorization to Perform Extra Work signed by the Vendor.

29. The Purchaser acknowledges that the dwelling will be constructed substantially in accordance with plans and specifications to be filed with the Building Department of the Municipality and in accordance with all applicable legislated standards, and that the Purchaser shall have no claims against the Vendor for any higher or better standards of workmanship or materials. Construction in accordance with the foregoing shall constitute complete and absolute compliance with the Vendor's obligations in regard of all construction matters, and the quality and sufficiency thereof, including, without limitation, all mechanical, structural and architectural matters. The Purchaser agrees that the foregoing may be pleaded by the Vendor as an estoppel in any action brought by the Purchaser or its successors in title against the Vendor. Subject to the ONHWP Act, the Vendor reserves the right to make changes to the plans and specifications and/or substitute materials provided that such materials are substantially equal in quality to the materials so replaced, and the Purchaser shall have absolutely no claim or cause of action against the Vendor for any such changes, variances or modifications, nor shall the Purchaser be entitled to any notice thereof or compensation or abatement to the Purchase Price. Without limiting the generality of the foregoing, the Purchaser acknowledges and agrees as follows:

- (a) The Vendor shall have the right to construct the reverse mirror image of the dwelling, including reversal of the garage siting and reversal of the interior floor plan layout;
- (b) The Purchaser acknowledges and agrees that the Vendor shall have the right to construct the dwelling and garage in a location or angle different than as depicted in the sales brochures, renderings and other plans and specifications reviewed by the Purchaser at the time of entering into this Agreement;
- (c) The Purchaser acknowledges and agrees that the Vendor shall have the right to construct the dwelling at a grade level different than as depicted in the sales brochures, renderings, and other plans and specifications reviewed by the Purchaser at the time of entering into this Agreement;
- (d) In the event that this Agreement calls for the construction of a deck or patio and such is not possible, the Purchaser hereby irrevocably agrees to accept such change. The Purchaser acknowledges that some properties may have rear decks;
- (e) In the event that the dwelling is constructed at a grade level different than as depicted in the sales brochures, renderings or other plans and specifications reviewed by the Purchaser at the time of entering into this Agreement necessitating a deck, patio, step or series of steps, or an increase or decrease in the number of steps, to the front door, side doors, rear doors, garage to house doors, or any other door of the dwelling, the Purchaser hereby irrevocably agrees to accept such change;
- (f) The Purchaser acknowledges that the dimensions of the Property and the area of the dwelling and of room sizes are approximate only. In the event that the frontage, depth or area of the Property and/or the square footage of the dwelling are varied by up to and including five percent (5%) from the specifications set out in the sales brochures, renderings or other plans and specifications reviewed by the Purchaser at the time of entering into this Agreement, the Purchaser acknowledges and agrees to accept all such variations without notice and without a claim for compensation or abatement to the Purchase Price. If the reduction in the total area of the dwelling exceeds five percent (5%), the Purchaser will be entitled to be compensated by a proportionate decrease in the Purchase Price for the reduction in excess of the five percent (5%) variance in full compensation and shall not have any other rights to any claims for damages or costs of any nature, either at law or equity, other than the said claim.
- (g) The Vendor reserves the right to alter the design and/or layout of the dwelling as may be required to facilitate changes in the structural, mechanical or electrical components or as required due to the relocation of any necessary servicing easements or to accommodate grading as the Vendor, in its sole discretion, may deem necessary or appropriate including the elimination or addition of steps, decks, patio or side doors, or garage to house doors;
- (h) The Vendor reserves the right to alter the location of the furnace, hot water tank, posts and beams from that shown in the plans and specifications or the models reviewed by the Purchaser;
- (i) In the event the dwelling is a model home, the Purchaser acknowledges that it will accept the dwelling as is on closing subject to the normal wear and tear usual to a high traffic model;
- (j) The Purchaser acknowledges that the trees which may be on the site as of the date of this Agreement may not be preserved. The Vendor shall have no obligation to the Purchaser for the removal of any of the trees;
- (k) The Purchaser acknowledges that all renderings, brochures, site plans, models, and landscape plans are artist's concepts only and the as built homes may differ. Plans and specifications offered by the Vendor are subject to modification by the Vendor from time to time. Model home and sales display finishings and materials may not be standard and may not be available or may be offered as extras. Exterior colours, elevations and street-scapes may be pre-selected by the Vendor;
- (l) The Purchaser acknowledges that dwelling on corner lots may require window changes and minor interior modifications to balance and improve the elevations of the house exposed to the street;
- (m) If the dwelling purchased is under construction or to be constructed, the Purchaser acknowledges that there may be deviations from the floor plan, elevation, or layout from that shown on the plans for this model and the Purchaser agrees to accept such changes as constructed;
- (n) If the Vendor has undertaken an obligation to the sub-divider to contribute to the cost of landscaping, or installation of retaining walls, the Purchaser shall, on closing, reimburse the Vendor as to the cost thereof, the cost to be absolutely determined by statutory declaration sworn on the part of the Vendor;
- (o) The Purchaser shall pay the Vendor in advance for all extras, upgrades or changes ordered, and the Purchaser further acknowledges and agrees that such payment is non-refundable in the event this transaction is not completed as a result of the default of the Purchaser. 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 Closing that portion of the amount paid by the Purchaser in connection with such extras, upgrades or changes which remain incomplete in whole or in part as aforesaid, as determined by the Vendor. 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;
- (p) The Purchaser acknowledges that the location of catchbasins, hydrants, mailboxes, transformers, CATV or telephone boxes, street signs, light standards, fences, retaining walls, noise barriers, berms, or other subdivision services may have not been ascertained as of the acceptance date of this Agreement and agrees that it is not entitled to any abatement for the location of any of the aforementioned in proximity to the Property;
- (q) The Purchaser acknowledges and agrees that the architectural control of external elevations, driveway construction, boulevard tree planting, landscaping, corner lot fencing (including the location of such corner lot fencing), exterior colour schemes, or any other matter 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. If the Vendor is required, in compliance with such architectural control requirements, to construct an external elevation for this dwelling other than as specified in this Agreement, or amend the driveway construction, boulevard tree planting or landscaping plan for this Property (all of which is hereinafter referred to as the "Amended Elevation"), the Purchaser hereby irrevocably authorizes the Vendor to complete the dwelling including the required Amended Elevation, and the Purchaser hereby irrevocably agrees to accept such Amended Elevation in lieu of the elevation specified in this Agreement;
- (r) The undersigned hereby acknowledges that complete engineering data in respect of the Municipality approved final grading of the Property may not, as yet, be complete and accordingly, it may not be possible to construct a dwelling with a walk-out basement or rear deck where so indicated in this Agreement or the elevation plans using standard construction. If this Agreement or plans call for a walk-out basement or rear deck and such is not possible using standard construction techniques, the Purchaser shall accept the dwelling without the said walkout or deck. If this Agreement or elevation plans do not call for a walk-out basement or rear deck and such is required pursuant to final approved grading and engineering plans, the

Purchaser shall pay the additional cost of constructing such walk-out basement or rear deck, as the case may be, on closing as determined by the statutory declaration of the Vendor and the Vendor may elect to continue the Agreement and install the walk-out basement or rear deck and the Purchaser shall accept the amended elevation plans; and

- (s) The Purchaser acknowledges that street numbers are established by the Municipality and the Vendor does not warrant that the street number assigned will be the street number contained herein.

30. The Purchaser acknowledges that at the time of execution of this Agreement, the subdivision or development agreement(s) for the Property may not have been finalized. In the event that such agreement(s) contain requirements that certain provisions or notices be provided to purchasers in agreements of purchase and sale or otherwise, the Vendor agrees to provide such provisions or notices to the Purchaser. Upon receipt of such notices or provisions, the Purchaser agrees to attend and execute such amendments to this Agreement as may be required incorporating such notices or provisions as part of this Agreement.

31. Notwithstanding anything else contained in this Agreement the Purchaser acknowledges that the Vendor may at its option complete the dwelling with the garage located on either the left or the right side of the dwelling and that the driveway may be tapered. The Vendor shall exercise this option having regard to site plan conditions, architectural approval, municipal requirements and utility locations. The Purchaser is notified that the dwelling design may be altered to accommodate lot grading. The Purchaser is notified that the laundry room and/or the vestibule may be lowered to accommodate lot grading. In extraordinary cases, door(s) from laundry room may be eliminated at Vendor's discretion.

32. The Purchaser shall not contract for any extras or change orders with the Vendor's trades except through the Vendor and any such extras must be in writing on the specified form, acknowledged by the Vendor and paid for in advance. If the Purchaser wishes to do any work on the dwelling prior to Closing, it shall provide the Vendor with a detailed description of the work to be done for the Vendor's approval. No such work may be done without the approval of the Vendor which approval may be withheld at the Vendor's sole discretion. The Purchaser shall pay the Vendor an inspection fee for any such work. The Purchaser is liable for any delay to the Vendor caused by reason of his work and shall pay on closing any damages estimated by the Vendor to have resulted from such delay. All work undertaken by the Purchaser is at its own risk and is not covered by the Vendor's warranty or under TARION Warranty and the Purchaser shall be required to execute a release prior to Closing. If the transaction does not close for any reason, all work and materials become the property of the Vendor.

