

SCHEDULE L-G.S.T/H.S.T SCHEDULE

Notwithstanding anything to the contrary contained in the agreement of purchase and sale to which this appendix is annexed and forms a part (referred to herein as the "Purchase Agreement") The Vendor and Purchasers in the Purchasers Agreement hereby expressly acknowledge, covenant and agree to the following:

Part one- Provisions relation to Goods and Services Tax

1. In this Part One and in Part Three of this schedule and the Purchase Agreement:

- "G.S.T, means the Goods and Services Tax payable pursuant to the Excise Tax Act of Canada, as amended;
- "Purchase Price" means the purchase price for the real property being converted pursuant to the Purchase Agreement plus any extras, options and upgrades which increase the amount thereof and
- "Rebate" means the G.S.T, rebate a new home purchaser is entitled to receive (if any) pursuant to the said Excise Tax Act, on account of the new home purchaser or his or her relation(s) (as defined in the said Excise Tax Act) becoming the first individual(s) to purchase and occupy a new, previously unoccupied home as his or her primary place of residence. The Rebate is initially equal to 1.8% of the Purchase Price (exclusive of any G.S.T or H.S.T. component) until the Purchase Price is \$350,000.00 (exclusive of any G.S.T or H.S.T, component) and thereafter begins to decline on a straight line basis and is equal to zero at the point of purchase Price equals or exceeds \$450,000.00(exclusive of any G.S.T or H.S.T. component).

2. 3.2% of the Purchase Price (exclusive of any G.S.T or H.S.T component) represents the G.S.T that will be paid by the Vendor on account of the Purchase Agreement subject to the provisions of this Schedule.

3. The Purchasers are responsible to pay to the Vendor on Closing, the balance of any G.S.T, payable on account of this transaction over and above that which is to be paid by the vendor as set out in the foregoing paragraph 2 of this Part One of this Schedule.

4. Any Rebate to which the Purchasers are entitled and which is validly assigned to the Vendor will be credited against the Purchaser's payment obligations in the prior paragraph on Closing. This means that:
- If the Purchase Price exclusive of any G.S.T or H.S.T component is \$350,000.00 or less and the Purchasers qualify for the full Rebate on account of the same and assign the same to the Vendor, the Purchasers will not be liable to pay anything more on account of G.S.T over and above the Purchase Price;
 - If the Purchase Price exceeds \$350,000.00 (exclusive of any G.S.T or H.S.T component) the Purchaser will contribute to G.S.T by adjustment in favor of the Vendor on Closing of an amount equal to any G.S.T payable on account of this transaction in excess of 3.2% of the Purchase Price exclusive of any G.S.T or H.S.T, component: and
 - If the Purchase Price equals or exceeds \$450,000.00 (exclusive of any G.S.T and H.S.T. component) on account of G.S.T on Closing in addition to the Purchase Price.

Part Two- Provisions relation to the Provincial Portion of the New Harmonized Sales Tax

1. Any reference in the Purchase Agreement and/or its schedules (including this schedule) indicating that the Purchase Price includes any component of the federal Goods and Services Tax eligible with respect to the Purchase Agreement shall for all purposes be deemed and construed to mean or refer only to the federal Goods and Services Tax imposed under subsection 165(1) of the Excise Tax Act (Canada) exclusively (i.e as it read on June 18th,2009, and correspondingly reflecting a 5%tax rate) and shall not include or incorporate the provincial portion of any present or future harmonized sales tax or goods and services tax eligible or applicable in and for the Province of Ontario(hereinafter referred to as the "harmonized Sales Tax" or "H.S.T)

