

**AGREEMENT OF PURCHASE AND SALE (this "Agreement" or "APS")** dated as of September 1, 2022,

**BETWEEN**

**THE CORPORATION OF THE TOWN OF TILLSONBURG**

(the "**Vendor**")

-and-

**peopleCare Inc.**

(the "**Purchaser**")

**WHEREAS** the Vendor is the owner, in fee simple, of the lands and premises described in Schedule "A" (the "**Property**");

**NOW THEREFORE IN CONSIDERATION** of the mutual covenants and premises in this Agreement, the parties agree as follows:

**SECTION I - GENERAL**

1. The Purchaser agrees to purchase the Property and the Vendor agrees to sell the Property according to the terms of this Agreement.
2. In consideration of the agreement referred to in the preceding paragraph, the Purchaser shall pay to the Vendor a purchase price of Two Million Five Hundred Thousand Dollars (\$2,500,000) (the "**Purchase Price**").
3. The Purchase Price shall be paid as follows:
  - (a) a deposit in the amount of Fifty Thousand Canadian Dollars (\$50,000.00) (the "**Deposit**") is payable by the Purchaser by bank wire upon acceptance of this Agreement, giving credit for any monies paid pursuant to an Agreement of Purchase and Sale between the Vendor and the Purchaser accepted September 12, 2019, to be held on an interest free basis by the Vendor's solicitors as a deposit pending completion of this transaction on account of the Purchase Price on completion, or if this Agreement is not completed for any reason other than solely as a result of the default of the Purchaser, the Deposit shall be returned to the Purchaser; and,
  - (b) the balance of the Purchase Price, subject to adjustments, shall be paid to the Vendor on the Completion Date (as defined herein), by bank wire.
4. Within ten (10) business days following acceptance of this Agreement, the Vendor shall deliver to the Purchaser all of the following items that are in the Vendor's possession and control (the "**Deliverables**"). If the Vendor provides any of the Deliverables later than ten (10) business days following the payment of the Deposit by the Purchaser, the Due Diligence Date (as defined herein) will be extended by the same number of days the Vendor has taken beyond the initial ten (10) business day period to provide said item:
  - (a) copies of any notices, orders or permits issued by any governmental authority within the past three (3) years relating to the Property or the use thereof;
  - (b) copies of any environmental or geo-technical reports in connection with the Property;
  - (c) copies of any existing boundary survey showing the boundaries of the Property and any existing improvements;
  - (d) copies of all site plans, municipal, title or servicing agreements, plans and drawings, warranties from contractors or suppliers, grading, engineering, servicing or landscaping, and any other documents relating to the title, condition or development of the Property;

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- (e) copies of any and all restrictive covenants and development agreements or covenants that affect the Property; and
- (f) copies of any engineering or building/property condition reports;.

The Purchaser agrees to return all of the above documentation to the Vendor if this transaction is not completed for any reason.

## SECTION II - PURCHASE OF PROPERTY

### 5. Conditions

The completion of this transaction is subject to the conditions listed in Schedule "B" attached hereto.

### 6. Irrevocable Date

*Jbk* This APS shall be irrevocable and open for acceptance by the Vendor until 6:00 p.m. on ~~the 15th day of September, 2022~~, and when accepted shall constitute a binding contract of purchase and sale, otherwise this Agreement shall be null and void and any deposits paid by the Purchaser shall be returned to the Purchaser without interest or deduction.

### 7. Deed/Transfer

The Vendor agrees to deed or transfer the Property to the Purchaser subject to the terms of this Agreement.

### 8. Completion Date

The closing of this transaction shall take place on the day which is thirty (30) days following the Due Diligence Date (as defined herein) or such other date as mutually agreed upon (the "**Completion Date**") at which time possession of the Property in "as is, where is" condition shall be given to the Purchaser. The Vendor acknowledges that on the Completion Date it shall have the right and authority to sell the Property.

## SECTION III - REPRESENTATIONS AND WARRANTIES

### 9. Provision of Company Information & Development Plans

The Purchaser shall provide the following information about its company and development plans for the Property in the form of a letter of intent, on the Purchaser's letterhead, for review by the Vendor prior to acceptance of this Agreement:

- (a) a description of the purchasing company and its relationship to the operating company (if different);
- (b) the Purchaser's articles of incorporation;
- (c) a description of the products and services provided by the Purchaser;
- (d) information on the Purchaser's proposed development plan and timing, including the size of any improvements and potential future expansions; and,
- (e) estimated initial and potential future employment.