DEFAULT AND REMEDIES

33. The Purchaser shall be deemed to be in default under this Agreement in each and every of the following events, namely:

- (a) upon the non-payment of all or any portion of the Purchase Price, or any other sum due herein when due;
- (b) upon a breach of, or failure in the performance or observance of any covenant, restriction, stipulation or provision of this Agreement to be performed and/or observed by the Purchaser; or
- (c) upon any lien, execution or encumbrance arising from any action or default, whatsoever, of the Purchaser being registered against or affecting the Property.

34. Upon default by the Purchaser, in addition to any other rights or remedies which the Vendor may have, the Vendor, at its option, shall have the right to declare this Agreement null and void and in such event, all monies paid hereunder and monies paid or payable for extras ordered by the Purchaser, whether or not installed in the Property, shall be forfeited to the Vendor, without prejudice to the Vendor's rights to bring such further or other action as may be available to it as a result of such breach. It is understood and agreed that the rights contained herein on the part of the Vendor are in addition to any other rights 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, at law or in equity, without prejudice to the subsequent right of the Vendor to exercise any remaining right or rights at law, in equity or in this Agreement. Any monies owing by the Purchaser not paid when due, shall accrue interest at the rate of twenty percent (20%) per annum compounded monthly until paid. If the Purchaser is in breach of Closing, and the Vendor is agreeable to grant an extension of this Closing Date (which it is not obliged to do), it will charge no less than the sum of Three Hundred and Fifty Dollars (\$350.00) per day for each day that the Closing is extended as liquidated damages and not as penalty. If the Purchaser fails to pay any monies owing to the Vendor whether before or after closing the Vendor maintains a Vendor's lien for any unpaid monies and shall have the right to register and enforce the said lien, which shall not be discharged until payment of the amount owing, interest thereon at the rate aforesaid, and the Vendor's legal costs based on solicitor and his own client basis. The Purchaser shall not have the right of setoff of any claim by it as against any amounts owing by it to the Vendor.

35. 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 Property, the Vendor, at its option, shall have the right to declare this Agreement null and void, the provisions of the preceding paragraph with respect to forfeiture shall apply, 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.

36. 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.

37. The Purchaser also acknowledges and agrees that in no event shall the Vendor be responsible for any secondary or consequential damages or costs whatsoever including without limitation, any claim for loss of bargain, legal fees, moving costs, or any other costs relating to the transaction other than amounts payable pursuant to the ONHWP Act. In the event the Vendor is an agent or trustee, the Purchaser acknowledges and agrees that it in no event shall it have a claim against any undisclosed principal or beneficiary.

38. The Purchaser covenants that it will not commence any legal proceedings against the Vendor for construction defects or non-completion of any items in this Agreement, or upon the Vendor's undertaking to complete the dwelling, prior to exhausting its remedies, including the conciliation and arbitration procedures, set out in the ONHWP Act. In default of this covenant, the Vendor may plead the Purchaser's failure as a full defence to the action.

PERSONAL INFORMATION PROTECTION

39. For the purposes of facilitating compliance with the provisions of any applicable Federal and/or Provincial privacy legislation (including without limitation, the *Personal Information Protection and Electronic Documents Act* S.C. 2000, as amended), the Purchaser hereby consents to the Vendor's collection and use of the Purchaser's personal information necessary and sufficient to enable the Vendor to proceed with the Purchaser's purchase of the Property including without limitation the Purchaser's name, home address, e-mail address, telefax/telephone number, age, date of birth, and in respect of marital status only for the limited purposes described in subparagraphs (c), (g), (h) and (i) below and in respect of residency status and social insurance number only for the limited purpose described in subparagraphs (g) and (h) below, as well as the Purchaser's financial information and desired dwelling design(s) and colour/finish selections, in connection with the completion of this transaction and for post-closing and after-sales customer care purposes and to the disclosure and/or distribution of any or all of such personal information to the following entities, on the express understanding and agreement that the Vendor shall not sell or otherwise provide or distribute such personal information to anyone other than the following entities, namely to:

- (a) any companies or legal entities that are associated with, related to or affiliated with the Vendor and are developing one or more other developments 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;
- (b) 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 or projects and/or related services to the Purchaser and/or members of the Purchaser's family;
- (c) 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, including without limitation, the Vendor's construction lender(s), the project monitor, the Vendors designated construction lender(s), the Ontario New Home Warranty Program and/or any warranty bond provider, required in connection with the development and/or construction financing of the Project and/or the financing of the Purchaser's acquisition of the real property from the Vendor;
- (d) any insurance companies providing (or wishing to provide) insurance coverage with respect to the real property (or any portion thereof), including without limitation, 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;
- (e) 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 installation of any extras or upgrades ordered or requested by the Purchaser;
- (f) one or more providers of any security alarm system, smart home-monitoring system, cable television, telephone, telecommunication, hydro-electricity, water/hot water, gas and/or other similar or related services to the real property (or any portion thereof) unless the Purchaser advises the Vendor in writing not to provide any such personal information to an entity providing security alarm services;
- (g) 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 the *Land Transfer Tax*), and Canada Revenue Agency (i.e. with respect to HST) including the Purchaser's Social Insurance Number or business registration number, as the case may be;
- (h) Canada Revenue Agency, 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* R.S.C. 1985, as amended;
- (i) the Vendor's solicitors, to facilitate the closing of this transaction, including the closing by electronic means via the Teraview Electronic Registration System, and which may (in turn) involve the disclosure of such personal information to an internet application service provided for distribution of documentation;
- (j) any real estate agent or real estate broker involved in the Purchaser's purchase of the Property to facilitate the completion of this transaction; and
- (k) any person, where the Purchaser further consents to such disclosure or disclosures required by law.

GENERAL

40. All of the covenants, warranties and obligations contained in this Agreement shall survive the Closing of this transaction, and shall remain in full force and effect notwithstanding the occupancy of the Property or the transfer of title to the Property to the Purchaser.

41. This offer when accepted shall constitute a binding contract of purchase and sale and time shall in all respects be of the essence hereof. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this transaction or the Property or supported hereby, other than as expressed herein in writing, whether contained in any sales brochures or alleged to have been made by any sales representative or agents. All amendments to this Agreement shall only be binding on the Vendor if made in writing and executed by the Vendor or its solicitor. Acceptance by fax transmission shall be permitted.

42. This Agreement is to be read with all changes of gender or number required by the context.

43. The Purchaser agrees to pay retail sales tax on the chattels included in the Purchase Price, if any, based on the Vendor's cost thereof, of which the Purchaser will be notified by the Vendor. The Purchaser acknowledges that the hot water heater may be a rental. The Purchaser is responsible for execution of the rental contract with the gas supplier and for execution of supply contracts with other utility providers as may be necessary.

44. If the Closing shall fall upon a day on which the relevant Land Registry Office is not open for business, Closing shall be the day next following when the Land Registry Office is open for business.

45. The Vendor hereby represents that it is not a non-resident of Canada within the meaning of *The Income Tax Act*.

46. If any provisions of the 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.

47. 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.

48. The Purchase Agreement is conditional until Closing upon the compliance with the subdivision control provisions of Section 50 of the *Planning Act* of Ontario, and amendments thereto by the Vendor, at its sole expense, on or before Closing. If the foregoing condition has not been complied with prior to the Closing, then the Vendor may in compliance with the Tarion Addendum extend the Closing Date.

49. The Purchaser hereby acknowledges and agrees that prior to Closing it will not be permitted on the Vendor's site without being accompanied by a representative of the Vendor. The Purchaser further acknowledges that any entry is at its sole risk and it releases the Vendor, its employees, agents and contractors from and of all liability for any injury or damages which may result to it during its entry on to the Vendor's site whether accompanied by the Vendor or not.

50. The Purchaser acknowledges receiving notice of the clauses contained in the Acknowledgement of Notice Provisions and agrees to be bound by the contents of such notice and covenants to execute forthwith upon request, an acknowledgment of such notice if and when requested to do so by the Vendor. The Purchaser agrees to accept any further restrictions and notices that may be required by any Governmental authority, from time to time.

51. Purchasers and/or tenants are advised that if a Development Agreement affecting the subject lands has not been entered into at this time with the City or the Region, upon such time that a Development Agreement has been entered, the Purchasers and/or tenants are recommended to inspect the Agreement at the City and the Region's offices. The Purchasers and/or tenants also agree to accept any restrictions or requirements which may affect their unit as may be set out in the Agreement once it is entered into with both the City and the Region.

52. The Purchaser acknowledges that a credit report may be requested by the Vendor in connection with this transaction.

53. This Agreement and any addendums and/or amendments thereto, may be executed and counter-signed by telefacsimile, electronic document signing software and/or electronic mail and a telefacsimile or electronically transmitted reproduction of this offer with a handwritten or electronic signature of the Vendor and/or the Purchaser may be relied upon to the extent as if it were an original. The Vendor and Purchaser covenant and agree, upon the request of the other, to provide an originally executed copy of this Agreement to the requesting party.

