

LAND ARK CONSTRUCTION LTD.
AGREEMENT OF PURCHASE AND SALE

1. The undersigned _____ called the "Purchaser") having inspected the lands and plans and specifications for the dwelling hereinafter referred to, hereby offers to purchase from Land Ark Construction Ltd. (hereinafter called the "Vendor"):

LOT (SHELTER COVE DRIVE) located on Part of Block Q Plan 169, on Subdivision Plan dated July 26, 2021 bearing plan number _____ in the Village of Westport, United Counties of Leeds & Grenville, together with the dwelling described as the _____ Model (the "Dwelling") to be completed thereon and identified in accordance with Addendums A, B and C (the lands and Dwelling hereinafter shall be collectively referred to as the "Property") at the purchase price of \$ _____ (the "Purchase Price") subject the provisions of Section 2 herein, payable to the Vendor as follows:

- a) by deposit received on ___, 2022 in the amount of \$ ___;
- b) by deposit herewith in the amount of \$ ___ by cheque, bank
- c) by deposit to be delivered on or before _____ in the amount of \$ ___ by cheque, bank
- d) by deposit to be delivered on or before _____ in the amount of \$ ___ by cheque, bank

draft, certified cheque, EFT, or wire transfer; and

the balance, subject to the adjustments on the date set for the completion of the transaction by certified funds paid to the Vendor's solicitor.

In the event that any cheque or instrument given to the Vendor by the Purchaser is not negotiable or returned NSF, the Purchaser shall immediately furnish payment in the amount of said cheque by certified funds within three (3) days of notification, failing which the Vendor shall be entitled to interest at the prime rate of its lender plus 3% and further in such instance the Vendor may terminate the Agreement with a full refund of any deposits to the Purchaser.

2. HST

- a) The Purchase Price has been calculated on the basis of the base price of the Property plus applicable harmonized sales tax ("H.S.T.") minus the GST/HST New Housing Rebate (the "New Housing Rebate") on the assumption that any allowable New Housing Rebate as may be authorized by Section 254 of the Excise Tax Act or any successor legislation at the level of this Purchase Price applies to this transaction and is subject to the following conditions:

- i) the Purchaser at the time of possession of the Unit shall use the Unit as a primary place of residence for himself or for a relation of his, thereby qualifying for the New Housing Rebate of H.S.T.;



- ii) the Purchaser shall assign to the Vendor its right to the New Housing Rebate and at the request of the Vendor shall execute any and all documentation necessary or desirable to assist the Vendor in obtaining such rebates;
- iii) in the event that the Purchaser does not qualify for the New Housing Rebate, the Purchase Price shall be increased by an amount equal to the difference between H.S.T. payable on the purchase and the H.S.T. that would have been payable had the Purchaser qualified for all rebates; and
- iv) the Purchaser's obligation to pay any such increased amount shall survive the closing of the transaction and the Purchaser shall indemnify and save harmless the Vendor from all costs, damages, penalties and expenses which the Vendor might incur by reason of the failure of the Purchaser to qualify for the New Housing Rebate or to execute documentation presented by the Vendor necessary to obtain the New Housing Rebate.

3. Adjustments

On the Closing Date, the Vendor and the Purchaser agree to adjust for all prepaid and accrued expenses attributable to the Dwelling and Property. Without limiting the generality of the foregoing, such adjustments shall include the following, to the extent applicable and all items indicated on the Tarion addendum attached as Addendum D herein:

- (a) the cost of enrolling the Dwelling under the Ontario New Homes Warranties Plan Act, including all applicable H.S.T. and provincial sales taxes;
- (b) any unpaid charges for extras or custom work;
- (c) municipal taxes, including local improvements;
- (d) H.S.T., if applicable; and
- (e) in the event that any prepaid expenses or charges shall not have been apportioned or assessed separately against the Dwelling as of the Closing Date, the same shall be estimated by the Vendor and be adjusted accordingly, subject to readjustments after the Closing Date upon the actual amount of such charges being ascertained and the Vendor and the Purchaser covenant to so readjust.