Should the Purchaser's plans change in any manner, the Purchaser shall provide an update to the Vendor, in writing, thirty (30) days prior to the Completion Date, or, if after the Completion Date, at least thirty (30) days prior to the one (1) year anniversary of the Completion Date.

### 10. Property Not For Resale

The Purchaser represents and warrants that it is purchasing the Property for the construction of an improvement upon the Property and not for the resale of the Property as vacant land. The Purchaser covenants that the representation and warranty contained herein shall survive and not merge on the completion of this transaction.

### 11. Development Covenants and Restrictions

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The Property shall be subject to the development covenants and restrictions more particularly set out in Schedule "D" attached to this APS, which shall survive the completion of this transaction and run with the Property. The development covenants and restrictions shall be registered on title by the Vendor. In the event that the said covenants and restrictions are not registered on title to the Property on or before closing, the Purchaser covenants and agrees to consent to the registration of the covenants and restrictions after closing. In the event that the land registrar for the division of the land registry office in which the Property is located does not accept the form of the said covenants and restrictions for registration, the Purchaser and the Vendor agree to execute an option agreement containing the same operative terms as set out in Schedule "D" and the Purchaser shall execute such further documents as reasonably required by the Vendor to give effect to registration of said option agreement on title to the Property in place of Schedule "D".

12. Investigation by the Purchaser

The Purchaser acknowledges having inspected the Property prior to executing the APS and understands that upon acceptance of this Agreement, and subject to any conditions herein, there shall be a binding agreement of purchase and sale between the Purchaser and the Vendor. It shall be the Purchaser's responsibility to provide, at its own expense, any soil bearing capacity tests or environmental inspection, as may be required or desired, and the Vendor shall grant the Purchaser access for such testing or inspection at all reasonable times, on reasonable notice, for the purpose of conducting reasonable inspections.

13. Future Use

The Vendor and the Purchaser agree that there is no condition, express or implied, representation or warranty of any kind that the future intended use of the Property by the Purchaser is or will be lawful except as may be specifically stipulated elsewhere in this Agreement.

14. Reasonable Assistance

The Vendor agrees to provide reasonable assistance and co-operation to the Purchaser in obtaining the necessary approvals for the development of the Property subject to the Purchaser's compliance with all relevant building codes, by-laws, land use controls, any other statutory requirements and payment of the fees provided for in the Vendor's current fees by-law.

15. "As Is" Condition

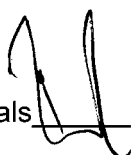
The Purchaser acknowledges that it is acquiring the Property in an "as is" condition and that it must satisfy itself on or before the Due Diligence Date (as defined herein) regarding the condition of the Property including, but not limited to, all existing physical conditions of the Property, environmental conditions, fitness for any purpose, suitability for construction, soil bearing capacity for any building proposed, and the availability of municipal services and utilities necessary for the Purchaser's proposed use of the Property. The Purchaser acknowledges that the Vendor shall not be responsible for any physical deficiencies of the Property or for any past, present or future environmental liabilities and hereby waives any claims against the Vendor in respect of any environmental liabilities on the Property. The Purchaser agrees to sign a release and indemnity in favour of the Vendor on or before closing with respect to matters set out in this paragraph. In the event that the Purchaser does not provide written notice that the conditions set forth in its favour in Schedule "B" have been fulfilled or waived within the time periods set out therein, then the Purchaser shall, prior to receiving its Deposit back and prior to being entitled to a full release from the Vendor with respect to this Agreement, restore the Property to its original condition as it existed prior to such testing or inspection by the Purchaser, at the Purchaser's sole expense.

**SECTION IV - PRIOR TO COMPLETION DATE**

16. Purchaser May Inspect the Property

The Purchaser, its agents and contractors shall be permitted to inspect the Property (other than the buildings) as frequently as is reasonably necessary and the buildings up to five (5) times between the date that the Vendor becomes the registered owner of the Property and the Completion Date at reasonable times and upon reasonable notice to the Vendor.