**SCHEDULE "B" - FEATURES AND FINISHES IN TOWNHOMES
MADISON HOMES CORNELL ROUGE LIMITED - PHASE 6, Blocks 96, 97 & 98**

This Schedule forms part of and is to be read with the attached Agreement of Purchase and Sale.

DISTINCTIVE HOUSE EXTERIORS

- Madison's Cornell Rouge is a new home community inspired by the sense of neighbourhood. House sitings and exterior colours will be architecturally co-ordinated.
- Distinctive elevations utilizing clay brick, precast stone, wood, vinyl, aluminum and other unique materials, as per applicable elevation.
- Soldier coursing, arches, keystone and masonry detailing in brick or precast stone, as per elevations.
- Low maintenance-aluminum soffit, fascia, eavestroughs and downspouts.
- High quality vinyl casement or fixed windows with low E-Argon thermopane glass, as per plan. Basement excluded.
- Low maintenance structural vinyl thermopane basement windows, as per applicable plan.
- Entire front and back of lot to be graded and sodded, except for paved areas.
- Two exterior water taps. Locations to be determined by Vendor.
- Self-sealing roof shingles.
- Precast concrete walk to front entry from sidewalk, as per plan.
- Covered front porch, as per applicable plan.
- Roll-up sectional garage door, as per plan.
- Windows on front elevations to have transom windows, as per applicable plan.
- Poured concrete foundation walls.
- Quality elegant hardware with security deadbolt on front and rear entry and custom designed municipal number.
- Contemporary exterior light fixtures.
- All exterior wood trim (where applicable) is primed and painted.
- Driveway or garage apron surface, as per plan, to be paved by Vendor at Purchaser's expense (subject to construction schedule).
- Poured concrete front porch, as per applicable plan.
- Poured concrete garage floor.
- Townhomes to have garage man-door to rear yard, as per plan, if grade permits. Purchasers are notified that the garage man-door may be relocated or eliminated to accommodate drainage, as per grading, siting or municipality requirements, if applicable.
- Direct insulated access door from garage to house with deadbolt and closer if grade permits and as per plan. Purchasers are notified that garage to interior doors or side doors to the house, if applicable, may be lowered, relocated, or eliminated to accommodate drainage as per grading, siting, or municipality requirements, if applicable.
- Services included: paved roads, sanitary and storm sewers, individual water connections.

INNOVATIVE INTERIOR FEATURES

- Approximately nine-foot (9') high ceilings on first floor (except in powder room and/ or first floor laundry room and where architectural design, mechanical or duct work requires ceiling height to be lowered) permitting transom windows (as per plan).
- Approximately eight-foot (8') high ceilings on second floor and third floor, as per plan, (subject to mechanical or ductwork bulkhead requirements).
- Main staircase to be oak with natural finish from first to third floor, as per plan (basement stairs excluded).
- Elegant solid oak handrails and pickets with natural finish from first to third floor, as per plan (basement handrail and pickets excluded).
- Smooth ceilings on first floor only.
- Interior walls to be painted one colour selected from Vendor's standard samples with premium quality latex paint.
- All trim to be painted cool white.
- Two panel square style interior doors (excluding exterior door and sliding closet doors), as per plan.
- Flat stock baseboard and casing for doors and windows.
- All closets to have white wire shelving.
- Brushed chrome style interior door levers. (Exterior doors excluded). Painted hinges.

SUPERIOR KITCHEN, BATHROOMS & LAUNDRY FEATURES

- Custom designed, furniture finish kitchen cabinets and vanities in a wide choice of styles.
- Taller upper kitchen cabinetry.
- Built-in pantries, serveries, desks, breakfast bars and kitchen islands, as per plan.
- Choice of laminate countertops.
- White, two speed exhaust hood fan in kitchen ducted to exterior.
- Double stainless steel sink with single lever faucet in kitchen.
- Rough-in for plumbing for future installation of a dish washer in kitchen, as per plan.
- Shut off valves for all sinks and toilets.
- Low flow aerators on all faucets.
- Water saving toilets.
- Low flow shower heads in all showers.
- Pressure balance valve in all bath and shower enclosures.
- Heavy-duty cable and outlets for stove and dryer.
- Laundry to include single freestanding laundry tub (as per applicable plan) and dryer vent to exterior (location may vary from plans).
- Hot and cold taps for laundry tub.
- Soaker tub in master ensuite bathroom, as per plan.
- Where ensuite includes separate shower, ensuite tub will have a deck-mounted faucet and a ceramic tile surround and backsplash of two rows (otherwise ensuite will include regular bathtubs) as per applicable plan.
- Separate shower stall with marble jambs and ceiling light, as per applicable plan.
- Ceramic wall tile up to ceiling on bathtub enclosures.
- Cement "Wonderboard" on separate shower enclosure wall(s), as per applicable plan.
- White square pedestal sink in powder room, as per plans.
- Mirror in all bathrooms.
- Exhaust fan in all bathrooms.
- Quality white plumbing fixtures in all bathrooms.
- Privacy locks on all bathroom doors.
- Rough-in drain pipes for future 3-piece basement bathroom, as built.

HIGH QUALITY FLOORING FEATURES

- Ceramic floor tile in rear entry, powder room, all bathrooms & first or second floor laundry room, from Vendor's standard samples, as per applicable plan.
- Quality broadloom in all finished areas (except hardwood or tiled areas) from Vendor's standard samples. includes one (1) colour choice of carpet.
- Quality underpad in all broadloom areas.
- All subfloor sheathing to be screwed to floor joists and joints sanded prior to finished floor installation.
- 2 1/4" x 3/4" natural oak engineered hardwood flooring in front main entry, living/dining room and kitchen/breakfast, as per applicable plan.

LIGHTING AND ELECTRICAL FEATURES

- 100 amp automatic circuit breaker with heavy duty copper wiring.
- Two exterior waterproof electrical outlets. location to be determined by Vendor.
- One electrical outlet in garage.
- Electrical outlet in garage ceiling for future door opener.
- One electrical outlet in unfinished area of basement at electrical panel.
- Electric door chime with doorbell at front entry.
- White Decora-style light switches, plugs and plates.
- One smoke detector on every floor and in all bedrooms.
- Carbon monoxide detector provided, as per Ontario Building Code.
- Electrical light fixtures to be installed in kitchen, powder room, main and ensuite bathrooms, family room, home office/den and all bedrooms, excluding living room/dining room.

PAGE B-1

**SCHEDULE "B" - FEATURES AND FINISHES IN TOWNHOMES
MADISON HOMES CORNELL ROUGE LIMITED - PHASE 6, Blocks 96, 97 & 98**

This Schedule forms part of and is to be read with the attached Agreement of Purchase and Sale.

- Switch controlled receptacle in living room and capped outlet in dining room (ceiling location to be determined by Vendor).
- Heavy duty cable and outlet for stove and dryer with dryer vent.
- Category 5 telecommunication rough-in provided in the kitchen, master bedroom and master bedroom 2, as built.
- Cable TV outlet rough-in provided in the family room and all bedrooms, as built.
- Ground fault interrupter protection in all bathrooms and powder room.
- Rough-in for future central air conditioning.
- Rough-in for central vacuum, as built.

ENERGY EFFICIENT FEATURES

- Insulation in full conformity with the Ontario Building Code for conservation of energy.
- High efficiency forced air direct vent natural gas furnace complete with electronic ignition in conjunction with Heat Recovery Ventilator (HRV).
- Tankless water heater on rental, as per lease schedule.
- Ducting sized for future air conditioning.
- Thermostat centrally located on first floor.
- High quality vinyl casement or fixed windows with low E-Argon thermopane glass, as per plan. Basement excluded.
- Screens on all opening windows.
- Windows and doors sealed with top quality exterior caulking.
- Front entrance to have metal insulated door with glass insert with weather-stripping, as per applicable plan.

QUALITY CONSTRUCTION

- Poured concrete foundation walls with heavy duty damp proofing and weeping tiles (excluding garage).
- Basement "wrap" water proofing system to be installed on the foundation wall (excluding garage) to prevent water penetration into basement (as per applicable plan).
- Steel or wood beam construction in basement, as per applicable plan.
- Townhomes to have acoustically enhanced stud party wall between units.
- Lot 96-1 ONLY: poured concrete cold room with weather stripped solid core door, light, floor drain and vents, as per plan.

