OREA Ontario Real Estate Association

Schedule B

Agreement of Purchase and Sale

Form 105
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: ...., and

SELLER: Stephen John Thorn & Moira Ann Thorn

for the property known as 74 Aletha Dr Wellington

ON .... dated the .... day of ...., 20..........

1. POTL Fees and Assessments

The Buyer acknowledges that the Property is subject to monthly POTL fees and other assessments as provided for in the registered Lot Owners Agreement. The Buyer accepts responsibility for payment of such fees and assessments from the date of completion and acknowledges that the current monthly POTL fee is approximately $489.46, subject to change in accordance with the Lot Owners Agreement.

2. Acknowledgement of the Governing Documents

Schedule II (Rules and Regulations), Schedule III (Lot Owners Agreement) and Schedule VI (Covenants and Restrictions), attached hereto, form part of this Agreement of Purchase and Sale. The Buyer acknowledges receipt of these documents and agrees that, upon completion of the transaction, the Buyer shall be bound by and comply with the provisions contained therein insofar as they affect the Property.

3. Execution of Required Documents

The Buyer agrees to execute any acknowledgements, covenants or documents reasonably required by Sandbank Homes Inc., its successors or assigns, or its designated property manager, including the Purchaser Acknowledgement contained in Appendix D of the Lot Owners Agreement, prior to or upon completion of the transaction.

The parties acknowledge and agree that all closing documentation can be signed electronically and forwarded by email or fax in accordance with the Electronic Commerce Act, 2000, S.O.2000,c.17

The parties agree that the keys to the property shall be left in a lock box at the property and the code to the same is to be provided to the Buyer's lawyer in escrow pending closing of this transaction.

In accordance with the Federal Privacy Act (PIPEDA) the Buyer and Seller hereby consent and agree to permit the Listing & Selling Brokerage to distribute and use sale related information regarding the subject property on marketing materials, newsprint, website, and social media which may include the property address, list price, sale price, number of offers and photos.

The Buyer agrees to take possession of any chattel or anything else left in, on, or around the property on closing.

Subject to any exceptions set out or prescribed in the Prohibition on the Purchase of Residential Property by Non-Canadians Act S.C. 2022, c. 10, s.235, (statute), the Buyer represents and warrants that the Buyer is not and on completion will not be a non-Canadian under the non-Canadian provisions of the Prohibition on the Purchase of Residential Property by Non-Canadians Act S.C. 2022, c. 10, s.235, which representation and warranty shall survive and not merge upon the completion of this transaction and the Buyer shall deliver to the Seller a statutory declaration that Buyer is not then a non-Canadian of Canada; provided further that if the Buyer qualifies for any exception as set out or prescribed by the statute, the Buyer shall deliver to the Seller a statutory declaration that the Buyer is a non-Canadian but is not in contravention of the statute because of a valid exception as set out or prescribed in the statute.

This form must be initialled by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

Schedule II
to Agreement of Purchase and Sale
Rules and Regulations

1. PARKING SPACES may be used only by the Lot Owner or persons authorized by the Lot Owner for parking of passenger cars and trucks up to ½ ton. All other vehicles and trailers must be parked in the area designated by the Developer for that purpose. Parking spaces and roadways shall not be used for repairing motor vehicles. All motor vehicles within _______ (the Plan) are entirely at the owner's or Lot Owner's risk. All motor vehicles must be fully parked in the space designated, no street parking will be allowed at any time except for approved deliveries and pick-ups. Unlawfully parked motor vehicles may be removed by the Developer at the Lot Owner's cost and risk.

2. THE MAXIMUM SPEED limit allowed is that posted within the Plan. All drivers are asked to refrain from blowing horns whenever possible.

3. THE LOT OWNERS shall be responsible for supervising the actions and behavior of all their GUESTS in or about the Plan and preventing noise, profanity, uncleanness, defacement and damage to the property of the Plan. The Developer shall not be responsible for the supervision of children either in the common areas or elsewhere, such obligation remaining always the responsibility of the Lot Owner.

4. THE LOT OWNER, their family and guests shall not place or leave in or upon the common areas, any DEBRIS OR GARBAGE. Debris and garbage shall be placed at the edge of the roadway adjacent to the Lot Owner's home at such times as the Developer may designate and all such debris and garbage shall be tightly wrapped and placed in plastic bags.

5. LOT OWNERS are not permitted to build OPEN FIRES.

6. ALL LOT OWNERS should notify the Developer when LEAVING THE PLAN for a period of three days or more, and if possible, state when they expect to return.

7. SOLICITING, or the distribution of literature in the Plan is not allowed, except by the consent of the Developer.

8. THE LOT OWNER shall not interfere with any of the Developer's services.

9. NO POLYETHYLENE, TIN FOIL or similar material or substance shall be put or placed on or over, inside or out the windows of any home. Such materials or substances may be removed by the Developer at the expense of the Lot Owner.

10. THE HYDRO ELECTRIC SERVICE to Lot Owner's homes shall be kept on at all times unless the Developer otherwise consents in writing.