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17. Insurance

Pending closing, the Vendor shall hold all insurance policies and the proceeds thereof in trust for the parties as their interest may appear and in the event of damage to the Property, unless such damage is caused by the Purchaser, the Purchaser may elect to either receive the proceeds of the insurance and complete the purchase or to cancel the APS and have the Deposit returned without interest or deduction.

**SECTION V - COMPLETING THE TRANSACTION**

18. Examination of Title

- (a) Title to the Property shall be good and marketable and free from all encumbrances except for any minor service easements or rights-of-way which do not materially and adversely impact the Property or the Purchaser's use thereof to be reserved in favour of the Vendor and to be agreed upon by the Vendor and the Purchaser, each acting reasonably and for any easements or rights-of-way registered on title and any minor encroachments shown on any survey or reference plan delivered to the Purchaser. Any required easement shall be in the form set out in Schedule "C".
- (b) The Purchaser is allowed until one hundred and fifty (150) days following the Council Approval Date (the "**Due Diligence Date**") to examine the title to the Property. If on or before this date the Purchaser furnishes the Vendor in writing with any valid objections: to the title; to any undisclosed outstanding work orders; to undisclosed non-compliance with the municipal by-laws or covenants and restrictions which run with the land and cannot be resolved before the Completion Date; as to any objection of which the Vendor shall be unable to remedy or correct by the Completion Date and which the Purchaser will not waive, then this APS shall, notwithstanding any intermediate acts or negotiations, be terminated and the deposit shall be returned to the Purchaser without deduction and the Vendor and the Purchaser shall not be liable for any costs, damages, compensation or expenses.

19. Survey or Reference Plan

The parties acknowledge that a survey may be required and a reference plan may be registered on title and may be used to provide a registrable description of the Property and any easements. To the extent that a reference plan is required in respect of any easement being reserved in favour of the Vendor, the Vendor shall be responsible for obtaining such reference plan at its sole cost and expense.

20. Vendor to Discharge all Encumbrances

The Vendor agrees to obtain and register at its own expense, on or before the Completion Date, a discharge of all liens, encumbrances and mortgages now registered against the Property and not assumed by the Purchaser. The Vendor further covenants and agrees to discharge, on or before the Completion Date, any and all liens, chattel mortgages, assignments or any other security interest given by the Vendor against its personal property.

21. Permitted Encumbrances

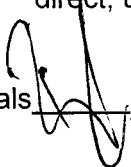
Notwithstanding anything contained in this Agreement, the Purchaser agrees to accept title to the Property subject to the following registered instruments:

- (a) Development Agreement registered as Instrument No. 423455;
- (b) Reference Plan registered as Instrument No. 41R9104;
- (c) Application to Change Name-Owner registered as Instrument No. CO127701; and,
- (d) Transfer Easement registered as Instrument No. CO127762.

22. Harmonized Sales Tax

- (a) If the sale of the Property is subject to Harmonized Sales Tax ("**HST**") under the *Excise Tax Act*, R.S.C., 1985, c. E-15 (the "**Act**"), then such tax shall be in addition to Purchase Price. The Vendor shall provide the Purchaser with its HST registration number. The Purchaser shall pay to the Vendor any HST imposed under the Act payable in connection with the transfer of the Property to the Purchaser, or as it may direct, unless the Purchaser or its nominee, or its assignee, provides:

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- (i) a certificate on or before the Completion Date containing a representation and warranty to the Vendor that:
  - (1) it is registered for the purpose of the HST on the Completion Date and specifying its HST registration number;
  - (2) it will self-assess the HST on its GST/HST return or file the prescribed form pursuant to subsection 228(4) of the Act in connection with the purchase of the Property;
  - (3) the Property transferred pursuant to this APS is being purchased by the Purchaser, or its nominee or assignee, as principal for its own account and is not being purchased by the Purchaser as agent, trustee or otherwise on behalf of or for another person, and does not constitute a supply of residential complex made to an individual for the purpose of paragraph 221 (2)(b) of the Act; and,
  - (4) an indemnity, indemnifying and saving harmless the Vendor from any HST payable on this transaction and penalty and interest relating to HST.
- (b) If the Property is not subject to HST, the Vendor agrees to certify on or before the Completion Date that the transaction is not subject to HST.

