

SCHEDULE '1' TO THE AGREEMENT OF PURCHASE AND SALE

FOR _____ (the 'Property'),
PRINT MUNICIPAL ADDRESS
BY NATIONAL BANK OF CANADA, AS VENDOR,
TO _____ (the 'Purchaser').
PRINT PURCHASER(S) NAME(S)

The provisions of this Schedule '1' override and supersede all other provisions of the Agreement of Purchase and Sale to which this Schedule '1' is attached. Such Agreement of Purchase and Sale and all schedules attached are collectively called the 'Agreement'. Purchaser agrees to pay the balance of the purchase price under the Agreement, subject to adjustments, to the Vendor on the completion of the transaction and in accordance with subparagraphs 15(b) and (c) below.

1. **SALE UNDER POWER OF SALE** - Vendor is selling the Property pursuant to the power of sale (the 'Power of Sale') set out in its mortgage (the 'Mortgage') of the Property and pursuant to Part III of the Mortgages Act (the 'Act'). Vendor may accept, on or before the closing date or any extension thereof, partial payment or redemption of the Mortgage by any party having an interest in the Property, in amounts and upon terms and conditions acceptable to Vendor and thereupon, may terminate this Agreement.
2. **PURCHASER TO ACCEPT VENDOR'S TITLE** - On the closing date, Purchaser will accept either a good and marketable title to the Property or, at Vendor's option and expense, an Insured Title thereto. In this Agreement, an 'Insured Title' means title to the Property which is insured by a standard title insurance policy issued to Purchaser by a title insurer licensed in the province in which the Property is situate, and which insures Purchaser for losses or damages incurred by Purchaser by reason of any title defect or other matter raised in any proper requisition by Purchaser. If Vendor is: (i) prevented from completing the sale of the Property to Purchaser by reason of any action of any third party or any order of a court of competent jurisdiction; or, (ii) unwilling or unable to satisfy any title defect or other matter raised in any proper requisition by Purchaser or to provide Insured Title to Purchaser in lieu of satisfying the same; then Vendor may either terminate this Agreement or extend the closing date for one or more periods, the total of which shall not exceed 90 days. Vendor may also terminate this Agreement at any time during such extended period or periods.
3. **AMENDMENTS TO AGREEMENT OF PURCHASE AND SALE** - The Agreement is amended by deleting therefrom any term or provision: (i) requiring Vendor to complete the Planning Act statement in the transfer/deed of land; and, (ii) containing a representation or warranty (or both) of Vendor including without limitation any representation or warranty regarding urea formaldehyde foam insulation and any representation or warranty with respect to fitness for any purpose, condition, quality or quantity, zoning or any present or future lawful use of the Property or any fixtures on the Property.
4. **PURCHASER BUYS 'AS IS'** - Purchaser agrees to accept the Property 'as is' on the closing date and to complete its purchase of the Property without regard to any of the following matters, and Purchaser further acknowledges and agrees that it has no right to object to, or to obtain an abatement of the purchase price as a result of, or to obtain damages as a result of, or to terminate the Agreement as a result of: (i) the zoning of the Property; (ii) any information (whether or not known by the Vendor and whether or not negative in nature or damaging to the Property or to its value) which is in the records of any governmental authority or agency and including, without limitation, any outstanding work order, deficiency notice, compliance request or other notice of violation issued by any governmental authority or agency having jurisdiction; (iii) any encroachment onto the Property from abutting lands or onto abutting lands from the Property; (iv) the state of repair (or disrepair) of the Property on the date of closing including without limitation any damage to or deterioration of the Property or any improvements or fixtures on the Property, whether before or after the date this Agreement was entered into; (v) Vendor delivering Insured Title to Purchaser in lieu of satisfying any title defect or other matter raised in any proper requisition by Purchaser; (vi) any registered or unregistered municipal and other governmental by-laws, and any agreements, restrictions, rights-of-way, easements or covenants that run with the land, in all cases regardless of whether or not there is compliance; (vii) any existing tenancies; (viii) any basement or other rental unit(s); (ix) any development charges, levies, assessments and similar imposts and charges by governmental authorities having jurisdiction; (x) any environmental matters including without