11. IN THE EVENT of a dispute between Lot Owners of the Plan as to the precise location of their BOUNDARIES, the Developer shall be the final arbitrator of same and cost thereof shall be borne by the Lot Owners disputing such boundaries.

12. THE LOCATION of all garden plots and other such plantings shall be at the discretion of the Developer.

13. NO BOUNDARY fences or hedges shall be permitted, except by the consent of the Developer.

14. POOL RULES are as posted at the facility.

Initials: ____________________ Initials: ____________________

Schedule III
to Agreement of Purchase and Sale
Lot Owners Agreement
Plan 47M-8326

SANDBANK HOMES INC.

Hereinafter called the **"Developer"**

- and –

LOT OWNERS (as that term is defined herein)

Hereinafter called the **"Lot Owners"**

WHEREAS the Developer is the registered owner of all of the lots and roads in Plan 47M-8326(**"the Plan"**);

AND WHEREAS the Developer will sell lots in the Plan to interested persons;

AND WHEREAS the Developer is entering into this Agreement to provide:

(a) Rights in favour of the Developer and to place restrictions on all owners of lots (hereinafter called **"Lot Owners"**) on the Plan;

(b) for the use, maintenance, cost sharing and other matters relating to Common Facilities, above-ground and underground services and infrastructure, and other property owned by the Developer, on the express understanding that, as applicable, this agreement shall constitute an agreement between each Lot Owner individually;

AND WHEREAS the term lot shall mean the individual lots referred to in **Appendix "A"** hereto.

THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants herein (the receipt and sufficiency of which are hereby each acknowledged) the parties covenant and agree with the other as follows:

1. Common Facilities:

(a) The Developer owns and shall maintain Common Facilities consisting of the lands described in **Appendix "B"** hereto, being the roads in the Plan, the recreational centre designated as Part 76 on Reference Plan 47R-5020 and all other areas the Developer may designate at any time as Common Facilities.

(b) All Lot Owners and their tenants, family, guests, invitees and licensees from time to time are entitled, on a non-exclusive basis, to use and enjoy the Common Facilities subject to the Developer's rules, regulations and restrictions as same exist from time to time.

2. Grade: The Lot Owners abutting the Common Facilities shall not alter the grades of their lot in a manner which might adversely affect the drainage of the Common Facilities, in default of which the Developer may enter on such lot and rectify such grading at the Lot Owner's Expense. In the event such rectification is required, the costs of same shall be considered a Special Expense allocable to the Lot Owner responsible and such cost shall be added to the Maintenance Assessment of such Lot Owner or Lot Owners and, as part of that Assessment, shall constitute a lien on the lot, or lots of such Owner or Owners to secure the payment thereof.

Initials: ______________________ **Initials:** ______________________

3. Right of Access/Entry and Special Expenses: The Developer (and its employees, contractors and agents) shall, upon reasonable notice to the Lot Owner(s) directly involved, have a license and right of access to any portion of a lot, including any improvements on any such lot including dwelling units (hereinafter called **"Units"**), to permit the maintenance, repair or replacement of any property or facilities, including (i) any pipes, wires, coaxial cables, security system lines, conduits, drainage areas or common utility lines servicing two (2) or more lots (ii) any privacy wall (iii) landscaped areas of Common Facilities (iv) the landscaped areas and Unit exteriors on any lot which the Owner thereof has neglected to maintain, except that in an emergency, the Developer shall have the right, without notice, to enter upon any portion of a lot, including the Unit, to make necessary repairs or to prevent damage to any portion of the Common Facilities or any other property which the Developer has the responsibility to maintain, repair or replace. The repair of any damage caused in gaining access in an emergency shall be at the expense of the Developer. The cost of such repair, maintenance or replacement shall be a common expense funded from the **"Maintenance Assessments"** hereinafter referred to except that, if occasioned by a negligent or willful act or omission of a specific Lot Owner or Owners, it shall be considered a Special Expense allocable to the Lot Owner or Lot Owners responsible and such cost shall be added to the Maintenance Assessment of such Lot Owner or Lot Owners and, as part of that Assessment, shall constitute a lien on the lot, or lots of such Owner or Owners to secure the payment thereof. Nothing in this paragraph imposes a duty or obligation on the Developer to improve, maintain, repair, or replace Lot Owner's lot or property.

4. Assessments: Assessments relating to the Common Facilities, services, infrastructure, maintenance and operation, are to be levied and paid in accordance with the provisions of **Appendix "C"** hereto which forms part of this Lot Owners Agreement. The Developer shall have a lien against the lot for unpaid Assessments and the Developer may register a Notice of Lien against title to any such lot. The lien or Charge shall be enforceable against the lot in the principal amount of unpaid Assessments together with costs and interest as fixed by the Developer.

5. Enforcement of Lien:

(a) The lien or Charge shall be enforceable by the Developer as a real property charge or mortgage, and with all the powers, rights and remedies inherent in, or available to, a mortgagee or chargee when a mortgage or charge of real estate is in default pursuant to the provisions of The Mortgages Act, R.S.O. 1990, as amended, and/or any other applicable statutory provision or common law principal applicable thereto.