If a necessary adjustment was incorrect, omitted from the price adjustments on closing, estimated, or could not be calculated on closing, the parties agree to re-adjust the item after closing and make the appropriate payments to each other and such agreement shall be confirmed on closing with the execution of an undertaking to readjust.

4. Closing Date and Completion

The date of closing of this transaction (the "Closing Date") shall be as set out in the Statement of Critical Dates which forms part of the Tarion Warranty Schedule attached hereto as Addendum D.



The Dwelling shall be deemed to be completed when all interior work has been substantially completed as evidenced by the issuance of a partial occupancy permit from the local municipality notwithstanding that there may be exterior work to be completed. The Purchaser agrees to close the transaction upon substantial completion on the basis of the Vendor's undertaking to complete any outstanding details and inspections within a reasonable time having regard to weather conditions and availability of supplies and labour. Further, the Purchaser agrees that there shall be no holdback from the Purchase Price for any purpose whatsoever.

5. Tarion New Home Warranty

- (a) The Vendor agrees that the Dwelling erected on the Property will be registered under the Ontario New Home Warranty Program (ONHWP).

The Purchaser agrees to accept the Tarion Certificate of Completion and Possession in lieu of any other warranty or guarantee expressed or implied. Notwithstanding the foregoing the Purchaser waives any right to any claims against the Vendor for damage to any ceilings or walls due to normal shrinkage or for any damage caused by expansion, contraction, warping, twisting or nail pops or other defects similarly caused and the Purchaser agrees that this Agreement may be pleaded by the Vendor as an estoppel to any such claims by the Purchaser.

- (b). The Purchaser shall inspect the Property after substantial completion and before possession with a representative of the Vendor at time appointed by the Vendor. The parties shall indicate on the Tarion Certificate of Completion and Possession a list of seasonal work and items of a minor nature which are provided for under this agreement but uncompleted. The Purchaser shall be conclusively deemed to have accepted the Property as complete in accordance with this Agreement.

- (c) The Vendor will be credited on closing with the cost of enrolling the home with the Tarion Warranty Corporation pursuant to the Ontario New Home Warranties Plan Act.

6. Title

The Purchaser shall complete this transaction provided that title to the Property is good and free from all encumbrances, except as herein provided, and except to building and other restrictions, and to any easements, municipal agreements, covenants or right-of-way granted or to be granted for installation and/or maintenance of services, utilities and T. V. transmission system, if applicable and to any easement or right-of-way granted or to be granted in accordance with the requirements of any government authority. The Purchaser is not to call for the production of any title deeds, abstract or other evidence of title except as are in the possession of the Vendor. The Purchaser is to be allowed thirty (30) days from the date of execution of this Agreement to examine the title at his or her own expense and if, within that time, any valid objection of 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 act or negotiations, be null and void and the deposit shall be returned (except for Purchaser's obligation for change orders or extras), without interest, and the Vendor shall not be liable for any damages or costs whatsoever. Save as to any valid objections so made within such time, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Property.

7. Purchaser's Acknowledgements



The Purchaser Acknowledges:

