

SCHEDULE "B"

**Covenants Pertaining to the Sale of Land by
The Corporation of the County of Prince Edward
hereinafter called the "Corporation " to**

hereinafter called the "Purchaser"

NOTE: In the deed or transfer the word "Transferee" shall be deemed inserted in place of the word "Purchaser"

The following restrictions shall run with and be binding upon the property and every part thereof, for the benefit of:

The Corporation of the County of Prince Edward

In interpreting these covenants:

"Substantially completed" in reference to the substantial completion of any buildings or improvements to be constructed shall mean the date upon which all contracts required for construction of such buildings or improvements have been "substantially performed" within the meaning of section 2(1) of the Construction Lien Act, R.S.O., 1990, c. C.30 and when all occupancy permits or other permits required by the Corporation of the County of Prince Edward prior to the occupation and use of the Property have been obtained.

"Property" shall mean the lands to be conveyed to the Purchaser pursuant to the Agreement to which these covenants are attached or the lands described in Box 5 of the transfer to which these covenants are attached.

The Purchasers, for themselves, their heirs, executors, successors, administrators and assigns, covenant, warrant and agree with the Corporation to observe and comply with the said restrictions and to exact identical covenants and restrictions from any purchaser or transferee of the said lands in any conveyance, to observe and comply with the following, which covenants and restrictions from each subsequent purchaser or transferee shall be included in every deed or transfer of the Property:

1. a) Construction and erection of a building on the Property in compliance with the Site Plan Agreement made between the Corporation and the Purchaser shall

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be commenced bona fide by the Purchaser within twelve (12) months of the date of registration of a deed to the Property from the Corporation to the Purchaser and said building shall be substantially completed to the satisfaction of the Corporation within twenty-four (24) months of the registration date of the said deed, failing which the Corporation may, at its option, at any time thereafter, require the Purchaser to reconvey the Property to the Corporation free of all liens, mortgages, debentures, security, encumbrances, work orders at a price equal to the purchase price paid by the Purchaser to the Corporation for the Property less One Thousand (\$1,000.00) Dollars and the Purchaser shall execute and deliver to the Corporation all such deeds and assurances and obtain and register all such discharges and releases as may be requisite in order to convey good title free and clear of all liens and encumbrances and vacant possession to the Corporation within thirty (30) days of having been requested to do so in writing by the Corporation.

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b) Until completion of the reconveyance to the Corporation all buildings and structures on the Property shall be and remain at the risk of the Purchaser.

c) Upon receipt of notice to reconvey and pending completion of the re-transfer to the Corporation the Purchaser shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear.

d) In the event of substantial damage the Corporation may elect not to have the Property reconveyed or may take the proceeds of any insurance and complete the reconveyance.

e) Taxes, local improvements charges, water and assessment rates shall remain the responsibility of the Purchaser until the reconveyance is completed.

f) Any mortgagees or other encumbrancers who have registered any mortgages, debentures, security or other encumbrances whatsoever shall take title subject to the Corporation's right to such reconveyance and shall be required to deliver registerable discharges or releases of all such mortgages, encumbrances, debentures or other security within 15 days of written request by the Corporation in the event the Corporation has required to the Purchaser to reconvey the Property as hereinbefore provided.

2. No sale or conveyance of the Property or any part thereof may be made by the Purchaser to any person or corporation, prior to the substantial completion of the construction and erection of the building as aforesaid, unless the Corporation shall have first been given the option to repurchase the property, free of all liens, charges or encumbrances, whatsoever at a price equal to the purchase price paid by the original Purchaser from the Corporation for the Property, less One Thousand (\$1,000.00) Dollars such option to be exercised by the Corporation within ninety (90) days of receipt by it of written notice of such option, provided that if the Corporation exercises the option, the transaction arising there from shall be completed within thirty (30) days of the exercise of the option and the

provisions of paragraphs 1 (b), (c), (d) (e) and (f) shall apply *mutatis mutandis* and if the Corporation fails to exercise the option within the said ninety (90) days, the Purchaser shall be at liberty to sell or convey the property for the same or a greater price. Notwithstanding such sale to a new purchaser, such new purchaser shall continue to be bound by all the covenants, terms, conditions and restrictions contained in this Schedule and any reference to purchase price shall continue to mean the purchase price paid by the original purchaser from the Corporation. For the purpose of this paragraph, if the Purchaser is a corporation, the word "sale", in addition to its ordinary meaning, shall be deemed to mean and include a sale or disposition of the corporate shareholding of the Purchaser, if the Purchaser is a corporation which results in a change in the effective voting control of the Purchaser by the person or persons who, at the date of this indenture, holds or hold a majority of the corporate shares.