(b) The delinquent Lot Owner is hereby deemed to irrevocably acknowledge and consent to the Developer or the Developer's lawyer registering on the Lot Owner's title a Charge (or any other form of notice of lien or charge) regarding unpaid Assessments, costs, and interest thereon as fixed by the Developer.

(c) In the event that the Land Registrar requires the Developer, as a prerequisite to the registration and/or enforcement of the lien or Charge, to apply to a court of competent jurisdiction for any order, direction, advice or authorization, then the Developer shall be entitled to forthwith apply to such court for same, and the delinquent Lot Owner shall, for all purposes, be deemed to have consented to any such application by the Developer and concomitantly, the delinquent Lot Owner shall be forever barred and estopped from bringing or instituting any action, suit, claim or other proceeding to defend, defeat, hinder or delay any such application by the Developer, or the maintenance and enforcement of the lien by the Developer.

(d) A Notice of Lien or Charge need not be registered against the title to the delinquent Lot Owner's lot, assets or appurtenant interests (nor registered elsewhere) in order to enable or entitle the Developer to maintain or pursue a civil action against the delinquent Lot Owner for breach of this Agreement. Notwithstanding anything contained in this Agreement to the contrary it is expressly understood and agreed that the lien shall not have any priority claim whatsoever over (or in respect of) the interest of the delinquent Lot Owner's Lot unless and until the Notice of Lien or Charge (or caution or certificate of pending litigation with respect thereto) has been registered against the title to same.

(e) Any registered mortgagee, or any purchaser or prospective mortgagee of the delinquent Lot Owner's lot shall, upon payment of the full amount secured by the Notice of Lien or Charge, have the right to receive a full and complete discharge or an absolute assignment of the said lien or charge, provided that such party must first deliver written notice to the Developer requesting such discharge or assignment and setting forth a date and time for the delivery of such discharge or assignment (which date shall not be less than five (5) days, nor more than thirty (30) days following the delivery of such notice), and with the exchange of such discharge or assignment for the monies owing under the Notice of Lien or Charge therefore to take place at the head office of the Developer or at such other place and time as may be agreed upon by said parties. On the date scheduled for the delivery of the said discharge or assignment, and upon receipt of the full amount secured by the Notice of Lien or Charge, the Developer shall execute and deliver to said party, the discharge or assignment of said Notice of Lien, in registrable form.

6. Rules and Regulations: On lot acquisition, each Lot Owner shall automatically become bound by the rules and regulations of the Developer as applicable from time to time.

7. Ongoing Personal Liability for Assessments:

(a) No Lot Owner shall sell, transfer, assign or lease or otherwise dispose of an interest in a lot in the Plan unless such Lot Owner has first provided the Developer with a written acknowledgement/covenant from the purchaser, transferee, assignee or lessee, in the form attached hereto as **Appendix "D"**, to be bound by the provisions of this Lot Owners Agreement and the Developer's rules and regulations.

(b) In the event that a Lot Owner sells, transfers, assigns, leases, or otherwise disposes of an interest in a lot in the Plan no such sale, transfer, assignment or lease shall be effective and no such purchaser, transferee, assignee or lessee shall have the right to use and enjoy any part of the Common Facilities

Initials: ______________________ **Initials:** ______________________

unless and until such written covenant (Appendix D) signed by the purchaser, transferee, assignee or lessee has been provided to the Developer.

(c) Furthermore, and notwithstanding the provisions of 7(b) above, in the event that a Lot Owner sells, transfers, assigns, leases, or otherwise disposes of an interest in a lot in the Plan without having first provided the Developer with the form (Appendix D) signed by the purchaser, transferee, assignee or lessee, **the Lot Owner (or former Lot Owner, as the case may be) shall continue to be personally liable to the Developer for all Assessments until such time as the Lot Owner does provide to the Developer the form (Appendix D) signed by the purchaser, transferee, assignee or lessee, or the new purchaser, transferee, assignee or lessee signs a Lot Owners Agreement directly with the Developer.**

8. Binding Effect: The covenants, easements, restrictions, rights of way and other rights reserved herein (hereinafter referred to in this agreement as covenants) shall run with the lands described herein and shall be binding upon and for the benefit of the Developer and Lot Owners and their respective successors and assigns. For added certainty that the covenants shall run with the lands and be binding on successors and assigns; without limiting the generality of the foregoing, the parties confirm that the covenants constitute a building scheme. The Developer or Lot Owner(s) from time to time may move to enforce said covenants, easements, restrictions, rights of way and other rights reserved herein, before any court of competent jurisdiction as against any person, individual and/or Lot Owner who is in breach thereof and shall be entitled to all remedies for the purpose of enforcing the same and any person and/or Lot Owner found to be in breach of said covenants, easements, restrictions, rights of way and other rights reserved herein, shall, in addition to any order of the court remedying the breach, be liable for costs of the action on a solicitor and client basis.

9. Amendments to this Agreement:

a) The covenants contained herein for the benefit of the Lot Owners may be amended with the consent of 51% of the Lot Owners PROVIDED THAT so long as the Developer (or its successor and assigns) owns any lands forming part of the Plan, no covenants may be amended without the consent of the Developer (or its successor and assigns). No amendment(s) shall be effective unless registered on title to the lot or lots to which they apply.

b) Notwithstanding that there may be more than one registered Lot Owner of a lot, the phrase "the consent of 51% of the Lot Owners" is limited in that there shall only be one vote per lot no matter how many registered owners there are of any lot.

10. Further Assurances: The Lot Owners shall from time to time and at all times hereafter, at every request of the Developer, make, do, execute and deliver, or cause to be made, done, executed and delivered, at the sole cost and expense of the Developer, all such further acts, deeds, assurances and things as may be necessary or desirable in the opinion of the Developer to more effectually implement the true intent and meaning of this Agreement.

11. Reciprocal Benefit and Burden: The Lot Owners hereby expressly declare their mutual intention that the principles of reciprocal benefit and burden shall apply to their relationship, and as such, it is hereby acknowledged and agreed that each of the rights, privileges, restrictions and covenants hereinbefore set forth establishes a basis for the mutual/reciprocal use and enjoyment of certain parts of the Common Facilities which are intended to be used and enjoyed by the Lot Owners. As an integral and material consideration for the continuing right to use and enjoyment by the Lot Owners of such rights and privileges, each of the parties hereto and their respective successors and assigns hereby accepts and agrees to assume the burdens and obligations imposed upon them by virtue of this Agreement.

12. Severability: If any section herein, part of a section, easement, restriction, right of way, term, covenant or condition of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such section, part of a section, easement, restriction, right of way, term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each section, part of a section, easement, restriction, right of way, term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

13. Interpretation: This Agreement shall be read with all changes of gender or number required by the context.

14. Headings: The headings in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision herein.

SANDBANK HOMES INC

Name: Graham Shannon

Title: President

____
I have the authority to bind the Corporation

On behalf of all future Lot Owners

Name: Graham Shannon

Title: President

____
I have authority to bind the Corporation

Initials: ____________________ Initials: ____________________

Schedule III
to Agreement of Purchase and Sale
Lot Owners Agreement
Appendix A - Lots
Plan 47M-9

Lot 1 through 37, Plan 47M-9 registered in the Land Titles Office of Prince Edward, at Picton, Municipality of the County of Prince Edward.

Initials: ______________________ Initials: ______________________

Schedule III
to Agreement of Purchase and Sale
Lot Owners Agreement
Appendix B – Common Facilities
Plan 47M-9

a) The Private road network in Plan 47M-9, namely ______*Street names

b) The recreational centre and all amenities used and enjoyed in conjunction therewith and beginning composed of Part of Lot 1, Registrar's Complied Plan 35 designated as Part 76 on Reference Plan 47R5020.

Schedule III
to Agreement of Purchase and Sale
Lot Owners Agreement
Appendix C – Assessments
Plan 47M-9

1. Assessments

Each Lot Owner, by becoming an Owner of a lot in Plan 47M-9, by the acceptance of a deed or otherwise, whether or not such deed or any other instrument pursuant to which title was obtained so provides, is deemed to covenant with and agrees to pay to the Developer:

A. Annual assessments or charges for maintenance, service, and operation ("Maintenance Assessments") – paid on a monthly installment basis;

B. Annual assessments or charges as a regular contribution to a capital infrastructure fund ("Capital Assessment") – paid on a monthy installment basis;

Initials: ______________________ **Initials:** ______________________

C. Special assessment for extraordinary infrastructure requirements ("Special Capital Assessments");

D. Special assessments for capital improvements ("Special Assessments")

A, B, C, and D hereinafter collectively referred to as "Assessments".

2. Allocation of Assessments at Discretion of Developer

Notwithstanding any provisions in this agreement or any other agreement to the contrary, the Developer, in calculating any amount(s) payable by a Lot Owner pursuant to this Agreement, shall be entitled but not obliged to allocate, on a reasonable and equitable basis, Assessments payable among Lot Owners and other owners and tenants paying Assessments or other fees and using Common Facilities within the lands described as Plan 119, Wellington; Pt Lt 11 RCP 10 & Pt Lt 1 RCP 35, Wellington; Pt Lt 201 Plan 8, Wellington; Pt Lt 1 RCP 35 Hillier, Prince Edward.

3. Maintenance Assessment

i. The Maintenance Assessment in 2011 is $295.00 per month plus HST per lot; the Maintenance Assessment shall increase annually by three percent (3%), subject to the terms of paragraph 3 of the Lot Owners Agreement, which may result in an individual lot Maintenance Assessment in excess of the said three percent (3%).

ii. The Maintenance Assessments received by the Developer from Lot Owners are fees for services and expenses. The Developer is not a Trustee with respect to these fees. The Developer shall not be required to account to Lot Owners as to the application of Maintenance Assessments, but the Developer is required to fulfill the service, operation, and maintenance obligations as set out herein.

iii. The Developer has entered into a long term maintenance agreement/contract with a separate provider ("Property Manager") for the purpose of the Developer fulfilling all of its maintenance, operation, and service obligations for land within Plan 47M-9 and lands outside Plan 47M-9. The Developer and the Lot Owners agree and confirm there is no and there shall be not be any contractual, equitable, trust, or other form of relationship between Lot Owners and the Property Manager.