limitation the existence of any above-ground or under-ground fuel tank (whether or not registered) the existence of any hazardous substances in, on or under the Property and non-compliance with any applicable environmental legislation; (xi) any misstatement, error or omission in the legal description, area or frontage of the Property as set out in this Agreement; (xii) the inclusion in the legal description of the Property, as shown on the parcel page for the Property (whether in the Property Description set out on the Parcel Register, or otherwise) of any instrument or execution that is no longer in existence or that is not a valid and enforceable encumbrance against the Property including without limitation both rights of way or easements or leases that have expired or otherwise been terminated whether by efflux of time or otherwise and also executions that are not currently on file with the Sheriff of the jurisdiction in which the Property is registered, and (xiii) if the Property is or contains one or more condominium unit(s), any condominium matters including without limitation any deficiency in or lack of the required reserve fund and the existence of any special assessments which are levied and outstanding on or prior to the closing date (which shall be the sole responsibility of Purchaser). Purchaser acknowledges that it has relied entirely on its own investigations and inspections of the Property and any information or documentation supplied to Purchaser by Vendor or its agents or representatives was supplied without any representations or warranties. Purchaser acknowledges that it is responsible for the verification of all such information and documentation and that it shall not have any further right to inspect the Property following the entering into of this Agreement.

5. TENDER -

a) Unless otherwise agreed to by Vendor, any tender shall be completed at the office of the solicitor of the party upon whom tender is being made, or if the transaction is not to be closed electronically, such tender may also be completed at the Land Registry Office where the Property is located, in either case upon the solicitor of Vendor or Purchaser, as the case may be, on the day of closing during such Land Registry Office's regular business hours.

b) Where closing documents are delivered to Purchaser's solicitor, as set out in paragraph 13 below, such delivery shall be deemed to be good and valid tender by Vendor. If Purchaser refuses to complete this Agreement on the closing date, no further tender will be required by Vendor; and Purchaser irrevocably acknowledges and agrees that such tender by Vendor unquestionably establishes that Vendor was ready, willing and able to close this transaction on the closing date. If the registration of the Transfer/Deed of Land is to be made in electronic format, tender by Vendor shall be deemed for all purposes to have been sufficiently made and effected when, on or prior to the closing date, Vendor's solicitor has signed the electronic transfer for "completion" and for "release" and delivered other closing documents to Purchaser's solicitors as set out in paragraph 13 below.

6. CLOSING DELIVERIES - On the closing date: (i) Vendor is only required to deliver to Purchaser the usual transfer documents as contemplated in Part III of the Act or, at Vendor's option, Vendor may electronically sign for "completion" and for "release" an electronic format of such transfer documents in accordance with Part III of the Land Registration Reform Act (the 'LRR Act') and the regulations thereto; and (ii) Vendor need not register a discharge of any encumbrance registered against title to the Property unless such encumbrance has priority over the Mortgage. The covenants set out in Subsection 5(1)3 of the LRR Act will be excluded from the transfer/deed of land. The Purchaser shall cause its solicitor to certify up to 10 separate trust cheques in order to pay the purchase price, upon receipt of a direction to that effect from the Vendor or its solicitors. If the Property is a condominium, Vendor need not deliver to Purchaser any condominium related documentation. Vendor need only provide to Purchaser a copy of any survey in its possession. Vendor shall provide Purchaser with any keys it has in its possession.

7. FIXTURES AND CHATTELS - Vendor is selling only such interest, if any, as it may have in the fixtures referred to in the Agreement and/or located on the Property and does not warrant title thereto. There will be no adjustment or abatement of any kind to the purchase price with respect to such fixtures. No personal property is being sold to or paid for by Purchaser and Vendor need not deliver to Purchaser any discharge of any personal property security encumbering any fixture or personal property. If any fixture or personal property is subject to a rental agreement, conditional sales contract, security agreement or other similar contract ("Security Agreement"), Purchaser agrees to assume the Security Agreement, if assumable or to pay the balance owing thereon directly to the secured party. Purchaser agrees to indemnify and to hold the Vendor harmless from and against any and all claims, losses, damages, costs and expenses that may be suffered or incurred by the Vendor relating to any such Security Agreement or relating to any fixture or personal property. Vendor will not be liable for the removal of any fixtures or personal property from the Property prior to, on or after the closing date. On the closing date, Purchaser shall have possession of the fixtures and personal property then on or at the Property 'as is'.

8. **HST - Vendor** need not provide to Purchaser any evidence that the Property is used residential property or other exempt supply that is not subject to Harmonized Sales Tax ('HST'). The purchase price of the Property does not include any HST. If Vendor advises Purchaser in writing that the sale of the Property or a part thereof is subject to HST, then on the date of closing Purchaser shall either pay to Vendor any HST exigible on the sale of the Property or, at Vendor's option, Purchaser shall deliver to Vendor, all of the following: (i) a statutory declaration or certificate confirming that Purchaser is registered pursuant to the Excise Tax Act (the 'Excise Tax Act') for the purposes of paying and receiving HST in Canada and that such registration has not been varied or revoked; together with, (ii) a statutory declaration or certificate confirming that Purchaser is registered pursuant to all applicable legislation for the purposes of paying and receiving HST in Ontario and that such registration has not been varied or revoked; together with, (iii) an indemnity prepared by Vendor in which Purchaser indemnifies and saves harmless Vendor from any and all HST, penalty, interest or other amounts which may be or become payable by or assessed against Vendor under the Excise Tax Act or under any successor legislation or under any legislation relating to the collection or payment of HST as a result of, or in connection with, Vendor's failure to collect and remit any HST exigible on the sale of the Property.
9. **TERMINATION** - Vendor shall not be responsible for any costs, expenses, losses or damages incurred or suffered by Purchaser as a result of any termination of this Agreement by Vendor or as a result of any extension(s) of the closing date of this Agreement for any reason whatsoever. If Vendor has the right or option to terminate this Agreement or to extend the closing date, Vendor may do so in its sole and unfettered discretion. If Vendor exercises an express right of termination provided for in this Agreement, the deposit shall be returned to Purchaser without interest and Vendor and Purchaser shall each be relieved from all liability and all obligations under this Agreement.
10. **FACSIMILE OR E-MAIL TRANSMISSION** - This offer, any counter-offer, notice of acceptance thereof and all other notices under this Agreement may be given by: (i) personal delivery; or, (ii) by facsimile transmission; or (iii) e-mail; in each case addressed to the intended recipient or to his, her or its broker or solicitor. Notices given by personal delivery shall be deemed to be received when delivered. Notices given by facsimile transmission shall be deemed to be received on the day such notice was electronically transmitted to the facsimile number of the intended recipient or of his, her or its broker or solicitor. Notices given by e-mail shall be deemed to be received on the day such notice was electronically sent via e-mail to the last known e-mail address of the intended recipient or of his, her or its broker or solicitor. Notwithstanding the foregoing, all notices under this Agreement to the Vendor shall be given to the Vendor's solicitor and to the Vendor's broker (and not directly to the Vendor).
11. **TENANTED PROPERTIES** - Purchaser agrees to assume all tenancies that exist at the Property on the closing date. Vendor makes no representations or warranties whatsoever with respect to any tenancy or occupancy of the Property or as to the legality of rents for the Property or compliance with any tenancy legislation. Vendor shall provide to Purchaser on the closing date any documentation relating to the existing tenancies which Vendor has in its possession or control, but shall not be required to provide any acknowledgement from any tenant confirming the status of the tenancy or occupancy. Vendor shall only adjust the purchase price for: (i) current rental payments actually received by Vendor; and, (ii) security deposits, prepaid rents or last month's rent (or interest accruing or payable thereon) paid by any tenant and actually received by Vendor. All such payments must have been honoured when presented for payment by Vendor. Vendor shall not be responsible whatsoever for any rent, security deposits or prepaid rent that Vendor has not actually received or for any rebate of rents or any obligation to repay or refund any rents or other amounts previously paid by tenants or occupants of the Property to the current or any previous owner(s) of the Property.
12. **GENERAL CONTRACT PROVISIONS** - Purchaser acknowledges that this Agreement resulted from an offer by Purchaser to acquire the Property from Vendor. Accordingly, if any provision of this Agreement is found to be ambiguous, the ambiguity shall be construed in the most favourable manner possible to Vendor. Any provision of this Agreement that is found to be unenforceable by a court of competent jurisdiction may be severed from this Agreement and the remainder of this Agreement shall continue to be valid and binding on the parties. The headings or titles of paragraphs are included for ease of reference only and do not affect or limit in any way the interpretation of such paragraph.
13. **DEPOSIT** - Vendor and Purchaser agree that unless otherwise expressly set out in the Agreement, all deposits are non-refundable and all deposit cheque(s) shall be made payable to Vendor's broker and shall be delivered by Purchaser to Vendor's broker when this offer is first submitted or signed back by Purchaser. Vendor's broker is irrevocably authorized and directed to immediately deliver the entire deposit (by way of certified cheque) to Vendor's solicitors (in trust) upon Vendor's broker's receipt of a written direction to do so from Vendor or from Vendor's solicitors, and Vendor's broker is released and forever discharged by Purchaser and Vendor from any and all liability and responsibility for so doing. Vendor's solicitors shall keep the deposit

(received from its broker) in a non-interest bearing trust account. Such deposit shall be applied towards the purchase price on the successful closing of the Agreement. Vendor's solicitors shall deliver the deposit funds to Vendor, on account of Vendor's damages, if Purchaser fails for any reason whatsoever to complete this transaction.

14. **ADJUSTMENTS** - Purchaser acknowledges and agrees that after closing there will be no adjustments or readjustments whatsoever for any matter, whether included on or omitted from the statement of adjustments, and including, without limitation, post-closing adjustments or readjustments for condominium common expenses or special levies, realty taxes, local improvements, water, sewer, hydro-electric or other utilities or expenses (collectively called the "Non-Adjustable Items"). On closing Vendor shall not provide any undertaking to pay Non-Adjustable Items nor any undertaking to readjust Non-Adjustable Items. Any arrears of any one or more of the Non-Adjustable Items which Purchaser's solicitor, on or before closing, demonstrates exist to the satisfaction of Vendor's solicitor, will be paid by Vendor's solicitor from the sale proceeds, or at Vendor's solicitor's option, will be credited to Purchaser on the Statement of Adjustments. Purchaser shall be solely responsible before closing to ensure the accuracy of the items that may be or should be set out on the statement of adjustments. If Purchaser is not satisfied with the manner in which condominium common expenses, realty taxes or any other adjustable items are adjusted on the statement of adjustments, Purchaser agrees to provide Vendor prior to closing with a written statement or invoice from the particular creditor showing the expense in question. If final realty taxes have not been assessed or levied against the Property, Vendor may estimate the amount by which realty taxes may be increased over the previous years assessed realty taxes, by increasing such previous year's assessment by up to 2.5%.