23. Adjustments


- (a) The Vendor agrees that all deposits, if any, held by the Vendor shall be credited to the Purchaser in the statement of adjustments prepared for the Completion Date.
- (b) Any rents, mortgage, interest, taxes, local improvements, water and assessment rates shall be apportioned and allowed to the Completion Date, the day itself to be apportioned to the Purchaser.

24. Deliveries by the Vendor to the Purchaser on Closing

The Vendor covenants and agrees to deliver to the Purchaser on the Completion Date, all such deliveries to be a condition of the Purchaser's obligation to close this transaction, the following:

- (a) a deed/transfer of the Property;
- (b) any survey or reference plan of the Property in the possession of the Vendor;
- (c) a statutory declaration by an authorized officer of the Vendor stating that accurateness and truthfulness of all of the representations and warranties;
- (d) a statutory declaration by an authorized officer of the Vendor that it is not now, and upon completion will not be, a "non-resident person" within the meaning and for the purpose of Section 116 of the Income Tax Act, R.S.C., 1985, c. 1 (5th Supp.) as amended;
- (e) a bring down certificate confirming that the representations and warranties set out in this Agreement remain true and correct;
- (f) an undertaking by the Vendor to adjust or readjust any item in or omitted from, but otherwise properly included in, the statement of adjustments, forthwith upon written request by the Purchaser;
- (g) an assignment and assumption of permitted encumbrances in respect of the instruments listed in Section 21 of this Agreement;
- (h) certified copies of all appropriate certificates, by-laws and other documents of Vendor authorizing the transaction herein; and
- (i) such further documentation and assurances as the Purchaser may reasonably require to complete the transaction contemplated by the APS.

25. Deliveries by the Purchaser to the Vendor on Closing

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The Purchaser covenants and agrees to deliver to the Vendor on the Completion Date, all such deliveries to be a condition of the Vendor's obligation to close this transaction, the following:

- (a) a bank wire in an amount equal to the balance of the Purchase Price due to the Vendor or as the Vendor may direct;
- (b) a direction signed by the Purchaser setting out in whose name to engross the deed/transfer of the Property;
- (c) an undertaking by the Purchaser to adjust or readjust any item in or omitted from, but otherwise properly included in, the statement of adjustments, forthwith upon written request by the Vendor;
- (d) a bring down certificate confirming that the representations and warranties set out in this Agreement remain true and correct;
- (e) the release and indemnity described in Section 15 of this Agreement;
- (f) an assignment and assumption of permitted encumbrances in respect of the instruments listed in Section 21 of this Agreement;
- (g) if the sale of the Property is subject to HST and the Purchaser chooses to self-assess for the HST, the documents identified in Section 22 of this Agreement; and,
- (h) such other documents as may be required by the Purchaser's lawyers, acting reasonably.

26. Deed/Transfer

- (a) The Deed or Transfer of the Property will be prepared at the expense of the Vendor in a form acceptable to the solicitors for the Purchaser and the Purchaser will pay all Land Transfer Tax, Harmonized Sales Tax and other costs in connection with the registration of it.

27. Electronic Registration

- (a) The parties agree that the transaction shall be completed by electronic registration pursuant to Part III of the *Land Registration Reform Act*, R.S.O. 1990, c.L.4 as amended. The parties acknowledge and agree that the delivery and release of documents may, at the discretion of the lawyer: a) not occur contemporaneously with the registration of the transfer/deed and other registrable documentation, and b) be subject to conditions whereby the lawyer receiving documents and/or money will be required to hold them in trust and not release them except in accordance with the terms of a written agreement between the lawyers entered into in the form of the Document Registration Agreement adopted by the Joint LSUC-OBOA Committee on Elective Registration of Title Documents.

## SECTION VI - MISCELLANEOUS

28. Entire Agreement

There is no representation, warranty, collateral agreement or condition affecting this Agreement of the Property other than expressed herein.

29. Acceptance by Fax or Email

The Purchaser and Vendor acknowledge and agree that the communication of this Agreement may be transmitted by way of facsimile or electronic mail, and that they agree to accept such signatures and documents to be legal and binding upon them.