Initials: ____________________ **Initials:** ____________________

iv. The purpose of the Maintenance Assessment is to maintain, operate, and service the Common Facilities and other property the Developer is obligated to maintain, operate, and service; without limiting the generality of the foregoing, the Maintenance Assessment is used for items such as grass cutting, snow plowing, day to day operational costs of the recreational centre, real property taxes, utility costs, and insurance premiums.

4. Capital Assessment

i. The Capital Assessment in 2011 is $2.35 per month plus HST payable on the first day of every month. The Capital Assessment shall increase annually by three percent (3%). The Capital Assessment shall fund a reserve ("the Capital Assessment fund") for long term infrastructure maintenance, repair or replacement of above-ground and underground services. The Capital Assessment fund shall be held in trust by the Developer, and each year the Developer shall provide to Lot Owners a statement of funds and any disposition thereof. Subject to the requirement that the Capital Assessment funds be used for the purpose described herein, the Developer has sole and absolute discretion as to the application of the funds in the Capital Assessment fund.

ii. In the event there are insufficient funds in the Capital Assessment fund to complete infrastructure maintenance, repair or replacement of above-ground and underground services, the shortfall shall be funded by a Special Assessment, and the Developer shall account to all Lot Owners as to funds received and applied.

iii. While the Developer is still owner of lots in Plan 47M-9 its obligation to contribute as a Lot Owner to such Capital Assessment shall be limited in accordance with Paragraph 8 below.

5. Special Assessment

i. The Developer may levy a Special Assessment, payable in the year assessed/or the following year for the purpose described in paragraph 4.ii above.

ii. In addition to funding a shortfall in the Capital Assessment fund, a Special Assessment may be levied for the purpose of defraying, in whole or in part, the cost of any capital improvement, including without limitation, the construction, reconstruction, repair or replacement of any of the infrastructure systems and services which the Developer has the responsibility to operate, service, and maintain, including the necessary fixtures and personal property related thereto.

iii. While the Developer is still owner of lots in Plan 47M-9 its obligation to contribute as a Lot Owner to such Special Assessment shall be limited in accordance with Paragraph 8 below.

6. Special Capital Assessment

A Special Capital Assessment may be levied

i. for the purpose of expanding and adding to facilities; without limiting the generality of the foregoing, and for illustration purposes only, such expansion or addition may be a new pool, or tennis court, or some addition to such existing Common Facilities.

ii. Before levying such a Special Capital Assessment the Developer shall hold a Special Meeting of Lot Owners on the said proposed Special Capital Assessment and

a) for any Special Capital Assessment amounting to more than 20% of the then current annual amount of the total Maintenance Assessment, obtain the consent of two-thirds (2/3) of the total votes of Lot Owners who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Lot Owners at least 30 days in advance, setting forth the purpose of the meeting; and for any other Special Capital Assessment obtain the approval of not less than one-half (1/2) plus one of the total votes of Lot Owners who are voting in person or by proxy at such a meeting.

b) Notwithstanding that there may be more than one registered Lot Owner of a lot, the phrases "the consent of two-thirds (2/3) of the total votes of the Lot Owners" and "one-half (1/2) plus one of the total votes" are limited in that there shall only be one vote per lot no matter how many registered owners there are of any lot.

iii. The Developer shall establish one or more due dates for each payment or partial payment of each Special Capital Assessment and shall notify each Lot Owner in writing at least thirty (30) days prior to the first such due date.

Initials: ______________________ **Initials:** ______________________

iv. While the Developer is still owner of lots in Plan 47M-9 its obligation to contribute as a Lot Owner to such Special Capital Assessment shall be limited in accordance with Paragraph 8 below.

7. Direct or Indirect Benefit to Lands, Owners, Tenants not in Plan 47M-9

The Lot Owners specifically acknowledge and understand that application and expenditure of the Maintenance Assessment, Capital Assessment funds, Special Assessment funds, and Special Capital Assessment funds may either directly or indirectly benefit lands and owners or tenants of lots/lands not in Plan 47M-9. The Lot Owners specifically authorize and permit this direct or indirect benefit.

8. Allocation of Assessments among Lot Owners and Assessment Obligation of Developer

The annual Capital Assessment and, as the case may be, Special Assessments and Special Capital Assessments, chargeable for each lot shall be determined by dividing the number of lots into the total amount which the Developer shall deem necessary to fully fund the Capital Assessment Fund or the required Special Assessment, or the Special Capital Assessment The Developer will only be obligated for the lesser of (i) the difference between the actual Developer expenses and the Developer charges levied on Lot Owners who have closed title to their Lots; or (ii) Assessments on all unsold Lots.

