

SCHEDULE “HST”

UPPER MAYFIELD ESTATES INC.

HARMONIZED SALES TAX (“HST”)

Notwithstanding anything to the contrary contained in the Agreement of Purchase and Sale to which this Schedule is attached (the “Agreement”), the parties hereby expressly acknowledge and agree to the following:

- 1. In this Schedule, unless otherwise set out, capitalized terms shall have the meaning given to them in the Agreement.
- 2. Subject to the contents of this Schedule, the Purchase Price herein includes Harmonized Sales Tax (hereinafter referred to as “HST”). The Vendor shall be solely responsible for the payment of the HST to the Canada Revenue Agency, net of any and all refunds, credits, rebates, transitional rebates or the like which may be available with respect thereto (collectively, the “HST Rebates”).
- 3. In consideration of the Purchase Price being inclusive of HST, the Purchaser hereby irrevocably assigns (in such form as may be required by the Vendor, and/or by the Government of Canada and/or the Province of Ontario) (hereinafter collectively the “Government”) to and in favour of the Vendor, all of their right, title and interest in the HST Rebates, and the Purchaser covenants and agrees to deliver to the Vendor on the Closing Date or, if required by the Vendor, any time thereafter, any and all assignments, directions, applications, consents, declarations, undertakings and any other documents required by the Vendor to enable the Vendor to apply for and receive the HST Rebates. In addition, the Purchaser shall execute all documents and do all things necessary to fully co-operate with the Vendor in any manner which would legally minimize the amount of HST payable by the Vendor.
- 4. The Purchaser covenants, warrants and represents that the Purchaser is an individual and that he shall forthwith following the Closing Date personally occupy the dwelling unit or cause one or more of his relations (as determined in accordance with the *Excise Tax Act (Canada)* and *Income Tax Act (Canada)*) to occupy the dwelling unit as his or their primary place of residence (as defined in the applicable legislation) for such period of time as shall then be required in order to entitle the Purchaser to the HST Rebates pursuant to the applicable HST legislation.
- 5. In the event the Purchaser shall, for any reason, fail to qualify for the HST Rebates, or any of them, for any reason whatsoever, or if a HST Rebate is not or cannot be assigned to the Vendor, or the HST Rebates are claimed and full payment/credit for same is denied by the Government, the Purchaser shall forthwith upon demand by the Vendor pay to the Vendor an amount equal to the HST Rebates or the amount so reduced or denied, and the amount of the HST Rebates due from the Purchaser shall form a registerable Charge/Vendor’s Lien against the dwelling unit being the subject matter hereof and shall be recoverable by the Vendor in the same manner as a mortgage in default. In the event that the Vendor does not receive the full benefit of the HST Rebates for any reason whatsoever, the Purchaser shall indemnify the Vendor in the amount that the Purchaser would have been entitled to had the Purchaser so qualified for all HST Rebates, including interest and costs thereon, and in the event that such failure to qualify is known before the Closing Date, the Vendor shall be credited in the Statement of Adjustments on closing with the amount of the HST Rebate(s) for which the Purchaser does not qualify. The indemnity from the Purchaser referred to herein shall survive closing.
- 6. Notwithstanding the above, the Purchaser shall, at their own cost and expense, be responsible for payment of HST on all closing costs, adjustments, chattels included in the above transaction, and amounts payable for extras and upgrades and for any increase in the rate of HST after the date hereof.
- 7. If the Vendor believes, for whatever reason, that the Purchaser does not qualify for the HST 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 the Closing Date, then notwithstanding anything hereinbefore or hereinafter provided to the contrary, the Purchaser shall be obliged to pay to the Vendor (or to whomsoever the Vendor may in writing direct), by certified cheque delivered on the Closing Date, an amount equivalent to the HST Rebates, in addition to the Purchase Price. The Purchaser acknowledges and agrees that in the event that with the Vendor’s consent the Purchaser undertakes any assignment of the Agreement, whether by way of a schedule that is attached to this Agreement at the time of execution hereof or afterwards, the Vendor shall have the option of requiring any such assignee Purchaser to pay to the Vendor (or to whomsoever the Vendor may in writing direct), by certified cheque delivered on the Closing Date, an amount equivalent to the HST Rebates, in addition to the Purchase Price. In those circumstances where the Purchaser maintains that he or she is eligible for the HST Rebates despite the Vendor’s belief to the contrary, the Purchaser shall (after payment of the amount equivalent to the Rebates as aforesaid) be fully entitled to file the rebate form directly with (and pursue the procurement of the HST Rebates directly from) the Canada Revenue Agency.
- 8. The provisions of this Schedule supersede any provisions to the contrary contained in the Agreement.

Vendor – Upper Mayfield Estates Inc.

Purchaser:

Purchaser: