

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT, made in triplicate this 1st day of March, 2023.

BETWEEN:

Southside Construction Management Limited

("The Purchaser")

-and-

The Corporation of the Township of North Huron

("The Vendor")

PROPERTY: legally described as CON 14 PT S PT LOT 42 Part 1, County of Huron, (the "Property"). See Schedule "C" for the Property outlined in red, as the plan of survey and severance is still being completed and will need to be submitted to the land registry office. Exact dimensions of the property to be confirmed by survey.

PURCHASE PRICE: \$ SIX HUNDRED AND FIFTY THOUSAND Dollars (CDN \$650,000)

FRONT-END DEVELOPMENT CHARGES: \$ FIVE HUNDRED THOUSAND Dollars (CDN \$500,000) to be deposited with the Vendor on closing, to offset future development charges.

DEPOSIT: \$ TEN THOUSAND Dollars (CDN \$10,000)

Of lawful money of Canada, payable by cash or certified cheque to the said solicitor for the vendor, on this date as a deposit to be held in trust pending completion or other termination of this Agreement and to be credited on account of the purchase price on closing, and the Purchaser agrees to pay the balance of the purchase price, by cash or certified cheque on the closing of the transaction, subject to the usual adjustments.

SCHEDULE(S) "A", "B" and "C" attached hereto form(s) part of this agreement.

1. **CHATELS INCLUDED:** None.
2. **FIXTURES EXCLUDED:** None.
3. **RENTAL ITEMS:** None.
4. **COMPLETION DATE:** This agreement shall be completed by no later than October 8, 2023. Upon completion, vacant possession of the property shall be given to the Purchaser unless otherwise provided in this Agreement. The Vendor shall before closing

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cause a registerable Reference Plan to be deposited to legally describe the Property to be conveyed to the Purchaser.

5. **NOTICES:** Pursuant to this Agreement any notice relating hereto or provided for herein shall be in writing. This offer, any counter offer, notice of acceptance thereof, or any notice shall be deemed given and received, when hand delivered to the address for service provided herein or, where facsimile number is provided herein, when transmitted electronically to that facsimile number.

NOTICE TO VENDOR:

c/o Clerk
Township of North Huron
P.O. Box 90, 274 Josephine Street
Wingham, Ontario N0G 2W0
Phone: 519-357-3550

NOTICE TO PURCHASER:

c/o Vito Frijia
Southside Construction Management Limited
75 Blackfriars Street
London, Ontario N6H 1K8
Phone: 519-433-0634

6. **HST:** If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the purchase price.
7. **TITLE SEARCH:** Purchaser shall be allowed to September 28, 2023 to examine the title to the property at their own expense, to satisfy themselves that there are no outstanding work orders or deficiency notices affecting the property. The Vendor hereby consents to governmental agencies releasing to Purchaser details of all outstanding work orders affecting the property, and Vendor agrees to execute and deliver such further authorizations in this regard as Purchaser may reasonably require.
8. **FUTURE USE:** Vendor and Purchaser agree that the future use of the land be used as lands for a residential development.
9. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants

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that will run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the present use of the property. If within the specified times referred to in paragraph 7 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Vendor, Listing Broker and Co-operating Broker shall not be liable for any costs or damages. Save as to any valid obligation so made by such day and except for any objection going to the root of title, Purchaser shall be conclusively deemed to have accepted Vendor's title to the property.

10. **DOCUMENTS AND DISCHARGE:** Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Vendor. If requested by Purchaser, Vendor will deliver any sketch or survey of the property within Vendor's control to Purchaser as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to assumed by Purchaser on completion, is not available in registerable form on completion, Purchaser agrees to accept Vendor's lawyer's personal undertaking to obtain the discharge, together with a direction executed by Vendor directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on closing.
11. **INSPECTION:** Purchaser acknowledges having had the opportunity to inspect the property prior to submitting this Offer and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Purchaser and Vendor.
12. **INSURANCE:** The property shall be and remain until completion at the risk of Vendor. Pending completion, Vendor shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Purchaser may terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Vendor is

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taking back a Charge/Mortgage, or Purchaser is assuming a Charge/Mortgage, Purchaser shall supply Vendor with reasonable evidence of adequate insurance to protect Vendor's or other mortgagee's interest on completion.

13. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Vendor complies with the provisions of the Planning Act by completion and Vendor covenants to proceed diligently at their expense to obtain any necessary consent by completion.
14. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registerable form at the expense of Vendor, and any Charge/Mortgage to be given back by Purchaser to Vendor at the expense of the Purchaser. If requested by Purchaser, Vendor covenants that the Transfer/Deed to be delivered on completion shall contain statements contemplated by Section 50 (22) of the Planning Act of Ontario.
15. **RESIDENCY:** Purchaser shall be credited towards the Purchase Price with the amount, if any, necessary for Purchaser to pay to the Minister of National Revenue to satisfy Purchaser's liability in respect of tax payable by Vendor under the non-residency provisions of the Income Tax Act by reason of this sale. Purchaser shall not claim such credit if Vendor delivers on completion the prescribed certificate or a statutory declaration that Vendor is not then a non-resident of Canada.
16. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Purchaser.
17. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Vendor and Purchaser or by their respective lawyers who may not be specifically authorized in that regard.
18. **TENDER:** Any tender of documents or money hereunder may be made upon Vendor or Purchaser or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.
19. **AGREEMENT IN WRITING:** If there is conflict between any provision written or typed in this Agreement (including any Schedule attached hereto) and any provision in the printed portion hereof, the written or typed provision shall supersede the printed

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provision to the extent of such conflict. This Agreement including any Schedule attached hereto shall constitute the entire Agreement between Purchaser and Vendor. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.

20. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

21. This Offer shall be irrevocable by the purchasers until March 10th, 2023 after which time, if not acceptable, this Offer shall be null and void and the deposit shall be returned to the Purchaser in full without interest.

DATED at London, ONTARIO this 1st day of March, 2023.

SIGNED, SEALED AND DELIVERED

In the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

Southside Construction Management
Limited

Per:

(Witness)

(Purchaser) Vito Frijia

I have authority to bind the corporation.

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I, the Undersigned Vendor, agree to the above Offer.

DATED at Wingham, ONTARIO this 6th day of March, 2023.

The Corporation of the Township of North Huron

Per:

(Witness)

(Vendor) Paul Heffer —Reeve

(Witness)

(Vendor) Carson Lamb—Clerk

We have authority to bind the corporation.

Solicitor for the Vendor:

Donnelly Murphy
P.O. Box , 18 The Square
Goderich, ON N7A 3Y7
Tel: 519-524-2154
Fax: 519--524-8550

Solicitor for the Purchaser:

Jack Sousa
Brown Beattie O’Donovan LLP
1600-380 Wellington Street
London, ON N6A 5B5
Tel: 519-679-0400
Fax: 519-679-6350
Email: jsousa@bbo.on.ca

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SCHEDULE "A"

1. The Vendor agrees to convey the property in 1 parcel and that the Vendor agrees to complete the severance of the Property as outlined in red in Schedule "C" before the Completion Date.
2. The Purchaser agrees to have commenced and be making progress on underground Works including storm sewers and storm water management facilities, sanitary sewers, watermains and the completion of Granular "B" road base and a portion of the Granular "A" for a riding surface within 36 months of the township contract for servicing of Hutton Heights being substantially performed as defined in section 2(1) of the Construction Act, R.S.O. 1990, c. C.30. In the event the Purchaser has not commenced these Works within the established timeline requirements, the Vendor has the right to repurchase at a purchase price of \$650,000 and return the \$500,000 development charge deposit, net of any other costs to a maximum of \$1,000.00 plus applicable land transfer tax and free of encumbrances. If the Vendor repurchases the property, all ownership of the studies, surveys and reports for development of the property that were provided to the Purchaser was transferred, will be returned to the Vendor. The right to re-acquire ownership of the studies, surveys and reports is a material component of this agreement.
3. The Purchasers agree that the development will reserve a road allowance located along the east property line, for the purpose of future development in Hutton Heights. See Schedule "B" for an illustration of where this road should be located on the parcel. The road is represented by the red rectangle labeled "R".
4. The Vendor agrees to initiate and undertake at its own expense the necessary Official Plan and Zoning approvals to facilitate a residential development on the property. The Purchaser agrees to initiate and undertake at its own expense all other necessary planning approvals.
5. The Vendor agrees to transfer, at no cost, all studies, surveys and reports for the property completed before February 10, 2023. These studies, surveys, reports and permits become the property of the Purchaser.
6. The Purchaser has a 30-day conditional period following the execution of the agreement to review studies, surveys and reports for the property. The Purchaser will provide a written waiver of conditions prior to the expiry of the conditional period or this agreement shall be null and void.
7. The Vendor warrants to the best of their knowledge and belief that during the period of their ownership of the property that; all environmental laws and regulations have been complied with, no hazardous conditions or substances exist on the land, no limitations or restrictions affecting the continued use of the property exist. The parties agree that this warranty shall survive and not merge on completion of this transaction.
8. Both the Purchaser and the Vendor agree that the presentation and acceptance of this offer communicated by email/fax telecopier shall form a binding agreement. This Agreement may be executed in counterpart.

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SCHEDULE "B"



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