30. Counterparts

This Agreement may be signed in any number of counterparts, each of which is considered to be an original, and all of which are considered to be the same documents.

31. Tender

Any tender of documents or moneys hereunder may be made upon the solicitor acting for the party upon whom tender is desired, and it shall be sufficient that a certified cheque or bank draft may be tendered instead of cash.

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32. Time of Essence

Time shall be of the essence of this Agreement.

33. Planning Act

This Agreement shall be effective only if the provisions of Section 50 of the *Planning Act*, R.S.O. 1990, c.P.13, as amended are complied with.

34. Notices

All notices in this Agreement shall be in writing and shall be deemed to have been given if delivered by hand or mailed by ordinary mail, postage prepaid, addressed to the solicitor for the person to whom such notice is intended to be given at the following addressed:

**Solicitors for the Vendor:**

Duncan, Linton LLP  
ATTENTION: Adrian Rosu  
45 Erb Street West  
Waterloo, ON N2J 4B5  
Fax: (519) 886-8651

with a copy delivered to:

The Corporation of the Town of Tillsonburg  
ATTENTION: Development Commissioner  
204-200 Broadway  
Tillsonburg, ON N4G 5A7  
Fax: 519-842-9431

**Solicitors for the Purchaser:**

Attn.: Tamara Katz  
GARDINER ROBERTS LLP  
Bay Adelaide Centre - East Tower  
22 Adelaide Street West, Suite 3600  
Toronto, Ontario M5H 4E3  
(T) 416 865 6600 (F) 416 865 6636

If mailed, such notices must also be given by facsimile transmission on the date it was so mailed. If so given, such notices shall be deemed to have been received on the first business day following the date it was delivered or marked mailed out.

35. Schedules

The following Schedules shall form an integral part of this Agreement:

- (a) Schedule "A": Description of the Property;
- (b) Schedule "B": Conditions;
- (c) Schedule "C": Easement; and,
- (d) Schedule "D": Development Covenants.

36. Successors and Assigns

The Purchaser shall not assign its rights, title, or interest in and to this APS. Notwithstanding the foregoing, and subject to Section 10 of this APS, the Purchaser may assign all or part of its rights, title, or interest in and to this APS to a related person (as that term is defined in Section 251(2) of the *Income Tax Act*, R.S.C., 1985, c. 1) upon the Vendor's consent, which consent may not be unreasonably withheld. Subject to the foregoing restrictions, the Vendor agrees to engross the deed/transfer as directed by the Purchaser on the Completion Date as the Purchaser may elect, and the Vendor agrees to complete the transaction contemplated by this APS on the Completion Date with such assignee or nominee. The Purchaser is released from all liability hereunder, if it assigns its interest in this APS. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

37. Severability  
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If any provision of this Agreement, or the application thereof to any circumstances, shall be held to be invalid or unenforceable, then the remaining provisions of this Agreement, or the application thereof to other circumstances, shall not be affected, and shall be valid and enforceable.

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**IN WITNESS WHEREOF** the Purchaser has executed this Agreement:

Dated at WATERLOO, Ontario this 31 day of Aug, 2022.

**PeopleCare Inc.**

Per: 

\_\_\_\_\_  
Name: Brent Gingerich

Title: CEO, peopleCare Inc

\_\_\_\_\_  
Name:

Title:

I/We have authority to bind the Corporation.

The Vendor hereby accepts this Agreement according to its terms.

Dated at Tillsonburg, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**IN WITNESS WHEREOF** the Vendor has executed this Agreement:

**The Corporation of the Town of  
Tillsonburg**

\_\_\_\_\_  
Stephen Molnar  
Mayor

\_\_\_\_\_  
Michelle Smibert  
Clerk

We have authority to bind The Corporation  
of the Town of Tillsonburg.