2. References in this Part Two and in Part Three of this Schedule to a "Provincial Rebate" mean any rebate offered or made available by the applicable government(s) of any portion of the provincial portion of H.S.T. generally, whether or not the Purchasers herein qualify for the said rebate.
3. If H.S.T is (or becomes) payable with respect to the transaction contemplated by this Purchase Agreement, then the Vendor shall be solely responsible for the payment of the provincial portion of the H.S.T. to the Canada Revenue Agency, net of any Provincial Rebate which may be applicable or available with respect thereto provided the Purchasers qualify for all possible Provincial Rebates of any portion of H.S.T which are available to qualifying buyers of new homes and validly assign the same to the Vendor on Closing.
4. The amount of any potentially available Provincial Rebate that would otherwise be available to qualifying buyers but for which the Purchasers do not qualify an/or that the Purchasers do not validly assign to the Vendor is payable by the Purchasers on Closing and is over and over the Purchase Price otherwise payable by the Purchasers.
5. This Part Two of this Schedule is prepared based on the understanding and expectation and agreement of the Vendor and the Purchasers that:
 - a. H.S.T. will be payable on account of the Purchase Agreement if Closing and occupancy of the real property being purchased pursuant to the Purchase Agreement both occur after June 30th, 2010.
 - b. The most important and significant Provincial Rebate that will be available to qualifying buyers of new homes is a rebate of 75% of the 8% provincial portion of the H.S.T. on the first \$400,000.00 of purchase price exclusive of any G.S.T or H.S.T. component provided the buyers occupy the new home as a principal residence on Closing. This means the new component of the provincial portion of such tax is 2% of the first \$400,000.00 of such purchase price exclusive of any G.S.T or H.S.T component. The Purchase Price herein includes (a) this 2% of the first \$400,000.00 of Purchase Price in excess of \$400,000.00, exclusive of any G.S.T or H.S.T component which amounts will be paid by the Vendor from the Closing proceeds;
 - c. The Purchasers agree to assign the Provincial Rebate described in the foregoing subparagraph "b" (on the first \$400,000.00 of the Purchase Price exclusive of any G.S.T. or H.S.T. component) to the Vendor on Closing. If the Purchasers is a corporation or otherwise other than a natural person or is/are not going to occupy the said real property as a principal residence forthwith upon Closing, this Provincial Rebate will not be available. The amount of such Provincial Rebate for which the Purchasers do not qualify (for the foregoing or any other reasons) and/or that the Purchasers do not validly assign to the Vendor shall be paid by Purchasers to the Vendor on Closing over and above the Purchaser Price otherwise payable by the Purchasers do not qualify for the same and/or fail to validly assign the same to the vendor on Closing;
 - d. There may also be a transitional Provincial Rebate available to buyers with respect to homes, the construction of which is completed in full or in part prior to July 2010, if the sales of such new homes are subject to the provincial portion of H.S.T. after June 2010. The Purchasers agree to assign any such transitional Provincial Rebate to the Vendor and Closing. The amount of any potentially available transitional Provincial Rebate which would have been available if the Purchasers has qualified for the same and validly assigned the same to the Vendor on Closing shall be paid by Purchasers to the Vendor on Closing in addition to the Purchase Price otherwise payable by the Purchasers pursuant to this Purchase Agreement if the Purchasers do not qualify for the same and /or fail to validly assign the same to the Vendor on Closing;
 - e. The amount of any other potential Provincial Rebate (if there is any) that would otherwise be available to buyers of the real property which is the subject of this Purchase

Agreement but for which the Purchasers do not qualify and/or that the Purchasers do not validly assign to the Vendor shall be paid by Purchasers to the Vendor on Closing over and above the Purchase Price otherwise payable by the Purchasers pursuant to this Purchase Agreement.

6. Landlords who purchase new homes for rental purposes (as opposed to being occupied by the landlords as the landlord's primary place of residence) may be eligible for the Provincial Rebate referred to in subparagraphs "b" and "c" of the foregoing paragraph 5 of this Part Two of this Schedule if the new home purchased by the landlords is rented for use as the primary place of residence by the landlords tenant. It is not known if a buyer of a new home who intends to rent that home to a tenant for that tenant's use as a primary place of residence will be able to assign the applicable Provincial Rebate to the seller of the home on Closing or whether application for the said rebate will have to be made directly by the said buyer after Closing. Consequently, for the purposes of this Purchase Agreement, in the absence of the written agreement of the Vendor to the contrary, any such rebate is assumed and deemed to be potential Provincial Rebate for which the Purchasers do not qualify and/or do not validly assign to the Vendor and the amount thereof is payable by the Purchasers on Closing and is over and above the Purchase Price otherwise payable by the Purchasers even if the Purchasers qualify for the same.
7. The Purchasers will not receive credit on the closing statement of adjustments from the Vendor for assigning any Provincial Rebate to the Vendor on Closing as the Purchase Price has been determined on the expectation, assumption and basis that the Purchasers will qualify for all potential Provincial Rebates and validly assign the same to the Vendor on Closing.
8. Subject to the foregoing, provided that the Purchasers qualify for all potentially available Provincial Rebates (other than as set out in paragraph 6 of this Part Two of this Schedule) and validly assign to the same Vendor so that the same are correspondingly credited or transferred to the Vendor on or before Closing, then the Purchaser shall not be obliged to pay any amount on account of the provincial portion of the H.S.T. other than as called for in paragraph 6 of this Part Two of this Schedule if applicable.