WARRANTY

- Seven (7) year Tarion New Home Warranty Protection Program for major structural only. purchaser agrees to pay Tarion enrollment fee on closing as an adjustment.
- Madison Group warranty in accordance with the Tarion New Home Warranty Program.
- Purchaser's choice of interior colours and materials from Vendor's standard samples if not yet ordered, installed or completed, provided that colour and materials are available from supplier and purchaser agrees to select the colour and materials according to the Vendor's schedule, otherwise the Vendor reserves the right to choose the colour and materials to complete the dwelling and the Purchaser agrees to close the transaction with the Vendor's choice of colour and materials.
- First floor front and rear entry and first floor laundry room floor, where applicable, may be lowered to accommodate entry door(s) at the Vendor's discretion (unfinished basement ceiling height shall be lowered accordingly).
- All plans and specifications are subject to modification from time to time at the sole discretion of the Vendor. The Vendor reserves the right to change the foregoing specifications without notice.
- Purchasers are notified that the number of steps to front entrance, rear entrance and side entrance if applicable may be increased or decreased depending on final grading.
- Purchaser agrees to pay on closing for installation of water meter and hydro installation.
- The Purchaser acknowledges that finishing materials contained in any model home or sales office display, including broadloom, furniture, mirrors, electrical fixtures, drapes, ceramic flooring, vinyl flooring, hardwood flooring, marble flooring, upgraded kitchen cabinets,

- countertops, stained staircase and railing, painting, wall paper, etc. may be for display purposes only and may not be of the same grade or type, or may not necessarily be included in the dwelling purchased herein.
- Townhomes and corner lots, end units and priority lots may have special treatments which may require window changes and minor interior modifications to balance and improve the elevations of the house exposed to the street. The Purchaser accepts such changes as constructed or as necessary.
- House types and streetscapes subject to final architectural approval of The City of Markham or developer's architectural control architect and final siting, and approval of the Vendor's architect.
- **WHEN PURCHASER IS BUYING A HOUSE ALREADY UNDER CONSTRUCTION, PURCHASER ACKNOWLEDGES THAT THERE MAY BE DEVIATIONS FROM THE FLOORPLAN, ELEVATIONS OR LAYOUT OF THIS MODEL AND PURCHASER AGREES TO ACCEPT SUCH CHANGES AS CONSTRUCTED OR AS NECESSARY.**
- Variations from Vendor's samples may occur in exterior finishing materials, kitchen and vanity cabinets, and floor and wall finishes, due to normal production process.
- Sheet goods may be seamed under certain conditions.
- The Vendor will not allow the Purchaser to do any work and/or supply any material to finish dwelling before closing date.
- All exterior colours and materials pre-selected by Vendor are architecturally controlled.
- Exterior elevations will be similar to pictures shown, but not necessarily identical. All furniture and landscaping features shown in renderings are not included.
- Siting requirements may require the Vendor to site the dwelling as a reverse model, and the Purchaser agrees to accept the same.
- Actual usable floor space may vary from stated floor area. location of furnace, tankless water heater, rough-in bath and locations and number of posts and beams may vary from brochure and purchaser is deemed to accept same.
- Room dimensions, window and door configurations may vary with final construction drawings.
- All ceiling heights are approximate and may vary. Some ceiling heights will be dropped to accommodate HVAC, plumbing, venting, electrical, mechanical, insulation, bulkheads and other structural requirements, which will result in areas of lower ceilings heights.
- Drywall smooth ceiling finish may reflect surface variation due to lighting conditions, sheen of applied paint and may be more visible where treated joints, fastener heads or corner beads occur.
- **PRICES, TERMS AND CONDITIONS SUBJECT TO CHANGE WITHOUT NOTICE. THE VENDOR HAS THE RIGHT TO SUBSTITUTE MATERIALS OF EQUAL OR BETTER QUALITY.**

E. & O. E. September 16, 2019.

**INSERT SCHEDULE “C”
PURCHASER’S EXTRAS**

SCHEDULE "D" - WARNING CLAUSES AND NOTICE PROVISIONS

MADISON HOMES CORNELL ROUGE LIMITED - PHASE 6

THIS SCHEDULE FORMS PART OF, AND IS TO BE READ IN CONJUNCTION WITH THE ATTACHED AGREEMENT OF PURCHASE AND SALE BETWEEN MADISON HOMES CORNELL ROUGE LIMITED, AS VENDOR, AND THE UNDERSIGNED, AS PURCHASER, FOR LOT/UNIT: «Lot Number», PLAN: «Project Plan Number»

The Purchaser acknowledges receipt of notice as to the following provisions:

PARKING

Units With Single Car Garage

Purchasers/Tenants are advised that the City's Parking By-Law requires a minimum of two parking spaces. No more than one required parking space may be provided within the required front yard or required exterior side yard. Outside a private garage parking is only permitted on a driveway.

Purchasers/Tenants are advised that the City's Zoning By-Law restricts driveway widths, which may not allow two cars to park side by side.

Purchasers/Tenants are advised that overnight street parking will not be permitted unless an overnight street parking system is implemented by the City.

NO EXTRA CHARGE TO HOME PURCHASER

Purchasers are advised that as a condition of approval of the subdivision within which this lot is located, the City of Markham has required that the Purchaser shall not be imposed extra charges for:

- Street Trees
- Corner Lot Fencing
- Rear Lot Fencing at Lanes (if specifically required by the City).
- Tree Planting in rear lanes adjoining the lanes (if specifically required by the City)
- Noise attenuation fencing as identified in the noise impact study
- Fencing of school, park and open spaces
- Subdivision entry features and decorative fencing as identified on landscape plans approved by the City of Markham

RESTRICTIVE COVENANTS

The Purchasers covenant and agree with the Vendor and acknowledge that the following three paragraphs will be registered separately against the title to all lands and the following covenants shall run with the lands and shall bind the owners:

- (a) No owner of any part of the said lands shall alter or interfere with the grading and drainage levels and patterns as approved by the City with respect to the said lands and without limiting the generality of the foregoing, no owner of any part of the said lands 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, catch basin 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 which will result in civil liability. The owner hereby agrees to indemnify and save the City harmless from all actions, causes of action, suits, claims and demands whatsoever which may arise directly or indirectly by reason of such alteration or other action as stated above.
- (b) The owners of the said lands will be responsible for the maintenance and repair of any retaining wall, in perpetuity or fence, whether wholly or partly located on the said lands. The owner is to further hold the City and/or any other governmental agency harmless from any claims, suits, actions or demands whatsoever which may arise from the construction of any retaining wall or fence on the said lands, or the repair or lack or maintenance of such.
- (c) No owner of any part of the said lands shall construct, widen, remove or alter any curb cut within the road allowance of a City highway, or cause any such work to be done except with the approval of the City. In addition, no owner shall obstruct or encumber any highway in the City of Markham. Obstructions and encumbrances shall include, but not be limited to the construction, placement or maintenance of posts, fences, trees, hedges, landscaping and wooden or concrete driveway 'curbs'. All obstructions or encumbrances shall be removed by the owner upon receipt or notification from the City of Markham. If the request for removal is not complied within the specified time, the Commissioner of Community and Fire Services may cause the same to be removed, and the owner shall be liable to the City for all costs incurred in the removal of the obstruction. The City may recover all expenses on the tax rolls in the same manner as municipal taxes.

CANADA POST

- (a) Purchasers/Tenants are advised that mail delivery will be from a designated community mailbox.
- (b) The developers/owners will be responsible for notifying the purchasers of the exact community mailbox locations prior to the closing of any home sale.

YORK CATHOLIC DISTRICT SCHOOL BOARD

Purchasers are advised that Block 101 is designated for a Catholic School. The construction of a Catholic School on a designated site is not guaranteed. Purchasers are advised that sufficient accommodation may not be available for students residing in this area, and you are notified that students may be accommodated in temporary facilities and/or bussed to existing facilities outside the area. The board will in its discretion designate pick-up points for students who qualify for transportation.

Temporary facilities/portables may be placed on the lands in order to accommodate students in excess of the capacity of the school building. No gates or access points may be installed from any abutting lands to Block 101.

DEVELOPMENT CHARGES

The Owner covenants and agrees to provide written notice of all development charges related to the Subdivision, including payments made and any amounts owing, to all first purchasers of lands within the Subdivision at the time the lands are transferred to the first purchasers. Development Charges totalled \$2,112,906.08 of which \$565,098.91 were paid on execution of the subdivision agreement, \$917,338.63 were secured by letter of credit and \$630,468.54 remain to be paid.

NOISE ATTENUATION

Purchasers are advised that despite the inclusion of noise attenuation features within the development area and within the individual building units, noise levels will continue to increase, occasionally interfering with some activities of the building's occupants.

NOISE WARNING CLAUSES AND ATTENUATION REQUIREMENTS

Lot 85 to 95 all inclusive

Purchasers/tenants are advised that despite the inclusion of noise control features in the development and within the building units, sound levels due to increasing road and/or rail traffic may on occasions interfere with some activities of the occupants as the noise exposure levels will exceed the sound level criteria of the Ministry of the Environment.

Purchasers/tenants are advised that despite the inclusion of noise attenuation features within the development area and within the individual building units, noise levels will continue to increase, occasionally interfering with some activities of the building's occupants

Purchasers / tenants are advised that, despite the inclusion of noise control features in this development area and within the dwelling unit, noise levels from increasing road and / or rail traffic may occasionally interfere with some activities of the occupants. This dwelling unit has, therefore, been equipped with forced air heating and ducting etc. with provision for a central air conditioning system at the owners' option. The air cooled condenser unit, if installed, shall have a sound rating not exceeding 7.6 bels for unit cooling capacities up to 3.5 tons and shall comply with the City's noise by-law.