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**SCHEDULE "A" - LEGAL DESCRIPTION OF THE PROPERTY**

PART LOT 380 PLAN 500; PART 1 PLAN 41R9104, EXCEPT PART 1 PLAN 41R10139; SUBJECT TO AN EASEMENT IN FAVOUR OF PART LOT 380 PLAN 500 PARTS 2 & 3 PLAN 41R9104 AS IN CO127762; TOGETHER WITH AN EASEMENT OVER PART LOT 380 PL 500 PART 2 PLAN 41R9104 AS IN CO127763; TOWN OF TILLSONBURG

PIN: 00041-0846 (LT)

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## SCHEDULE "B" – CONDITIONS

### 1. Conditions

#### (a) Council Approval

The parties agree and acknowledge that negotiation of this APS will not result in a valid and binding agreement until accepted by the Vendor's council. The Vendor's chief administrative officer, or designate, shall negotiate the terms of this APS in good faith. However, the negotiation of the terms of this APS by the Vendor's chief administrative officer, or designate, in no ways binds the Vendor until such time as this APS is authorized and approved by the Vendor's council. The transaction contemplated by this Agreement is subject to compliance with Section 270 of the *Municipal Act, 2001*, S.O. 2001, c. 25 as amended and the approval of the Vendor's council in its sole and absolute discretion by resolution or by-law. If Council approval is not obtained on or before November 30, 2022 (the "**Council Approval Date**"), then this Agreement shall be null and void and any deposits paid by the Purchaser shall be returned to the Purchaser without interest or deduction.

#### (b) Completion of Purchase

The parties agree and acknowledge that the Property is not currently owned by the Vendor. The transaction contemplated by this Agreement is subject to the completion by the Vendor of the purchase of the Property. If the purchase of the Property by the Vendor is not completed before the Council Approval Date, then this Agreement shall be null and void and any deposits paid by the Purchaser shall be returned to the Purchaser without interest or deduction.

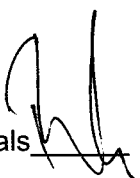
#### (c) Due Diligence

The transaction contemplated by this Agreement is subject to the Purchaser being satisfied in its sole discretion with all aspects of the Property, including with respect to all financial, development feasibility, municipal agreements, title, environmental, geotechnical and engineering matters and as to the condition and appearance of the Property. If the Purchaser does not provide written notice that this condition is fulfilled or waived on or before the Due Diligence Date, then this Agreement shall be null and void and any deposits paid by the Purchaser shall be returned to the Purchaser without interest or deduction.

#### (d) Board Approval

The transaction contemplated by this Agreement is subject to the Purchaser receiving board approval from its board of directors. If the Purchaser does not waive this condition in writing on or prior to the Due Diligence Date, then this Agreement shall be null and void and any deposits paid by the Purchaser shall be returned to the Purchaser without interest or deduction.

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**SCHEDULE "C" – EASEMENT**

**TERMS AND PROVISIONS OF THE EASEMENT:**

1. The Owner hereby grants, conveys and confirms to The Corporation of the Town of Tillsonburg (the "**Town**"), its successors and assigns, in perpetuity, the free, uninterrupted and undisturbed right and easement to enter upon the lands herein described at any time for the purposes of constructing, installing and maintaining all municipal services of any kind (including water distribution pipes and sanitary and storm sewers) in, under, over and upon the said lands, and with the further and continuing right to the Town, its successors and assigns, and its servants, agents and workers to enter upon the lands at any time to construct, repair, correct, operate, replace and maintain at all times in good condition and repair the municipal services and for every such purpose the Town shall have access to the said lands at all times by its agents, servants, employees and workers.

2. The Town covenants and agrees that, upon completion of any work undertaken hereunder, the Town will restore the areas of land upon which it has performed work to the same condition as that in which the lands were found prior to the commencement of the work.


3. The Owner covenants with the Town to keep the lands herein described free and clear of any trees, buildings, structures or other obstructions which may limit the use, operation, repair, replacement or maintenance of the easement and to use the lands herein described only in a manner and for purposes not inconsistent with the exercise of the rights created by this indenture and without limiting the generality of the foregoing, only as a yard, lawn, garden, flowerbed, roadway, driveway or parking area and the Owner agrees not to do or suffer to be done anything which might injure any of the works of the Town hereon.

The term "building" as set out herein shall specifically include any window sills, chimney breasts, cornices, eaves or other architectural features projecting from the first floor of the building but shall not include window sills, chimney breasts, cornices, eaves or other architectural features projecting from the second floor of the building by less than two (2) feet and such second floor projections shall be specifically authorized and allowed to encroach upon the lands herein described.