9. Non-Payment of Assessment

iv. If any Assessment, or monthly payment thereof, is not paid on the due date, then such Assessment payment shall be deemed delinquent. Any delinquent Assessment payment, together with interest thereon, accelerated installments, if any, and costs of collection thereof as herein provided, shall thereupon become a continuing charge on the Lot which shall bind the Lot in the hands of the then Owner and such Owner's heirs, devisees, personal representatives, successors and assigns. In addition to such charge, the then Owner of the Lot is personally liable for the payment thereof (including interest, penalties and costs of collection). Subject to the conclusive and binding effect of an Assessment Certificate issued as provided in paragraph 11 below, the grantee of a voluntary conveyance of a Lot shall be jointly and severally liable with the grantor for all unpaid Assessments against such Lot prior to the time of conveyance without prejudice to the grantee's right of recovery therefore from the grantor.

v. If the Assessment or any installment thereof is not paid within ten (10) days after the due date, the Developer may impose a late charge or charges in such amount or amounts as the Developer deems reasonable, not to exceed 10% of the amount of such overdue Assessment or installment thereof.

vi. If the Assessment or any installment thereof, is not paid within thirty (30) days after the due date, (a) the Assessment shall bear interest from the due date, at such rate as may be fixed by the Developer from time to time, such rate not to exceed the maximum rate of interest then permitted by law, (b) the Developer may accelerate the remaining installments, if any, of such Assessment upon notice thereof to the Owner, (c) the Developer may bring legal action against the Owner at the time the arrears were incurred or any future grantee of a voluntary conveyance, or both, and the commencement of an action or obtaining a judgment against any Owner from time to time shall not preclude an action against any other Owner (who was or becomes an Owner of the Lot on or after the time the arrears of Assessment were incurred) and the cost of such proceedings, including reasonable solicitor's fees, shall be added to the amount of such Assessments, accelerated installments, if any, late charges and interest, and (d) the Developer may preclude the delinquent Owner or occupant (and any subsequent Owner) of the Lot from using Common Facilities.

vii. Any person shall, if registered as an owner of the Lot, be considered to have received the conveyance voluntarily unless the said person immediately upon demand by the Developer, conveys title to the Lot to the Developer or as the Developer may direct.

viii. Once an Assessment is deemed delinquent as described above, any payments received from the Lot Owner shall be applied in the following order: (a) solicitor's fees, (b) other costs of collection, (c) late charges, (d) interest, and then (e) the delinquent Assessment or installments thereof beginning with the amounts past due for the longest period.

ix. Dissatisfaction with the quantity or quality or maintenance or other services furnished by the Developer shall, under no circumstances, entitle any Lot Owner to withhold or fail to pay the Assessments due to the Developer for the Lot or Lots owned by such Owner

10. Notice of Default

The Developer, when giving notice to a Lot Owner of a default in paying Assessments, may, at its option, or shall, at the request of a mortgagee, send a copy of such notice to each holder of a mortgage covering such Lot whose name and address appears on the Developer's records. The mortgagee shall have the right to cure the Lot Owner's default with respect to the payment of said Assessment.

Initials: ______________________ **Initials:** ______________________

11. Assessment Certificates

i. Upon written demand by the Owner or Lessee of a lot, (or any prospective purchaser, lessee, occupant, mortgagee of a Lot), accompanied by payment of a reasonable fee as determined by the Developer, the Developer shall, within thirty (30) days, issue and furnish a certificate in writing signed by an officer or designee of the Developer ("Assessment Certificate") setting forth with respect to such Lot as of the date of such certificate:

a) whether the Assessments, if any, have been paid;

b) the amount of such Assessments, including interest and costs, if any, due and payable as on such date;

c) whether any other amounts or charges are owing to the Developer, e.g., for the cost of remedying a violation of this Agreement;

d) whether this Agreement has been modified and if so, the nature of such modifications, and confirming that it is in full force and effect;

e) whether or not the terms and provisions of this Agreement have been complied with to date, and whether or not there is any outstanding default alleged (or complained of) by or against the subject Lot Owner and/or the Developer as well as the nature and extent of the default so alleged.

ii. Any such Assessment Certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Developer and any bona fide purchaser, lessee or mortgage, of the Lot on which such Assessment Certificate has been furnished. If the Developer fails to provide the Assessment Certificate within thirty (30) days after receiving the written request for the same and the accompanying fee, then the Developer shall be deemed to have certified to the requesting party that:

a) there is no outstanding default by the subject Lot Owner and/or the Developer under this Agreement; and

b) there are no arrears of Assessments, including interest and costs, owing with respect to such Lot.

12. 1999 Lot Owners Agreement – Instrument No. 149329

The Developer has previously contracted with owners of Lots in Plan 119, Wellington, Prince Edward, in accordance with the terms of an agreement made in April 1999 and registered as Instrument No. 149329 ("the 1999 agreement"). The 1999 agreement obliges the Developer to maintain Common Facilities inside and outside Plan 119 for the benefit of owners in Plan 119 and other persons. The 1999 agreement is registered against the title to Plan 47M-9 [because Plan 47M-9 is part of the lands described in Schedule E of the 1999 agreement – which is a description of all the lands then owned by the then Developer (Daimler)]. The parties to the within agreement agree and confirm that they are not parties together to the 1999 agreement, and are not bound together or obliged to each other in any way pursuant to the terms of the 1999 agreement. The parties agree that the registration of the 1999 agreement on title to Plan 47M-9 notifies Lot Owners in Plan 47M-9 as to the Developer's obligations in relation to other lands, structures, and persons.