- (a) that the Purchaser has been advised to consult a solicitor with respect to this Agreement;
- (b) that the Purchaser shall be entitled to have installed in the Dwelling their choice of cabinets, flooring, bathroom fixtures, ceramics and colours, all of which shall be chosen from the Vendor's samples or provided allowances. The Purchaser shall make their selections within a period of not more than thirty (30) days following the date upon which the Vendor provides notice to do so. In the event that the Purchaser fails, for any reason, to make such selections within such period, then the Purchaser shall not be entitled to make any such selections and the Vendor may make the selections on behalf of the Purchaser and the Purchaser shall accept the selections made by the Vendor on closing. This Section 7 (b) does not apply to inventory homes;
- (c) that the title to the Property may be subject to and agrees to accept, title subject to subdivision or development agreements with municipal and/or regional governments, agreements with utility companies, easements, for telephone, internet, and electric lines, easements for use at the direction of the utilities commission or corporation, or the said municipality, to supply such services and the right to carry such lines underground with cable or cable and conduit, together with a right from time to time for the employees of the corporation or corporations maintaining such lines to enter upon the Property for the purposes of installing, maintaining or replacing the same. The Purchaser agrees to assume or grant easements for utilities and services as are required by the Vendor, the subdivider, if any, utilities commission and local municipal authority provided said agreements have been complied with by the Vendor;
- (d) that the Purchaser has read and acknowledges that the subdivision covenants contained in Addendum E shall be binding on the Purchaser;
- (e) and grants to the Vendor an easement over the Property to allow the Vendor to complete all construction and servicing work required on it under subdivision agreements with the Village of Westport and County of Leeds. Any such easement shall expire upon completion of the works and services required of the Vendor by such agreements;
- (f) that, notwithstanding closing, all obligations and covenants of the Purchaser or any provisions of this Agreement which require fulfilment by the Purchaser after the date of closing shall not merge but shall survive the closing and remain in full force and effect thereafter;
- (g) that the Vendor, its predecessor in title, or the subdivider of the lands in the Plan of Subdivision in which the Property is located, or their servants or agents, may after closing enter upon the Property without notice to the Purchaser at all reasonable hours to inspect, repair, complete or rectify construction, grade and undertake modifications to the surface drainage, including installation of swales and/or catch basin in accordance with the grade control plan approved by the Municipality, and/or to fulfil any other obligations under its subdivision agreements, without liability to the Vendor, and that the Purchaser's covenant and undertaking to this effect under seal, if requested, will be provided to the Vendor on closing;



- (h) that acceptance of construction, siting and grading by the Municipality shall conclusively constitute acceptance by the Purchaser;
- (i) that the Vendor, may, in its sole discretion according to the approved plans, erect a mirrored/reverse plan of the Dwelling;
- (j) that the Vendor may make minor variations to the said plans or may substitute other materials than those specified in the said specifications and the Purchaser agrees to accept any such variations or substitutions, so long as such variations or substitutions are of equal or better quality and do not diminish the value of the Dwelling or substantially alter the size or appearance of the Dwelling;
- (k) that the Purchaser shall not interfere with any drainage ditches, grades or elevations, surveyor's stakes or obstruct the natural flow of water on the Property for a period of one (1) year from the closing date and without written permission of the Vendor. The Vendor shall have the right to enter upon the Property without notice to the Purchaser for the purpose of rectifying any of the above, the cost of which rectification to be borne by the Purchaser forthwith on demand, and that the Purchaser's covenant and undertaking to this effect under seal, if requested, will be provided to the Vendor on closing;
- (l) that the Purchaser acknowledges being advised that a licensed quarry (the "Westport Quarry") exists on nearby lands described as Part of Lot 11, Concession 7, (formerly Township of North Crosby, now Township of Rideau Lakes, United Counties of Leeds & Grenville);
- (m) that the Purchaser acknowledges that mail will be delivered by community mail boxes;
- (n) that the Purchaser shall be solely responsible for watering and general maintenance of any sod, trees, plants and shrubs from the Closing Date or from the date that sod is laid, or trees, plants or shrubs are planted, whichever shall be later, and the Vendor shall have no obligation in that regard. The Purchaser accepts the trees on the Property as they are and the removal of any trees after Closing Date are the responsibility of the Purchaser;
- (o) the Purchaser agrees to take all necessary action to assume immediately on closing all charges for electricity, water and other services, and the Vendor may recover from the Purchaser on closing any payment made by the Vendor in connection therewith;
- (p) to accept the Property, subject to the building and other restrictions registered on title, including a common elements agreement with respect to common party walls and common structural elements including the roof and foundation of the Dwelling and adjoining dwellings and other matters are the Vendor may require including any other covenants or conditions as may be attached hereto as an Addendum;
- (q) that title to the Property will be subject to an easement in favour of adjoining property owners and will include an easement over adjoining properties within the block of townhouses of which the Property forms a part, for the purposes of maintenance, repair and other similar or related purposes;