4. The Town, by the acceptance and registration of the within easement, agrees to be bound by the terms and provisions contained herein.

5. The burden and benefit of this easement shall run with the lands herein described and shall extend to and be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

6. This is an easement in gross.

Buyer's Initials  \_\_\_\_\_

Seller's Initials \_\_\_\_\_

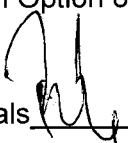
**SCHEDULE "D"**  
**DEVELOPMENT COVENANTS**

1. Title Control

- (a) The owner or owners of the property (the "**Owner**") upon which these development covenants attach (the "**Property**") covenants and agrees that it may not use the Property for its intended use and may not retain ownership of the Property unless the Owner has commenced construction a permanent building with a minimum building coverage of ten percent (10%) of the total area of the Property within two (2) years of the Completion Date (the "**Construction Condition**").
- (b) In the event that the Construction Condition is not met in accordance with the provisions of subclause 1.a) above, the Owner may request from The Corporation of the Town of Tillsonburg (the "**Town**"), in writing, an extension of the time specified in subclause 1.a) above up to two (2) maximum extension periods of six (6) months each, (the later of such two extensions, the "**Extended Time**") upon payment by the Owner to the Town of a performance deposit equal to ten percent (10%) of the purchase price of the Property (the "**Performance Deposit**"). The Performance Deposit shall be refunded to the Owner, without interest, upon the Owner's compliance with and completion of the provisions of subclause 1.a) above within the Extended Time. In the event that the Owner fails to obtain the development agreement within the Extended Time, then the Town shall, in addition to its other rights and remedies as set out herein or otherwise, be entitled to retain the Performance Deposit as liquidated damages and not as a penalty, in partial or full satisfaction of the Town's damages.
- (c) In the event that the Construction Condition is not met within the periods therein specifically set out or within the Extended Time, the Owner, will, at the option of the Town by notice in writing to the Owner, re-convey good title to the Property to the Town, free and clear of all encumbrances, in consideration for payment by the Town to the Owner of 90% of the purchase price paid by the Owner to the Town for the conveyance of the Property in the first instance (the "**Repurchase Price**"). The re-conveyance shall be completed within sixty (60) days of the notice set out in this subclause. The Town shall be allowed to deduct from the Repurchase Price all of its reasonable costs, realty commission and legal fees incurred with respect to the original conveyance of the Property by the Town to the Owner, as well as the costs of the Town in re-acquiring the Property, including without limitation, realty commission, registration costs, land transfer tax, legal fees and such other costs as reasonably incurred by the Town. Other than as set forth herein, the Town shall not be required to pay for any improvements that may have been made, constructed, installed or performed by the Owner on the Property.
- (d) The Owner covenants that it will not sell the Property or any part thereof to any person, firm or corporation without first offering, in writing, to sell the Property to the Town for consideration equal to the consideration paid by the Owner to the Town in the original conveyance of the Property (or in the case of the sale of part of the Property, consideration equal to or less than the price per square foot paid by the Owner to the Town in the original conveyance of the Property). The Town shall be allowed to deduct from the Repurchase Price all of its reasonable costs, realty commission and legal fees incurred with respect to the original conveyance of the Property by the Town to the Owner, as well as the costs of the Town in re-acquiring the Property, including without limitation, realty commission, registration costs, land transfer tax, legal fees and such other costs as reasonably incurred by the Town. Notwithstanding anything herein to the contrary, the Owner may sell or transfer the Property to a subsidiary or affiliate corporation as defined in the *Business Corporations Act*, R.S.O. 1990, c.B.16 as amended, provided such subsidiary assumes and confirms its acceptance of the within covenants and restrictions and expressly undertakes in writing to comply with them in such form as the Town may require. The Town shall have ninety (90) days from the receipt of an offer made by the Owner under this subclause, to accept such offer which acceptance shall be in writing. If the Town does not accept an offer to sell made by the Owner under the provisions of this subclause, the Town's right to repurchase the Property so offered shall terminate. However, the remaining provisions of this clause 1 as well as other provisions herein shall continue in full force and effect. The limitation contained in this subclause, will expire upon the Owner meeting its Construction Condition.