15. **CLOSING PROCEDURES -**

- a) Where the title to the Property may be transferred electronically, Purchaser agrees to instruct its solicitor to close the transaction in accordance with, and be bound by, the most current Document Registration Agreement (the "DRA") adopted by the Joint Law Society of Upper Canada ("LSUC") - Canadian Bar Association Ontario Committee on Electronic Registration of Title Documents which was adopted on March 29, 2004, and was posted to the LSUC's web site on April 8, 2004, and Purchaser's solicitor shall deliver to Vendor's solicitor at least one business day prior to the closing date, an executed DRA which shall govern the closing of this transaction.
- b) Each of Vendor's solicitor and Purchaser's solicitor shall be entitled to deliver to the other party's solicitor's law office all closing documentation (including, without limitation, the purchase price) by means of overnight or same day courier or by any other means whatsoever; provided that such delivery is received by the other party's solicitor prior to 3:30 p.m. on the date of closing. All closing documents delivered to the other party's solicitor shall be held in escrow until the closing and shall only be released from escrow in accordance with the DRA or in accordance with any other escrow provisions in effect. Purchaser agrees to deliver the purchase price payable on closing to the Vendor's solicitor (as part of the closing documentation referenced above) either by way of the Purchaser's solicitor's trust cheque(s) certified by the Purchaser's solicitor or by way of bank draft(s) purchased by the Purchaser's solicitor from a Schedule "I" Canadian Chartered Bank or by way of a Large Value Transfer System (LVTS) wire transfer directly from the Purchaser's solicitor's trust account. Notwithstanding the generality of the foregoing, and solely as an accommodation to the Purchaser, Vendor's solicitor may, but need not, authorize Purchaser's solicitor in writing (the "Direct Deposit Authorization") to deliver certified closing funds to Vendor's solicitor in the manner set out in subparagraph (c) below (the "Direct Deposit Delivery Method"). Vendor's solicitor may also deliver in escrow to Purchaser's solicitor (whether in paper or electronic format) one or more instruments or agreements that require registration against title to the Property, and Purchaser's solicitor shall register the same immediately before the registration of the Transfer/Deed of Land in this transaction (provided that only the registration fee shall be paid for by Vendor). Purchaser's solicitor shall not be entitled to any compensation whatsoever from Vendor or from Vendor's solicitor for completing this transaction in accordance with this Agreement. Neither party's solicitor shall be, nor shall be deemed to be, the agent of the other party or of the other party's solicitors as a result of any of the provisions of this Agreement.
- c) If Vendor's solicitor delivers a written Direct Deposit Authorization to Purchaser's solicitors, then Purchaser shall only be relieved of its obligation to deliver the purchase price in accordance with the provisions of subparagraph 15 (b) if, and only if, Vendor's solicitor receives all (and not less than all) of the following prior to 3:30 p.m. on the date of closing: (i) written confirmation satisfactory to the Vendor's solicitor from Vendor's solicitor's banker named in the Direct Deposit Authorization that closing funds representing the balance due on closing have actually been irreversibly credited to Vendor's solicitor's trust account named in the Direct Deposit Authorization and such funds are not

subject to reversal or debit for any reason whatsoever; (ii) a facsimile or e-mail copy of the Purchaser's solicitor's certified trust cheque(s) or bank draft(s) purchased by the Purchaser's solicitor from a Schedule "I" Canadian Chartered Bank that Purchaser's solicitor tendered for deposit to a Canadian Chartered Bank; provided that such facsimile or e-mail was sent to Vendor's solicitor's facsimile machine or e-mail directly from the Canadian Chartered Bank in question; and (iii) written confirmation from such Canadian Chartered Bank that such closing funds were either certified trust funds from the Purchaser's solicitor's trust account or bank drafts purchased by the Purchaser's solicitor and that such closing funds have been directly deposited by such Canadian Chartered Bank into the Vendor's solicitor's trust account and are not subject to reversal or debit for any reason whatsoever. Purchaser irrevocably acknowledges and agrees that it is his or her absolute responsibility to deliver to the Vendor's solicitor's law office prior to 3:30 p.m. on the date of closing certified closing funds, whether by actual delivery of certified trust cheques from the Purchaser's solicitor's trust account or bank drafts purchased by the Purchaser's solicitor or by wire transfer from the Purchaser's solicitor's trust account using the LVTS for wire transfer or by the Direct Deposit Delivery Method (if Vendor's solicitor delivered a Direct Deposit Authorization). If Purchaser attempts to close this transaction using the LVTS wire transfer method or using the Direct Deposit Delivery Method, Vendor accepts no responsibility whatsoever for any delay in closing or for any failure of this transaction to close on the date of closing resulting from any non-compliance with any one or more of these provisions (even if caused by the negligence or by the gross negligence of the Vendor), and each of Vendor and Vendor's solicitor are released and forever discharged from any and all losses, damages, costs and expenses that Purchaser may incur or suffer as a result of any delay in the closing or as a result of any failure to close this transaction on the date scheduled for closing when Purchaser attempts to close this transaction using the LVTS wire transfer method or using the Direct Deposit Delivery Method.

16. **RESTRICTION ON TRANSFERS** – Purchaser represents and warrants that he or she is not an employee of the Vendor.

Vendor: NATIONAL BANK OF CANADA
by its solicitors (and without personal liability)
MEROVITZ POTECHIN LLP

Purchaser(s): _____

Per: _____

Purchaser(s): _____

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