3. No part of the Property shall be excavated or dug up, except for the purpose of the construction of buildings and other structures approved in accordance with paragraph 3 hereof, the testing of soil, the installation of services or landscaping, and no topsoil shall be removed from the property at any time without the prior consent in writing of the Corporation.

4. Before any building permit may be issued to the Purchaser, the Purchaser shall be required and hereby agrees to enter into a Site Plan Agreement or Agreements with the Corporation and such other agreements as the Corporation may require with respect to the development of the property herein described, including access to servicing of and construction on the subject property and neighbouring properties, containing such terms as the Corporation may require, in its sole discretion, and the Corporation shall not be bound to issue any building permit until the terms of such Agreement(s) have been agreed to by the parties hereto and such Agreement(s) executed and registered on the title to the property.

5. At any time after the signing of this Agreement, the Purchaser shall grant to the Corporation, or any utility company such easements as are deemed necessary by these authorities, at no cost to the Corporation or such utilities. It is understood that such grant of easement documents shall be delivered to the Corporation at such time as the Corporation may require in writing.

6. The Purchaser shall comply with all bylaws, laws and regulations of any governmental body having jurisdiction including, without limiting the generality of the foregoing, all rules, regulations, statutes, laws and orders made by or enforced by the Ministry of the Environment (Ontario) or under the Environmental Protection Act (Ontario) or made by any other governmental or regulatory authority having jurisdiction, both in the construction of any structures on the property and in the operation of any business to be conducted from or any plant on the property, including, without limiting the generality of the foregoing, any rules and regulations relating to the emission of pollutants to the air, ground or water or the use of waste or other materials for land fill on the property or

neighbouring properties and shall indemnify and save harmless the Corporation in respect of same.

7. The Purchaser shall be responsible for and shall indemnify and save harmless the Corporation from any costs or damages to any municipal services or installations within or abutting the subject property which is caused by the acts or omissions of the Purchaser or its workmen, servants or agents, including damage to street signs, sidewalks, curbs, roads, survey stakes, water boxes, water keys, landscaping, water lines, storm sewers, sanitary sewers, hydrants, valves, utility connections, electric cables, transformers, telephone and cable television lines and all appurtenances thereto.

8. The Purchaser further agrees that he shall not subdivide the Property except by application pursuant to, at the Corporation's discretion, either for consent or pursuant to an approved plan of subdivision pursuant to Section 50 of the Planning Act, R.S.O. 1990. c. P. 13, as amended without the prior written approval of the Corporation, which may not be unreasonably withheld. For a period of twenty (20) years from the registration of the deed from the Corporation to the original Purchaser, the Purchaser further agrees that if he wishes to subdivide the property in the manner aforesaid even if with the consent in writing of the Corporation, he shall, before proceeding with any application for subdivision, first offer all portions of the property to be subdivided which would, if subdivided, be on lots or blocks unencumbered with buildings, for sale to the Corporation, free from all liens, charges and encumbrances, whatsoever at a price equal to the price per acre paid by the original Purchaser from the Corporation less the amount of any deposit paid pursuant to the Agreement of Purchase and Sale between the original Purchaser and the Corporation. The offer shall be made in writing to the Corporation and the Corporation shall have sixty (60) days from receipt of such offer to accept such offer or such acceptance. If the offer is not accepted, the Purchaser shall be at liberty to proceed with such subdivision in the manner aforesaid with the consent of the Corporation.

9. These covenants warranties and agreements shall run with the lands herein described for a period of twenty (20) years from the date of registration of the deed from the Corporation of the County of Prince Edward to the lands herein described.

10. Any notice required or permitted to be given by the Corporation to the Purchaser may be effectively given to them personally or by letter sent by prepaid registered mail addressed to the Purchaser at the municipal address for the Property or at such other address as the Purchaser may in writing advise the Corporation from time to time and any notice required or permitted to be given hereunder by the Purchaser to the Corporation may be effectively given either personally or by letter sent by prepaid registered mail addressed to the Corporation at:

332 Main Street,

Picton, Ontario K0K 2T0

Attention: Clerk

or at such other address as the Corporation may in writing advise the Purchaser from time to time, and any such notice sent as aforesaid by prepaid registered mail shall be deemed to have been given on the day on which the letter containing such notice was posted and in the case of notice to the Purchaser shall be deemed delivered whether or not such letter is in fact received.

11. These covenants and restrictions shall be deemed independent and severable and the invalidity or enforceability of any one covenant or restriction shall not affect the validity or enforceability of any other covenant.

12. The necessary changes in gender required to make the provisions of this agreement apply to either corporations or individuals, male or female, shall in all instances be assumed as though in each case fully expressed.