2. Town Option on Vacant Portion of Land

Buyer's Initials



Seller's Initials \_\_\_\_\_

- (a) The Town shall have the option to repurchase such vacant portion of the Property not used by the Owner for the construction of building(s) thereon provided such land is not reasonably ancillary to the Owner's use and occupation of the said building or the Property as a continuum of care campus, with centre of excellence partnership.
- (b) This option shall only be exercisable if the Owner has not constructed permanent buildings with a minimum building coverage of twenty-five percent (25%) of the total area of the Property.
- (c) The option shall be exercisable by the Town for consideration equal to the per square foot paid by the Owner to the Town in the original conveyance of the Property. The Town shall be allowed to deduct from the Repurchase Price all of its reasonable costs, realty commission and legal fees incurred with respect to the original conveyance of the Property by the Town to the Owner, as well as the costs of the Town in re-acquiring the Property, including without limitation, realty commission, registration costs, land transfer tax, legal fees and such other costs as reasonably incurred by the Town.
- (d) This option expires ten (10) years from the Completion Date.

3. Development Standards

- (a) The Owner shall not construct and maintain a building unless the exterior of the wall or walls of any building or structure facing any municipal street is constructed of a minimum sixty (60) percent brick, precast stone, glass, pre-cast concrete or alternative non-steel materials and subject to approval by the Town, in their sole and absolute discretion, acting reasonably, through the Town's Site Plan Approval process.
- (b) The Owner shall not use the Property unless any portion of any area of the Property to be used for open storage shall not be left so that any area is unenclosed, and any such areas shall be enclosed and designed so that the storage area is not visible from any municipal street. No storage shall be permitted within any set back area as set out in the Town's zoning bylaw, nor in front of any building or structure facing any municipal roadway.
- (c) The Owner hereby acknowledges that it is aware that the Property is designated as within a site plan control area. The Owner shall not commence any construction or use the Property until site plan approval has been obtained. The external building materials used on any building to be constructed on the Property must be approved in writing in advance by the Town as part of such site plan control approval process.
- (d) Subject to subclause 1(a) above, the Owner shall comply with the provisions of the development agreement entered into by the Owner and the Ministry of Long Term Care with respect to the timelines for construction of the Property as set forth therein.

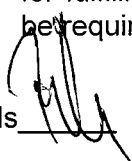
4. Assignment of Covenants

- (a) The Owner acknowledges and agrees that the covenants and restrictions herein shall run with the title to the Property. The Owner, for itself, its successors, heirs, and assigns in title from time to time of all or any part or parts of the Property will observe and comply with the stipulations, restrictions, and provisions herein set forth (the "**Restrictions**"), and covenants that nothing shall be erected, fixed, placed or done upon the Property or any part thereof in breach or in violation or contrary to the Restrictions or the provisions of the agreement of purchase and sale between the Owner and the Town of Tillsonburg and that the Owner will require every subsequent purchaser or every successor in title to assume and acknowledge the binding effect of this document, as well as, covenant to observe and comply with the Restrictions and other covenants herein, and the surviving provisions of the Agreement of Purchase and Sale.

5. Force Majeure

- (a) If the Owner shall be unable to fulfill, or shall be delayed or restricted in fulfilling any of the obligations set out herein due to any act or neglect of the Town or any of its employees, or due to strikes, walkouts, lockouts, fire, unusual delay by common carriers, or by any other cause beyond the Owner's reasonable control, then the time for fulfilling any such obligations shall be extended for such reasonable time as may be required by the Owner to fulfill such obligation.

Buyer's Initials \_\_\_\_\_

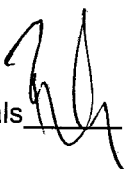


Seller's Initials \_\_\_\_\_

6. Right to Waive

- (a) Notwithstanding anything herein contained, the Town and its successors shall have the power by instrument or instruments in writing from time to time to waive, alter or modify the herein covenants and restrictions with respect to their application to any part of the Property without notice to or approval from the Owner or notice to or approval from the owners of any other adjacent or nearby lands.

Buyer's Initials



Seller's Initials \_\_\_\_\_