Part Three- General Provisions Applicable to both Parts One and Two of this Schedule

1. The Purchaser shall take all steps (and shall execute all documents, if and when required or desired by the Vendor or the Vendor's solicitor) to qualify for any of the rebates referred to in this Schedule and/or evidence the Purchaser's entitlement thereto.
2. Without limiting the generality of the foregoing, the Purchasers agree to execute and deliver as required by the Vendor, whether such requirement be before or after Closing:
 - A. all necessary government forms relation to G.S.T and or H.S.T. on account of this transaction;
 - B. the Vendor's Assignment forms;
 - C. a Statutory Declaration confirming their eligibility for all the rebates for which the Purchasers purport to qualify;
 - D. such other documentation as is required by the Vendor with respect to providing and or confirming the Purchaser's entitlement to any rebate referred to herein and or assigning or otherwise crediting the same to the Vendor.
3. If Closing occurs on the basis that the Purchasers are entitled to any rebate referred to herein and it is later determined the Purchasers are not entitled to the same or some portion thereof, the Purchasers will immediately pay the Vendor any amount of any such rebate credited to them or for which additional monies would have been claimed by the Vendor on Closing if such non entitlement was known on Closing plus interest at the rate of 12% per annum thereon calculated from Closing, until full payment of the same is made.

4. The Purchasers are responsible for the full G.S.T. and H.S.T. with respect to any items they purchase from someone other than the Vendor.
5. If, for any reason there is no G.S.T, and/or H.S.T. payable on account of this transaction the full Purchase Price will still be paid without credit to the Purchasers on account of the fact there is no such tax payable.
6. Subject to provisions of the foregoing paragraph, the actual purchase price being paid for the real property and Extras being purchased pursuant to the Purchase Agreement and the amount which will be shown on the face of the transfer/deed and which is used to calculate the amount of G.S.T and H.S.T. payable by the Vendor and the Purchasers is determined by taking the Purchase Price and deducting therefrom all G.S.T and H.S.T payable by the Vendor on account of this transaction as such G.S.T and H.S.T. is included in such Purchase Price and is not consideration for the real property, extras, upgrades or options being purchased pursuant to the Purchase Agreement.
7. In summary, if the Purchasers fail to qualify for any offered Provincial Rebate referred to in Part Two and or the full 1.8% of Purchase Price Rebate referred to in Part One that is otherwise available to qualifying buyers to fail to validly assign the same to the Vendor, the Purchasers shall pay to the Vendor, on or before the Closing of this transaction, in addition to the Purchase Price otherwise payable (and in addition to any other amounts payable under the terms of the Purchase Agreement), an amount equivalent to the said Provincial Rebate or Rebate that the Purchasers have failed to qualify for, and any failure to pay same to the Vendor on or before Closing shall be deemed and construed to constitute a fundamental breach of contract, thereby entitling the Vendor to refuse to complete this transaction, and to thereafter exercise all of the rights and/or remedies available to the Vendor under the agreement of which this Schedule is a part (and at law or in equity) as a consequence of such default or breach by the Purchasers, including without limitation, the right to refuse to release keys to the dwelling unit and to have all deposit monies theretofore paid by the Purchasers' own benefit or account other than the rebate referenced in paragraph 6 of Part 2 unless the rebate referenced in paragraph 6 of Part 2 is credited to the Purchasers by the Vendor on Closing.
8. This Schedule is prepared based on the assumption that the federal component of the H.S.T or the G.S.T. as the case may be is calculated at five per cent (5%) on account of this transaction and the provincial portion of the H.S.T (if applicable) is calculate at eight per cent (8%) on account of this transaction. The Purchase Price has been determined and applicable and available as set out herein. If for any reason any of the foregoing assumptions are incorrect or there are changes to any rebates referred to herein or the entitlement thereto the, to the extent that the said calculation of G.S.T. and/or any component of H.S.T. are determined on some other basis than as set out above or any such tax is replaced or superseded by another similar tax:
 - a. If the result is the Vendor receiving a net benefit in the amount of money received and retained by the Vendor after payment of all G.S.T. and H.S.T. or such other tax owing and/or payable by the Vendor on account of this transaction, the net benefit shall be credited to the Purchasers on the Closing Statement of adjustments or paid to the Purchasers when ascertained and known by the Vendor (whichever is later).
 - b. If the result is the Vendor being subjected to a net reduction in the amount of money received and retained by the Vendor after payments of all G.S.T. and H.S.T or such other tax owing and/or payable by the Vendor, the net reduction shall be credited to the Vendor on the Closing Statement of Adjustments or paid to the Vendor by the Purchasers when ascertained and known by the Vendor(whichever is later).
9. The provisions of the foregoing paragraph do not entitle the Purchasers to any credit or payment if H.S.T. is not applicable to this transaction. The foregoing paragraph is only intended to give rise to a credit with respect to H.S.T. if applicable to this transaction and if the assumptions set out herein with respect to H.S.T and Provincial Rebates are in any way incorrect or incomplete and/or the availability and /or entitlement to rebates with respect to the federal component of the H.S.T. should differ from that which is set out above.

10. The undersigned parties hereby confirm having read and agreed to the foregoing, and acknowledge that same comprises an integral part of the Purchase Agreement.
11. The provisions of this Schedule survive closing of this transaction and do not merge on Closing.