Initials: ______________________ **Initials:** ______________________

Schedule III
to Agreement of Purchase and Sale
Lot Owners Agreement
Appendix D – Acknowledgment/Covenant
Plan 47M-9

IN THE MATTER OF THE TRANSFER/LEASE/PURCHASE/SALE or other disposition of:

LOT__________

PLAN 47M-9

The undersigned acknowledges that title to the lands in Plan 47M-9 are subject to the terms and provisions of a Lot Owners Agreement registered on the _______ day of   , as instrument no. _________ (the "Lot Owners Agreement"). The undersigned hereby covenant and agree(s) that **he/she/they are bound by and will correspondingly abide and comply** with the terms and provisions of the Lot Owners Agreement as if he/she/they were original signatories and parties to the Lot Owners Agreement, including but not limited to the obligation to pay all Assessments.

DATED at _______________________, this _____ day of ______________, 20__.

Purchaser: ____________________ Witness: ________________

Purchaser: ____________________ Witness: ________________

Initials: __________________________ **Initials:** __________________________

Schedule VI Covenants and Restrictions
Plan 47M-9 - Prince Edward

WHEREAS the Developer (Sandbank Homes Inc., and its successors) is the registered owner of all of the lands in Plan 47M-9 and has caused these covenants and restrictions to be made to place restrictions on all the lands on Plan 47M-9 (each parcel individually conveyed to an owner hereinafter being referred to as "Lots") for the benefit of the Developer and all future owners of Lots (hereinafter called "Lot Owners");

AND WHEREAS every purchaser/transferee of any of the Lots, by accepting and registering a deed or transfer, covenants and agrees on behalf of himself, his successors and assigns with the Developer and the other Lot Owners, and their successors and assigns, that the purchaser/transferee will observe and comply with each of the following covenants and restrictions

1. LOT OWNERS TO LOT AND PREMISES: Each Lot Owner shall not permit his lot or premises to fall into disrepair nor shall the Lot Owner fail to comply with all applicable laws and regulations and By-laws, the Developer's rules and regulations and the applicable provisions of any Registered Restrictions.

2. ADVERTISING AND SIGNS: Except for temporary signs erected by or with the permission of the Developer in connection with the initial development, lease or sale of Lots or dwelling units on the Lots no sign or other advertising device of any nature shall be placed for display to the public view on any Lot (including temporary signs advertising property for sale or rent) except (i) with the consent of the Developer or (ii) to indicate any open house or inspection and only during the actual time of such open house or inspection, which open house or inspection for any Lot shall be limited to no more than eight (8) hours per week.

3. PROTECTIVE SCREENING AND FENCES: Any screen planting, fence enclosures or walls initially developed on a Lot shall be maintained by the Owner of the Lot and shall not be removed or replaced with anything other than a similar type of planting, fence or wall except with the permission of the Developer. Except for the foregoing, no fence, wall or screen planting of any kind shall be planted, installed or erected upon any Lot unless approved by the Developer, and no fence, wall or screen planting shall be maintained so as to obstruct sight lines for vehicular traffic.

4. GARBAGE AND REFUSE DISPOSAL: Except for the Developer's building materials during the course of construction or repair by the Developer, no lumber, metals, bulk materials, rubbish, refuse, garbage, trash or other waste material shall be kept, stored, or allowed to accumulate outdoors on any Lot except in sanitary containers and screened from adjacent and surrounding property. Such containers may be placed in the open within 24 hours of a scheduled pick-up, at such place on the Lot as to provide access to persons making such pick-up.

5. ABOVE SURFACE UTILITIES: No facilities, including without limitation, poles and wires for the transmission of electricity or telephone messages, and water, gas, sanitary and storm sewer drainage pipes and conduits shall be placed or maintained above the surface of the ground without the prior approval of the Developer.

6. NOXIOUS OR OFFENSIVE ACTIVITIES: No noxious or offensive activity shall be carried out, nor shall anything be done on any Lot that may be or become a nuisance or annoyance in the area or to the Lot Owners or occupants. The emission of smoke, soot, fly ash, dust, fumes, herbicides, insecticides, and other types of air pollution or radioactive emissions or electromagnetic radiation disturbances, shall be controlled so as not to (i) be detrimental to or endanger the public health, safety, comfort or welfare, (ii) be injurious to property, vegetation or animals, (iii) adversely affect property values or otherwise produce a public nuisance or hazard or (iv) violate any zoning regulation or other law or regulation. Provided that nothing in the paragraph shall be construed as or applied as a means of inhibiting the Developer from construction on Lots.