Where berm, noise wall, window and/or oversized forced air mechanical systems are required, these features shall be certified by a professional engineer to have been installed as specified by the approved noise study and in conformance with the Ministry of Environment guidelines and the York Region Noise Policy.

There will be an acoustic barrier, parallel to the lotline and entirely within private property and will be maintained by the owners. The acoustic fence shall be of heavy wood, solid with no gaps along its length and a minimum face density of 20 kg/m (4 lb/ft), or of an equivalent material accepted by the Director of Engineering. Any access gates in the acoustic barrier shown in the approved plans, shall be of the same material as the acoustic fence, and should seal reasonably when closed.

NOISE FENCES/ ACOUSTIC BARRIERS

Maintenance of the noise barriers and fences bordering on York Region right-of-ways shall not be the responsibility of York Region

All acoustic fencing shall be constructed in accordance with the approved noise impact study and all wood fencing adjacent to road allowances and walkway blocks shall be erected entirely on private property, directly inside the property line, and shall not be erected on the lot line or encroach into any road allowance or public property. All fencing, excepting acoustic fencing, shall be in accordance with By-law 277-97 (the Fence By-law), as amended from time to time.

TELEPHONE AND TELECOMMUNICATIONS SERVICE

Purchasers and Tenants are hereby put on notice that telephone and telecommunications facilities and services are authorized by the CRTC under The *Telecommunications Act*, and as such these services may be provided by telecommunication carriers other than the traditional carriers for such services. Purchasers and Tenants are advised to satisfy themselves that such carriers servicing the lands provide sufficient service and facilities to meet their needs.

SIDEWALKS

The Director of Engineering may change the location of any sidewalks/walkways within the subdivision without prior notice.

LOTS 1 TO 95 AND BLOCKS 96, 97 AND 98

Purchasers/Tenants are advised that this property will have a municipal sidewalk fronting and/or flanking their property.

EASEMENTS

Lot 17

- (i) Purchasers / tenants are advised that a 2.5 metre x 1.0 metre servicing easement is located within this property along the east property line. No structures or buildings are permitted to be constructed on the easement.
- (ii.) Purchasers / tenants are advised that Rogers has certain easement rights on lot 17 for the on-going operation, maintenance or replacement of the services located in the servicing easement lands.
- (iii.) Purchasers / tenants are advised that the City is not responsible for replacing any landscaping features or materials that may be damaged as a result of carrying out any required works within the easement.

Lot 18

- (i) Purchasers / tenants are advised that a 2.5 metre x 1.0 metre servicing easement is located within this property along the west property line. No structures or buildings are permitted to be constructed on the easement.
- (ii.) Purchasers / tenants are advised that Rogers has certain easement rights on lot 18 for the on-going operation, maintenance or replacement of the services located in the servicing easement lands.
- (iii.) Purchasers / tenants are advised that the city is not responsible for replacing any landscaping features or materials that may be damaged as a result of carrying out any required works within the easement.

TRANSIT SERVICES

Existing YRT/Viva transit services operate on the following roadway in the vicinity of the subject lands:

- 16th Ave

Future YRT/Viva transit services are planned for the following roadways of:

- Donald Cousens Parkway
- Avenue Seven (Hwy 7)

This includes current and potential transit routes, bus stops and shelter locations. This shall be achieved through distribution of information/marketing materials (YRT route maps, Future Plan maps & providing YRT website contact information) at sales offices and appropriate notification clauses in purchase agreements. The YRT route maps and the Future Plan maps are available from YRT upon request.

OCCUPANCY CERTIFICATES

Purchasers are advised and hereby put on notice that the certificate of occupancy issued by the Municipality will document the building inspection history, including mandatory inspections which were not conducted. The owner acknowledges that occupancy of this unit shall not occur until the storm and sanitary outfalls are operational to the satisfaction of the City. The purchaser is advised that occupancy of this unit may be delayed due to such servicing requirements.

TREES

Purchasers are advised that street tree(s) may be planted on the City boulevard adjoining the Property. The choice of tree, its location and approximate planting time have been determined by the landscape architect for the Developer and the City and are subject to change only in the event of the unavailability of the selected tree species.

FLANKAGE LOTS

With respect to all flankage lots Purchasers are advised and hereby put on notice that: up to a 1.83 meter high wood fence may be located along the rear and/or flankage lot line of these lots and that the said wood fence shall not be altered or removed. It shall be the obligation of the owner of the lot to maintain and keep in repair that portion of the wood fence situated along the rear and/or flankage lot line of the lot or block. The Purchaser acknowledges that the aforesaid fence may encroach on the rear and/or flankage of their lot and particularly in the instance where a tree is straddling the rear and/or flankage lot line.

The builder is fully responsible for corner lot fence design, construction, and the implementation of consistent finishes such as paint or stain.

RECYCLING BOXES

The Purchaser covenants and agrees to purchase from the Vendor recycling container(s), green bin and kitchen collector units in order that they may participate in a Municipal waste diversion program.

LOCATION OF SUBDIVISION SERVICES

Purchasers are advised that catchbasins, fire hydrants, light poles, cable pedestals, telephone pedestals and community mailboxes may be located on public lands abutting residential lots.

Hydro transformers are located along the rear lane in front of Block 96 (Unit 3), Block 97 (Unit 1 and Unit 4) and Block 98 (Unit 1).

STREET ADDRESS

Street addresses are assigned only by the City of Markham. Any change in a street address to bring an address into conformity with the City of Markham addressing policy will be undertaken at the sole expense of the owner.

PROVISION OF SOD

The Purchaser acknowledges that the yard of the lots will be sodded including front, rear and side yards and the Purchaser agrees that the Vendor/Developer reserves a right to enter upon the land lot in order to complete or alter any of the grades on the said lot as may be required by the City in order to provide proper drainage to any of the lots within the plan. The Purchaser acknowledges that the Vendor may not be in a position to fully sod the rear lot depending on the number of trees and the grade on the Purchaser's lot and on adjoining lots. The Purchaser acknowledges that the proposed lot grading may require the use of retaining walls and/or sloping. Where retaining walls are constructed on the lot being sold, the maintenance and repair of such walls shall be the responsibility of the Purchaser.

MAINTENANCE EASEMENTS

Purchasers are advised that maintenance easements may be registered on title.

We hereby acknowledge having read and understood the wording of this Schedule.

Dated this «Offer_Date_In_English».

Witness
(as to all Purchasers' signatures, if more than one Purchaser)

«Purchaser_1»

«Purchaser_2»

SCHEDULE “E”
to the Agreement of Purchase and Sale
ACKNOWLEDGMENT RE: RESIDENTIAL WATER HEATER
RENTAL CONTRACT

Lot/Unit #: «Lot_Number»
Plan: «Project_Plan_Number»
Project: «Project_Marketing_Name»
Purchaser(s): «All_Purchasers»
Vendor: «Project_Vendor_Name»
Date of Agreement of Purchase and Sale: «Offer_Date»

By entering into this Agreement of Purchase and Sale, the Purchaser acknowledges and agrees that (i) the water heater to be installed in the home will be a rental unit, rented by the Purchaser from *EnerCare Home and Commercial Services Limited Partnership* (“**EnerCare**”) pursuant to a rental contract with EnerCare, and (ii) by entering into this Agreement of Purchase and Sale, the Purchaser does hereby enter into a rental agreement with EnerCare on the terms and conditions described in the information contained in this Schedule “E” to the Agreement of Purchase and Sale.

The undersigned Purchaser hereby acknowledges having read, understood and accept the foregoing.

Dated this «Offer_Date_In_English».

Witness
(as to all Purchasers' signatures, if more than one Purchaser)

«Purchaser_1»

«Purchaser_2»



RESIDENTIAL WATER HEATER RENTAL AGREEMENT

Water Heater Model:

Rinnai RU199i Tankless Water Heater

Current Calendar Year Rental Rate:

2019: \$41.99 + HST

1. Commitment. "Our", "us" "we" or "Enercare" means Enercare Home and Commercial Services Limited Partnership. Our commitment to you, our rental customer, ("you", "your" or "customer"), is to provide you with a reliable, trouble-free water heater in accordance with this Residential Water Heater Rental Agreement (the "Agreement"). The water heater ("Water Heater") you rent from us, as set out above, is backed by Enercare to the extent provided in this Agreement.

2. Term. The term of this Agreement commences on the date you agreed to this Agreement (which is the same as the date of your agreement of purchase and sale for the home). The term of the Water Heater rental ends if this Agreement is terminated by you or us in accordance with its terms (which, for greater certainty, includes you exercising your buyout option in accordance with the terms of this Agreement) or when the useful life of the Water Heater has ended. The useful life of the Water Heater ends when Enercare or its authorized service provider determines, having regard to the relevant factors, including without limitation, the age of the Water Heater and the cost of any repairs to be made to the Water Heater, that it is no longer commercially reasonable to repair the Water Heater. For greater certainty, you do not have any right to subsequently request a different water heater than the one you rent from us under this Agreement.