(r) that various equipment, signage and infrastructure including, among other things, telecommunication and/or hydro pedestals and equipment, community mailboxes, streetlights, fire hydrants, catch-basins, landscaping features, subdivision entrance features and bus stops and/or shelters, may be located on or adjacent to the Property and may be visible from the Dwelling and that sidewalks may be constructed adjacent to the Property whether or not shown on any plans existing at the time of acceptance hereof and will not be cause for an abatement of the Purchase Price or any other claim of any kind by the Purchaser;

(s) that the dimensions of the Property and of the Dwelling set out above, or elsewhere in this Agreement or in any addendum or appendix appended hereto or in any material provided to the Purchaser are approximate only and that in the event such dimensions are determined to be less or more than set out, the Purchaser agrees to accept same without any abatement of the Purchase Price, provided same are in compliance with the provisions of the Tarion Warranty Corporation;

(t) that prior to closing, the Purchaser will not register this Agreement or any other document on title and in the event the Purchase breaches this covenant, the Vendor shall be entitled to terminate this Agreement and retain any monies paid as liquidated damages;

(u) that the title may be encumbered by mortgages in respect of which the Vendor's solicitor shall undertake to discharge provided that the Purchaser shall be entitled to a copy of the mortgagee's discharge statement and to have purchase funds in that corresponding amount directed to satisfy such mortgage on closing;

(v) except as outlined in this Agreement, that no entry shall be made onto the Property prior to closing without the Vendor's permission and in any event the Purchaser releases the Vendor, its servants and agents from all liability for personal injury or property damage arising from any visit to the construction site;

(w) that the Property will remain at the risk of the Vendor until closing and in the event of damage prior to that date the Vendor may terminate the Agreement and return all monies paid by the Purchaser.

8. Changes and Extras Requested by Purchaser

No changes shall be permitted for those selections which the Purchaser is entitled to make, without the prior written consent of the Vendor (which consent may be arbitrarily withheld), and in the event any item in which the Purchaser has a selection right has been previously installed or completed, then the Purchaser shall be deemed to have accepted the installed/completed item. No changes or extras will be accepted by the Vendor after commencement of construction without Vendor's consent. Notwithstanding anything herein contained, the non-installation of such selections by the Closing Date shall not entitle the Purchaser to extend the closing.

9. Fences and Structures Erected by Purchaser

The Purchaser agrees not to permit a fence, pool or other structure to be constructed on Property unless written permission is obtained from the Vendor or until one year after the Closing Date, whichever is earlier, failing which the Vendor shall be relieved from all obligations respecting landscaping, drainage and grading.



10. Keys

The Purchaser agrees that, at the option of the Vendor, keys to the Dwelling will be delivered to the Purchaser's solicitor on closing or released to the Purchaser at the Vendor's office immediately after closing.

11. Survey

The Vendor shall provide the Purchaser prior to closing a copy of a building location survey prepared by a qualified Ontario land surveyor.

12. Transfer/Deed

The Transfer/Deed shall be prepared by the Vendor's solicitor at the Purchaser's expense, (being \$250.00 plus HST) and shall be registered forthwith on closing by the Purchaser and at the Purchaser's expense. The Purchaser agrees to advise the Vendor, or the Vendor's solicitor, at least 20 days prior to the date of closing, as to how he or she will take title to the Property and of the birth dates of any parties taking title to the Property, failing which the Purchaser will elect to acquire title to the Property (if there is more than one Purchaser) as joint tenants.

13. Non-Assignable

This Agreement is personal to the Purchaser and may not be assigned, transferred or encumbered without the Vendor's prior written consent, which consent may be unreasonably and arbitrarily withheld. If the Purchaser should sell, transfer, assign or encumber his interest in this Agreement without the Vendor's consent, the Vendor shall at his option, be entitled to declare this Agreement null and void and upon so doing, the Vendor, in addition to any other remedies it may have, shall be entitled to retain all deposit monies paid hereunder as liquidated damages and not as a penalty.