7. OIL AND MINING OPERATIONS: No Lot shall be used for the purposes of boring, drilling, refining, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth (except soil boring in connection with Developer's construction on Lots) and no derrick or other structure designed for use in boring for oil or natural gas or any other mineral shall be erected, maintained or permitted, except with the consent of the Developer.

8. FRONT YARD LANDSCAPING: Alterations to existing front yard landscaping shall not proceed without the Lot Owner first obtaining approval from the Developer.

9. NO DWELLING IN OTHER THAN RESIDENTIAL UNITS: No trailer, basement, tent, shack, barn, outbuilding, shed, garage, temporary building or building in the course of construction or other temporary structure shall be used, temporarily or permanently, as a dwelling on any Lot.

10. RESIDENTIAL USE ONLY: No Lot shall be used other than residential purposes and purposes incidental and accessory thereto except if used by the Developer for a model home and/or real estate office during the time of development, construction, sale or lease of Lots or dwelling units. Provided that this restriction is not intended to preclude the operation of an in-home office.

11. OUTSIDE STORAGE OR PARKING OF OVERSIZED, COMMERCIAL OR RECREATIONAL VEHICLES, CAMPER BODIES, BOATS OR TRAILERS: Except in relation to the Developer's construction and maintenance vehicles and equipment, there shall be no outside storage or parking of commercial or recreational vehicles, unlicensed motor vehicles of any type, camper bodies, recreational vehicles (commonly referred to as "R.V.s"), boats and trailers for more than seven (7) days in any 30 day period, except (i) as may be otherwise permitted by the Developer and (ii) in areas designated for such purpose by the Developer, and, unless used in connection with the construction or sale of Lots by the Developer or in connection with maintenance, repair or replacement, or unless otherwise consented to by the Developer, the following shall not be permitted to remain outdoors overnight in Plan 47M-7 more than seven (7) days in any 30 day period:

(a) oversized vehicles, i.e., unable to fit within a normal-sized vehicle parking space;

(b) commercial vehicles, i.e., having a commercial vehicle license plate or commercial signage thereon;

Any vehicle which contravenes this paragraph above may be removed by the Developer at the Owner's cost and risk.

12. MAINTENANCE AND REPAIR WORK: Except in conjunction with the Developer's construction, or in conjunction with emergency repairs, (i) no extensive work on any motor vehicles, commercial or recreational vehicles or machines of any kind shall be permitted outdoors on any Lot or Block, (ii) no maintenance or repair work shall be done on any Lot which unreasonably disturbs the occupants of other Lots.

13. NO CLOTHESLINES: No outdoor drying or airing of any clothing or bedding shall be permitted on any Lot unless authorized by the Developer.

14. TREES AND OTHER NATURAL FEATURES: No trees designated by the Developer as permanent shall be removed from any Lot except with the permission of the Developer.

15. NO OUTDOOR HOT TUB OR SPA: No outdoor hot tub or spa shall be constructed or placed, temporarily or otherwise, upon any Lot, unless (i) authorized by the Developer and (ii) such hot tub or spa, if approved, is installed within 24 months.

16. NO OPEN FIRE PIT: No open fire pit shall be constructed or placed, temporarily or otherwise, upon any Lot, unless (i) authorized by the Developer and (ii) such open fire pit, if approved, is installed within 24 months.

17. ARCHITECTURAL CONTROLS: There shall be no changes to the exterior structural, architectural, and cosmetic elements of the buildings without the consent in writing of the Developer; without limiting the generality of the foregoing, the Lot Owner shall not change the colour of the windows and trim, soffits, fascia, eavestrough, door, shingles, nor shall the Lot Owner change the existing stone work and stucco, the asphalt driveway, nor the front elevations (maintenance and repairs excepted).

18. BINDING EFFECT: The covenants, easements, restrictions, rights of way and other rights reserved herein shall run with the lands described herein and shall be binding upon and for the benefit of the Developer and Lot Owners and their respective successors and assigns. The Developer or Lot Owner(s) from time to time may move to enforce said covenants, easements, restrictions, rights of way and other rights reserved herein, before any court of competent jurisdiction as against any person, individual and/or Lot Owner who is in breach thereof and shall be entitled to all remedies for the purpose of enforcing the same and any person and/or Lot Owner found to be in breach of said covenants, easements, restrictions, rights of way and other rights reserved herein, shall, in addition to any order of the court remedying the breach, be liable for costs of the action on a solicitor and client basis.

19. AMENDMENTS TO THIS DOCUMENT: The covenants and restrictions contained herein for the benefit of the Lot Owners may be amended with the consent of 80% of the Lot Owners PLUS the consent of the Developer. No amendment(s) shall be effective unless registered on title to the Lot or Lots to which they apply.

20. SEVERABILITY: If any section herein, part of a section, easement, restriction, right of way, term, covenant or condition of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such section, part of a section, easement, restriction, right of way, term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each section, part of a section, easement, restriction, right of way, term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

21. INTERPRETATION: This Agreement shall be read with all changes of gender or number required by the context.

22. HEADINGS: The headings in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision herein.