3. Our Obligation to You. Our obligation to you is to service and repair the Water Heater with no service charges or parts replacement charges **except** in the following circumstances:

- if you (or a third party not authorized by us) alter, modify, adjust, damage, service, repair, move or disconnect, the Water Heater;
- if service or repairs to the Water Heater are necessary because the Water Heater was used for an unintended or unauthorized purpose, including non-residential purposes;
- unless you are paying our hard water rental rate, if the Water Heater requires de-liming, flushing or other repair due to water conditions or the quality of the environment in which the Water Heater is situated. For greater certainty, Enercare determines hard water conditions. In such situations, we cover only diagnostic work;
- where venting, piping, wiring, plumbing, ducting and/or electric services requires cleaning, repair, replacement or installation, including to meet applicable laws or installation requirements;
- where re-setting is required due to FVIR "lock-out" as described below under "Customer Advisory";
- if you fail to maintain the Water Heater in accordance with the requirements set out below under "Customer Obligations - Safety";
- for service charges or parts replacement related to the use of load control devices, peak savings, load timers and all other energy saving devices; or
- if you fail to notify us as described below under "Customer Obligations - Duty to Maintain".

Should you require assistance, our 24-hour per day, 7 days per week emergency phone number is **1-800-266-3939**. Should we update this phone number, the updated number can be found on the Enercare website at www.enercare.ca.

4. Customer Obligations. In return for fulfilling our obligations to you, you agree that:

- Rental Charges** – The rate on the date of this Agreement for your monthly rental charge is indicated above. You will be responsible for paying rental charges from the date the Water Heater is installed or, if you purchased the premises after the Water Heater was installed, from the closing date of the purchase. We may increase our rental rates on January 1 of each calendar year by a percentage up to the percentage increase to CPI plus 2%. For the purposes of this Agreement, "CPI" means the All-items Consumer Price Index (not seasonally adjusted) for Ontario or the equivalent thereof, or any comparable successor index thereof, published by Statistics Canada in October in respect of the immediately preceding September to September period, or by any other equivalent or duly authorized department of the Government of Canada (for clarity, the Consumer Price Index in Canada is expressed in terms of 2002 = 100). We will notify you of any such rental rate increases in advance in bill inserts, by letter or by any method permitted by law.
- Payment of Charges** – You will pay your charges billed under this Agreement when due. You agree to pay HST and any other taxes payable in connection with this Agreement. Your charges may be included on your utility bill, or we may choose to bill you separately or through our service provider. Acceptable methods of payment, which currently include pre-authorized payment, payment by cheque, by telephone or in person, or online banking, will be set out on the bill you receive. Should any payment be returned for non-sufficient funds ("NSF"), you agree to pay a NSF charge of \$25. A late payment charge will apply to all overdue amounts on your bill, including applicable federal and provincial taxes. The rate for late payment charges is 1.5% per month or 18% per year (for an effective rate of 19.56% per year). Your bill is due on the date indicated on the bill.

Late Payment Charges on your Enbridge Gas Distribution ("EGD") Bill (applicable only if your charges are included on your EGD bill) – A late payment charge will apply to all overdue amounts on your EGD bill, including applicable federal and provincial taxes. The late payment charge will be calculated and applied as approved by the Ontario Energy Board ("OEB"). The current OEB-approved late payment rate is 1.5% per month or 18% per year (for an effective rate of 19.56% per year). Your EGD bill is due when you receive it, which is considered to be three days after the bill date. If you do not pay your bill in full by the late payment effective date on the first page of your EGD bill, a late payment charge equal to the late payment rate multiplied by a total of all unpaid charges will be added to your EGD bill.

c) Access – You will provide us with timely access to the Water Heater whenever required by us to perform our obligations or exercise our rights under this Agreement.

d) Safety – You will use the Water Heater safely and responsibly. In particular, you will:

- maintain effective operation of any plumbing and pumping systems supplying water to the Water Heater;
- ensure that no combustible, hazardous or flammable materials are used or stored in the same room as, or near, the Water Heater;
- ensure that the Water Heater is not confined in a location where it is difficult to service or remove or where there is inadequate ventilation;
- provide us with access to the Water Heater whenever reasonably required for purposes of inspection, repair, maintenance or removal;
- inspect the area around the Water Heater on a regular basis for any sign of water leakage;
- contact us for service if you see any sign of carbon or rust on the bottom or sides of the Water Heater or any signs of water leakage;
- ensure that the Water Heater is located in an area with sufficient drainage in the vicinity, and that the drainage is open, unrestricted and effective;
- if the Water Heater is gas-fired, ensure that the vents and openings for combustion air are kept clear and clean and otherwise well-maintained and there is adequate ventilation; and
- not permit anyone who has not been authorized by us to service, repair, modify, alter, adjust, move or disconnect the Water Heater.

e) Duty to Maintain – If the Water Heater is gas-fired, you are required, as the user of the Water Heater, under law to ensure that it is maintained in a safe operating condition [Ontario regulation 212/01 Section 15]. In the event that a service or repair is required please call **1-800-266-3939**.

f) Ownership, Credit and Security Interest. You agree that:

- if more than one customer is named on the account, each of you is individually liable, and all of you are collectively liable, for all obligations imposed on you by this Agreement;
- during the term of this Agreement, the Water Heater remains our property, does not become a fixture, and you will not tamper with any tag(s) or sticker(s) identifying the Water Heater as rented equipment or that it is owned by us;
- we may inquire about your credit history and, if necessary, use the personal information you have provided to us to do so. For greater certainty, you authorize any credit reporting agency to give us credit or other personal information about you from time to time during the term of this Agreement. You can withdraw this authorization at any time. If you do or we are not satisfied with the results of any credit check, we may end this Agreement and the provisions of "Termination - Termination by Us" will apply;
- you will promptly inform us of any change in your: (i) mailing address at least 30 days in advance of such change; and/or (ii) if previously provided, bank account or credit card information promptly after such change is made;
- this Agreement is binding upon and will enure to your heirs, personal representatives, successors and permitted assigns; and
- we may register, at your expense, our interest in the Water Heater against you and/or against title to the premises. To the extent permitted by law, you agree to waive any right to receive a copy of such registration and appoint us as your lawful attorney for the purpose of doing any such registrations. You agree that the Water Heater will remain personal property even though it may become affixed to the premises. You agree to keep the Water Heater free of all liens, security interests, mortgages and other claims.

5. Sale of your Home – If you sell or otherwise transfer the premises, you are required to inform the transferee, at or before the effective date of the sale or transfer, of the existence of this Agreement and the rental Water Heater installed in the premises. We will permit the transferee to assume your rights and obligations under this Agreement, effective from the date of sale or transfer; provided that:

- you or your representative notify the transferee in the sale or transfer agreement that the Water Heater is rented and is subject to this Agreement;
- you or your representative advise us in advance of the transferee's name and the intended date of sale or transfer;

- c) you or your representative advise us in advance of the address and telephone number where you can be contacted after the date of sale or transfer;
- d) the transferee agrees in writing or by conduct to assume your obligations under this Agreement; and
- e) you have paid us all amounts owing under this Agreement.

Unless and until these conditions are satisfied, or unless Enercare otherwise waives any or all of these conditions, which we are under no obligation to do, you will remain responsible for the Water Heater rental and your obligations under this Agreement, including making all rental payments. You hereby authorize us to respond to information requests relating to your account made by or on behalf of the transferee.

6. Customer Advisory. The Water Heater may be equipped with flammable vapour ignition resistant ("FVIR") technology. Enercare encourages you to read the Water Heater Use & Care Manual provided to you upon or after installation of the Water Heater. Certain activities such as, without limitation, painting or using solvents could cause the FVIR technology to "lockout" the Water Heater causing it to no longer function until reset by a qualified service technician. Resetting the Water Heater caused by FVIR "lockout" is not covered by Enercare under this Agreement and, if applicable, you will be charged for both parts and labour at our then current rates.

7. Warranties and Liability.

- a) **Warranties** – We make no representations, warranties or conditions as to the performance of the Water Heater except for those which are given by statute and which you cannot waive and except any express warranties provided by the manufacturer of the Water Heater, except as provided below. Subject to you carrying-out your obligations under this Agreement (including those under "Customer Obligations") and subject to the limitations set out under "Liability", we hereby warrant that the Water Heater will work and provide hot water, and will not leak or rupture, for the term of this Agreement, reasonable wear and tear excepted. We are not the manufacturer of the Water Heater and we are not making any warranty or guarantee in respect of it, the supplier or the manufacturer of the Water Heater, including whether the Water Heater is suitable for you, except as provided above. Any warranties or guarantees provided under applicable legislation are hereby excluded to the extent permitted by law.
- b) **Liability** – Except as otherwise expressly provided in this Agreement, we will not be liable for any loss, damage or injury of any type (including as a result of water leakage or any electrical or natural gas related events) arising out of or related to this Agreement or caused or contributed to in any way by the supply, installation, use and/or operation of the Water Heater. We shall not be responsible for any indirect, incidental, special or consequential damages, even if reasonably foreseeable. If we are unable to perform any of our obligations under this Agreement because of circumstances or events beyond our control, we shall be excused from the performance of such obligations for the duration of such circumstances or events and we shall not be liable to you for such failure to perform.
- c) **Indemnity** – You will indemnify us from all claims, losses and costs that we may suffer or pay or may be required to pay, including legal expenses, in connection with this Agreement, including its termination or enforcement, or the supply, use and/or operation of the Water Heater including any claims against us for any injury or death to individuals or damage to property, including from your negligence or misuse of the Water Heater. This obligation survives the termination of this Agreement for any reason.
- d) **Insurance** – During the term of this Agreement, you are responsible for any loss or damage to the Water Heater from any cause, whether or not insured, until all of your obligations under this Agreement have been fulfilled.