14. Tender

The parties agree that an effective tender shall be deemed to have been validly made by the Vendor upon the Purchaser when the Vendor's solicitor has:

- (a) delivered all closing documents and keys (or lock box codes) to the Purchaser's solicitor;
- (b) advised the Purchaser's solicitor, in writing, that the Vendor is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and
- (c) completed all steps required by the Teraview Electronic Registration System in order to complete the transaction that can be performed or undertaken by the Vendor's solicitor without the cooperation or participation of the Purchaser's solicitor, and specifically, when the "completeness signatory" for the Transfer has been electronically "signed" by the Vendor's solicitor;

without the necessity of personally attending upon the Purchaser or the Purchaser's solicitor with the closing documents and keys, and without any requirement to have an independent witness evidence the foregoing.



15. Electronic Registration

Should electronic registration be available at the Land Registry Office on the Closing Date, the following terms and conditions shall form part of this Agreement:

- a) The Purchaser shall retain a solicitor in good standing with the Law Society of Ontario to represent the Purchaser with respect to this Agreement;
- b) The Purchaser shall direct his solicitor to execute an agreement as reasonably required by the Vendor's Solicitor (the "Solicitors' Agreement") establishing the procedure for completion of this Agreement;
- c) The Purchaser and Vendor acknowledge that the delivery of documents and/or money may not occur contemporaneously with the registration of the Transfer/Deed of Land and may be delivered in escrow pursuant to the Solicitors' Agreement;
- d) If the Agreement cannot be completed in escrow pursuant to the Solicitors' Agreement, the Purchaser's solicitor shall attend at the offices of the Vendor's solicitor at such time as directed by the Vendor's solicitor or as mutually agreed upon to complete the Agreement;

16. Default

The Purchaser agrees that in the event of default or breach of this Agreement by the Purchaser, the Deposit shall be forfeited to the Vendor, irrespective of any other right, cause of action or remedy which the Vendor may be entitled to hereunder and without prejudice to the rights of the Vendor to pursue the Purchaser for damages related to any breach or default herein.

17. Vendor's Conditions

- (a) This Agreement is conditional upon the Vendor obtaining, at its own expense, compliance with the requirements of the Planning Act, (Ontario) and all permits necessary for the construction of the Dwelling.
- (b) This Agreement is further conditional upon the Vendor obtaining all necessary municipal and governmental approvals and permits for construction of the project on or before _____. If the Vendor notifies the Purchaser in writing that it has been unable to satisfy this condition on or before _____, then, at the Vendor's option, this Agreement shall be null and void and all deposit monies shall be returned to the Purchaser. If the Vendor does not provide any notice in relation to this condition, this condition shall be deemed waived.

18. Non-Residency

The Vendor represents that this is not a non-resident corporation as defined under the relevant provisions of the Income Tax Act, (Canada).



19. Notices

Any notice required to be delivered pursuant to this Agreement to the Purchaser may either be given personally or delivered by prepaid ordinary mail or via electronic mail or fax addressed to the Purchaser's solicitor, or the Purchaser at the address set forth herein or at his or her last known address or via electronic mail as follows: _____. Any notice required to be delivered by prepaid ordinary mail to the Vendor's solicitor, or to the Vendor directly, or the Vendor at the following address: P.O. Box 324, Stittsville, Ontario, K2S 1A4 or via email or fax as follows: _____.

20. Photographs and Videos

The Purchaser shall permit the Vendor or an agent of the Vendor prior to the Closing Date and without compensation or consideration to the Purchaser, to take photographs and or videos of the interior and or exterior of the Property of both completed work and work in progress for marketing purposes which includes, but not limited to, publication in newspapers, magazines, and other print media, use in broadcast media, publication via the Internet, and use in marketing materials by the Vendor. Such photographs or other media shall not identify the Purchaser or the property address of the project without the express written consent of the Purchaser. The Parties agree that this representation shall form an integral part of this Agreement and survive the completion of this transaction.

21. Proof of Financing

The Purchaser shall deliver to the Vendor a copy of a binding commitment for a mortgage loan for the balance of Purchase Price or evidence satisfactory to the Vendor and its financial institution, acting reasonably, of the Purchaser's ability to finance the balance of Purchase Price on Closing, within fourteen (14) days of the date of execution of this Agreement by the Purchaser, failing which the Vendor may in its sole, subjective and absolute discretion terminate this Agreement and return the Deposit to the Purchaser without deduction and in such event both parties shall have no further liability.