8. Personal Information About You. You authorize us to collect and use personal information about you. You authorize us to collect the personal information provided by you and to review information about your Enercare bill payments or, if you are billed by your gas utility, you authorize your gas utility (including EGD) to provide us with any charges and payment information. Other than to our authorized service providers and parties that will provide us with credit information, we will not knowingly share this information with third parties without your permission, other than a party to whom we transfer, assign, encumber or otherwise dispose of this Agreement or the Water Heater.

Your privacy is important to us. As a current customer, we are committed to offering you more value in the future. Every once in a while we, an affiliate or an authorized service provider, may mail or call you about our other products and services that may be of interest to you. If you do not want us, an affiliate or an authorized service provider, to contact you about such products and services or if you would simply like more information about how we use personal information, please contact us using the information set out in the section "How to Contact Us" located at the end of this Agreement. Our privacy policy can be found on our website.

9. Termination

Termination by Us – If you fail to meet any of your obligations (including payment obligations) set out in this Agreement, you agree that we may terminate this Agreement and bill you for the applicable buyout price and on the other terms set out below under "Termination – Termination by You". You agree to pay the buyout price when invoiced by us.

Termination by You – Your sole method of terminating this Agreement prior to the end of the useful life of the Water Heater is to purchase the Water Heater. You may purchase the Water Heater at any time for a buyout price that reflects, among other things, the unpaid cost of the Water Heater and related installation, finance and servicing costs, which buyout price can be found on our website. You can also confirm the buyout price by calling an Enercare Rental Specialist at 1-877-334-1846. You may exercise your buyout option by notifying us in writing or by calling an Enercare Rental Specialist at 1-877-334-1846.

When you exercise your buyout option, you accept the Water Heater in an "as-is" condition, subject to the balance of any transferable manufacturer's warranty, and you assume full responsibility for the Water Heater and its repair and maintenance. You also agree to pay the buyout price when invoiced by us.

Once payment has been received for the buyout price, and no other amounts are outstanding pursuant to this Agreement, this Agreement will end for the Water Heater and, as set out more particularly below in the section called "End of this Agreement", you will have no further obligation to pay rent and we will have no further obligation to you.

10. End of this Agreement. At the end of this Agreement (for whatever reason):

- a) **Rent** – you are not obligated to rent and we are not obligated to supply replacement equipment (including a water heater), unless we mutually agree at the time and enter into a new water heater rental agreement.
- b) **Replacement** – Enercare is not responsible for replacing the Water Heater or re-connecting any ancillary or other equipment including without limitation venting, piping, plumbing, wiring, ducting, and/or electrical services.
- c) **Removal and Disposal** – if the Water Heater has reached the end of its useful life and we are not installing a replacement Water Heater, you shall at such time own the Water Heater, and if you wish for us to disconnect and/or dispose of the Water Heater, you must contact us by calling 1-877-334-1846 to make such arrangements. We will charge you in accordance with our then current fee schedules for removals or disposals.
- d) **No Further Obligations** – you will have no further obligation to pay rent (other than rent owing prior to the end of this Agreement) and, subject to any statutorily mandated requirements, we will have no further obligations of any kind or manner to you.

11. Assignments. We may transfer, assign, encumber or otherwise dispose of all or any part of our interest in this Agreement and/or the Water Heater to another party at any time without notice to you and without your permission. To the extent permitted by law, you will not assert against any transferee any claims, defences, set-offs, deductions or counter-claims which you may now or in the future be entitled to assert against us. Except as otherwise provided in this Agreement, you may not transfer, assign or encumber all or part of your interest in this Agreement or the Water Heater without our prior written consent (see the section called "Sale of your Home").

12. Invalidity of Provision. If any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid or unenforceable, such provision shall be severed and the remainder of this Agreement shall continue to remain in full force and effect subject to such modifications as may be necessary to carry out the provisions and intent of this Agreement.

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

14. Entire Agreement and Amendments. You understand that this Agreement is the entire agreement between you and us and supercedes all prior agreements, understandings or discussions, whether oral or written, and there are no warranties, representations or other agreements except as specifically set out in this Agreement. This Agreement may be amended from time to time by us by notice in bill inserts, by letter or by any method permitted by law in which case you will have the option to not accept such amendment and retain this Agreement unchanged.

15. How to Contact Us. You may contact us as follows:

Enercare Home Services
 7400 Birchmount Road
 Markham, Ontario L3R 5V4
 Attention: "Rental Group"
 1-800-266-3939

™Enercare, Enercare Home and the design are trademarks of Enercare Inc., used under license.

ACKNOWLEDGEMENT
RE: SMOOTH-FINISHED DRYWALL CEILINGS
AND HARDWOOD FLOORING

Lot/Unit #: «Lot_Number»
Plan: «Project_Plan_Number»
Project: «Project_Marketing_Name»
Purchaser(s): «All_Purchasers»
Vendor: «Project_Vendor_Name»
Date of Agreement of Purchase and Sale: «Offer_Date»

SMOOTH FINISHED CEILINGS

The undersigned Purchaser(s) is hereby advised that 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 that may be desired.

Even if the gypsum drywall panel surface is meticulously treated and apparently 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 in all likelihood will be most visible where there are treated joints, fastener heads, or corner beads. To overcome problems such as those noted above, it is the common recommendation of drywall manufacturers to have the ceiling surfaces given a machine-applied medium to heavy texture spray (stucco style).

The smooth-finished drywall ceilings provided in the subject dwelling will be finished in accordance with Tarion’s construction performance guidelines and warranty standards, the Purchaser hereby acknowledges the foregoing advice and agrees that service/repair from the applicable trades to complete any smooth-ceiling associated repairs once the ceilings have been painted may be limited by the factors outlined above.

HARDWOOD FLOORING

The undersigned Purchaser(s) acknowledge that engineered hardwood flooring will be provided by the Vendor as a standard feature in the kitchen and/or breakfast areas in the subject dwelling.

The Purchaser(s) also acknowledge that the Vendor will only be responsible for any water damage to the hardwood floors in the kitchen area in accordance with Tarion’s construction performance guidelines and warranty program and is not responsible for any damages caused due to normal wear and tear and daily use of the kitchen facilities and appliances.

The City of Markham requires that the Purchaser(s) sign this Acknowledgement and hereby releases the City of Markham from any responsibility concerning the above.

The undersigned Purchaser(s) hereby acknowledges having read, understood and accept the foregoing.

Dated this «Offer_Date_In_English».

Witness
(as to all Purchasers' signatures, if more than one Purchaser)

«Purchaser_1»

«Purchaser_2»

**MADISON HOMES CORNELL ROUGE LIMITED
(CORNELL ROUGE VI – TOWNHOMES)**

AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

Regarding the property known as Lot/Unit #: «Lot_Number»,
«Project_Plan_Number»

Project: «Project_Name»
Purchaser(s): «Purchaser_1» and «Purchaser_2»
Vendor: «Project_Vendor_Name»
Date of Offer: «Offer_Date»

It is hereby understood and agreed between the undersigned parties hereto that the following changes shall be made to the above-noted agreement of purchase and sale, and except for such changes noted below all other terms and conditions in the agreement shall remain as stated therein:

It is expressly understood and agreed by the undersigned parties hereto that the Purchaser shall not be charged in the statement of adjustments at final closing for the increase, if any, in the development charges and educational development charges levied pursuant to section 3(a) of Schedule “A” to the Purchase Agreement.

All terms and provisions contained in the Purchase Agreement, save and except for those which conflict with (or are inconsistent with) the foregoing terms and provisions of this Amendment, shall remain the same, and shall continue to be binding upon each of the parties hereto and their respective heirs, estate trustees, successors and permitted assigns.

Unless otherwise defined in this Amendment, all capitalized terms used herein shall have the meanings assigned thereto in the Purchase Agreement.

A photocopy, a telefaxed copy or a scanned/e-mailed copy of this fully executed Amendment may be relied upon to the same extent as an originally-executed version.

Dated this «Offer_Date_In_English».

Witness
(as to all Purchasers' signatures, if more than one Purchaser)

«Purchaser_1»

«Purchaser_2»

«PROJECT_VENDOR_NAME»

Per: _____
Authorized Signing Officer
I have authority to bind the Corporation.

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: Please visit Tarion's website: www.tarion.com for important information about all of Tarion's warranties including the Delayed Closing Warranty, the Pre-Delivery Inspection and other matters of interest to new home buyers. You can also obtain a copy of the Homeowner Information Package which 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 Closing of your purchase.

VENDOR	MADISON HOMES CORNELL ROUGE LIMITED
	Full Name(s)
PURCHASER	SAMPLE -----SAMPLE DATES ARE USED
	Full Name(s)

1. Critical Dates

The **Firm Closing Date**, which is the date that the Vendor anticipates the home will be completed and ready to move in, is: the 11th day of February, 2020.

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 Firm Closing Date: This **Outside Closing Date** could be as late as: the 10th day of February, 2021.

2. 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 12th day of March, 2021.

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: _____

**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	MADISON HOMES CORNELL ROUGE LIMITED			
	Full Name(s)			
	41804	369 RIMROCK ROAD		
	Tarion Registration Number			
	416-661-4000	TORONTO	ON	M3J 3G2
	Phone	City	Province	Postal Code
	416-661-4229	LEGAL@MADISONGROUP.CA		
	Fax	Email*		

PURCHASER	SAMPLE ONLY			
	Full Name(s)			
	Address	City	Province	Postal Code
	Phone			
	Fax	Email*		

PROPERTY DESCRIPTION

SAMPLE ONLY			
Municipal Address			
City	Province	Postal Code	
Short Legal Description			
Number of Homes in the Freehold Project <u>60</u> (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:

COUNCIL ADOPTED RESOLUTION

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.**

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: *Please visit Tarion's website: www.tarion.com for important information about all of Tarion's warranties including the Delayed Closing Warranty, the Pre-Delivery Inspection and other matters of interest to new home buyers. You can also obtain a copy of the Homeowner Information Package which 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 Closing of your purchase.*

VENDOR	MADISON HOMES CORNELL ROUGE LIMITED
	Full Name(s)
PURCHASER	SAMPLE -----SAMPLE DATES ARE USED
	Full Name(s)

1. Critical Dates

The **Firm Closing Date**, which is the date that the Vendor anticipates the home will be completed and ready to move in, is: the 11th day of February, 2020.

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 Firm Closing Date: This **Outside Closing Date** could be as late as: the 10th day of February, 2021.

2. 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 12th day of March, 2021.

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: _____

**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 MADISON HOMES CORNELL ROUGE LIMITED

Full Name(s) 41804	369 RIMROCK ROAD		
Tarion Registration Number 416-661-4000	Address TORONTO	ON	M3J 3G2
Phone	City	Province	Postal Code
416-661-4229	LEGAL@MADISONGROUP.CA		
Fax	Email*		

PURCHASER SAMPLE ONLY

Full Name(s)				
Address		City	Province	Postal Code
Phone				
Fax		Email*		

PROPERTY DESCRIPTION

SAMPLE ONLY

Municipal Address			
City		Province	Postal Code
Short Legal Description			

Number of Homes in the Freehold Project 60 (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:
COUNCIL ADOPTED RESOLUTION

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.**

SETTING AND CHANGING CRITICAL DATES

1. Setting 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) **Firm Closing Date:** The Vendor shall set a Firm Closing Date, which shall be set out in the Statement of Critical Dates at the time the Purchase Agreement is signed.

2. Changing the Firm Closing Date – Three Ways

- (a) The Firm Closing Date, 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
 - (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":

Condition #1 (if applicable)

Description of the Early Termination Condition:

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

The date by which Condition #1 is to be satisfied is the _____ day of _____, 20_____

Condition #2 (if applicable)

Description of the Early Termination Condition:

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

The date by which Condition #2 is to be satisfied is the _____ day of _____, 20_____

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 Firm Closing Date, and will be deemed to be 90 days before the Firm Closing Date if no date is specified or if the date specified is later than 90 days before the Firm 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.

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"):
- (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) 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), 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.

"Critical Dates" means 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.

"Outside Closing Date" means the date which is 365 days after the Firm 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).

"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.

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

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.]

1	Paragraph 3(h) in Schedule "A" to the Agreement of Purchase and Sale: Electronic Registration Fee (\$100)	\$100.00
2	Paragraph 22(l) in Schedule "A" to the Agreement of Purchase and Sale: Non Refundable Grading Fee (\$500)	\$500.00

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.]

- 1 Paragraph 1 of Schedule "A" to the Agreement of Purchase and Sale: \$250 Administration Fee for each and every cheque payable by the Purchaser which is returned NSF, stopped payment or is otherwise not negotiable;
- 2 Paragraph 2 in Schedule "A" to the Agreement of Purchase and Sale: Real Estate Land Taxes (i) estimated or actual realty taxes, including local improvement charges, to be apportioned and allowed to Closing Date; (ii) Holdback, to be determined by Vendor on or before Closing Date;
- 3 Paragraph 3(a) in Schedule "A" to the Agreement of Purchase and Sale: Charge for all increases in or new development charges and educational charges or similar levies paid to any governmental authority or utility, levied after the acceptance date of this Agreement and paid for by the Vendor with respect to this Property;
- 4 Paragraph 3(b) in Schedule "A" to the Agreement of Purchase and Sale: Tarion Warranty Corporation Enrolment Fee, as legislated;
- 5 Paragraph 3(c) in Schedule "A" to the Agreement of Purchase and Sale: Driveway Paving: (i) \$1,075.00 for a garage apron for houses with no driveway (ii) \$1,500.00 for a single car driveway (iii) \$1,850.00 for a double car driveway;
- 6 Paragraph 3(d) of Schedule "A": the real estate transaction levy surcharge payable to the Law Society of Upper Canada by the Vendor's solicitors in connection with this transaction.
- 7 Paragraph 3(e) in Schedule "A" to the Agreement of Purchase and Sale: Installation and hook-up of water service, water meter and electrical service (i) \$1,075.00 for 9m, 11m and 12m Series homes (ii) \$1,675.00 for townhouses and semi-detached
- 8 Paragraph 3(f) in Schedule "A" to the Agreement of Purchase and Sale: the cost of recycling containers and composter units charged by the Municipality;
- 9 Paragraph 3(g) in Schedule "A" to the Agreement of Purchase and Sale: the cost of any tax and/or utility administration fees or charges as well as other administration fees or charges charged by any governmental authority including for obtaining consents to transfers;
- 10 Paragraph 3(i) in Schedule "A" to the Agreement of Purchase and Sale: \$150.00 for the registration of partial discharge of any blanket institutional mortgage;
- 11 Paragraphs 4 in Schedule "A" to the Agreement of Purchase and Sale: Extras and/or upgrades ordered by the Purchaser to be adjusted at Closing, if applicable;
- 12 Paragraph 7 in Schedule "A" to the Agreement of Purchase and Sale: Adjustments for HST Rebates (including reimbursement to Vendor for eliminations or deductions of any rebates) and HST on all adjustments, as confirmed by the Vendor and/or pursuant to HST legislation, as the case may be;
- 13 Paragraph 22(a) in Schedule "A" to the Agreement of Purchase and Sale: \$500 charge per request for changing title instructions;
- 14 Paragraph 22(d) in Schedule "A" to the Agreement of Purchase and Sale: Charge/Fee regarding assignment of this Agreement by the Purchaser, if applicable, to be determined by Vendor;
- 15 Paragraph 22(g) in Schedule "A" to the Agreement of Purchase and Sale: Charge for altering the grading, changing the elevation or contour of the Property;
- 16 Paragraph 22(i) in Schedule "A" to the Agreement of Purchase and Sale: Replacement, if necessary, of sod, trees or landscaping on the lot and the adjoining boulevard or laneway;
- 17 Paragraph 26(d) in Schedule "A" to the Agreement of Purchase and Sale: The transaction cost charged by Lawyer Done Deal or similar electronic delivery service;
- 18 Paragraph 29(n) in Schedule "A" to the Agreement of Purchase and Sale: Reimbursement to the Vendor for the cost of landscaping or installation of retaining walls;
- 19 Paragraph 29(r) in Schedule "A" to the Agreement of Purchase and Sale: Cost for constructing walk-out basement or rear deck, as the case may be, in accordance with Municipality approved final grading and engineering plans;
- 20 Paragraph 32 in Schedule "A" to the Agreement of Purchase and Sale: Inspection fee and damages estimated by the Vendor for contract or changes to orders with the Vendor's trades;
- 21 Paragraph 34 in Schedule "A" to the Agreement of Purchase and Sale: Legal and administrative fees and interest charged arising from extension(s) of the Closing Date due to Purchaser's fault;
- 22 Paragraph 43 in Schedule "A" to the Agreement of Purchase and Sale: Retail sales tax paid by the Vendor on the chattels included in the Purchase Price, if any;
- 23 Canada Mail Box and Property Address set-up charge/fee;

- 24 Refund of Utilities paid by Vendor after Closing Date, if any, as confirmed by the Vendor
- 25 Charge/Fee for hot water tank, if not rental
- 26 Charge(s) payable to Vendor at Vendor's sole discretion regarding additional deposits, legal and administrative fees arising from reinstatement or other alterations of the Agreement of Purchase and Sale, requested by the Purchaser;
- 27 Paragraphs 4 and 29(o) in Schedule "A" to the Agreement of Purchase and Sale: Extras and/or upgrades ordered by the Purchaser to be adjusted at Closing, if applicable;