22. Whole Agreement

The Vendor and the Purchaser agree and acknowledge that there is no representation, warranty, collateral agreement or condition affecting the Agreement or the Property, or supported hereby, except as set forth herein in writing. This Agreement is to be read with all changes of gender or number required by the context and shall extend to, be binding upon and enure to the benefit of the Parties hereto, their heirs, executors, administrators, successors and assigns.

23. Time of the Essence

Time is of the essence in all respects of this Agreement provided that if the date of closing falls on a Saturday, Sunday or Statutory or Civic holiday the closing will take place on the first day thereafter possible.

24. Electronic Signatures



The Purchaser(s) acknowledges that electronic signatures used by the Purchaser(s) and Vendor in this Agreement are intended to have the same legal effect, validity and enforceability as a manually-signed or paper-based signature, as provided for by the *Electronic Commerce Act, 2000* (Ontario) and other similar provincial laws. The Purchaser consents to the use of electronic signatures with respect to this Agreement, and agrees that the delivery of an executed copy of this Agreement by way of electronic transmission to the email or other electronic address provided by the Purchaser constitutes a valid and effective delivery of this Agreement.

25. Privacy

For the purposes of facilitating compliance with the provisions of any applicable federal or/and provincial privacy legislation (including without limitation the Personal Information Protection and Electronic Documents Act), the Purchaser hereby consents to the Vendor's collection and use of the Purchaser's information necessary and sufficient to enable the Vendor to proceed with the Purchaser's name, home address, e-mail address, telefax/telephone number, email address, age, date of birth and in respect of marital status only for the limited purposes described herein, as well as the Purchaser's financial information and desired dwelling design and colour/finish selections, in connection with the completion of the 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 without limitation, to: (a) all companies or legal entities that are associated with, related to or affiliated with the Vendor 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 promotional literature/brochures about new developments or projects and/or related services to the Purchasers 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 services to the Purchasers and/or members of the Purchaser's family, including without limitation, the Vendor's construction lender, the project monitor, the Tarion Warranty Program and/or bond provider, required in connection with the development and/or construction financing, or the financing of the Purchaser's acquisition of the Property from the Vendor; (d) any trade supplier retained by the Vendor for the completion of the Unit, one or more providers of any security alarm systems, cable systems, telephone, communication, hydro-electricity, water/hot water, gas or other similar or related services to the Property unless the Purchaser advises the Vendor in writing not to provide any such information to any entity providing security alarm services; (e) any relevant government authorities or agencies, including without limitation, the Land Titles Office, and the Ministry of Finance for the Province of Ontario; and (f) the Vendor's solicitors to facilitate the closing of this transaction including without limitation the closing by electronic means via the Teraview Electronic Registration System.

26. Addendums

Addendum A (Proposed Residence), B (Subdivision Plan and Lot Location), C (Land Ark Standard Specifications), D (Tarion Warranty Corporation), E (Subdivision Covenants), F (Extras) attached hereto form part of this Agreement.

IF ACCEPTED, THIS OFFER SHALL CONSTITUTE A BINDING AGREEMENT OF PURCHASE AND SALE.



SIGNED, SEALED AND DELIVERED this _____ day of _____, 2022.

In the presence of

_____ Witness _____ Purchaser

_____ Witness _____ Purchaser

The Vendor hereby accepts the above offer this _____ day of _____, 2022.

Land Ark Construction Ltd.

Per: _____

Title:

I have authority to bind the corporation.

Solicitor for the Vendor

Bennett McIntyre Mysicka LLP

11B Beckwith Street

Carleton Place ON K7C 0R1

Solicitor for the Purchaser

Addendum A: Proposed Residence



Included by way of attachment;



INITIALS

Addendum B: Subdivision Plan and Lot Location

Included by way of attachment;



Addendum C: Land Ark Standard Specifications

Included by way of attachment;



Addendum D: Tarion Warranty Corporation

Inclusion by way of attachment;



Addendum E: Subdivision Covenants

Intentionally left blank. No covenants contemplated at this time.



Addendum F: Extras

Intentionally left blank.



