

THIS AGREEMENT OF PURCHASE AND SALE (this “Agreement”) is made as of the 11th day of February, 2025,

B E T W E E N:

THE CORPORATION OF THE TOWN OF TILLSONBURG
(the “Vendor”)

OF THE FIRST PART

- and -

PERFORMANCE COMMUNITIES REALTY INC.
(the “Purchaser”)

OF THE SECOND PART

WHEREAS:

- A. the Vendor is the registered owner, in fee simple, of the lands and premises described in Schedule “A” attached hereto (collectively, the “Property”); and,
- B. the Purchaser wishes to purchase from the Vendor and the Vendor wishes to sell to the Purchaser the Property on the terms and conditions set out in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and premises hereinafter set forth and for other valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Vendor and the Purchaser hereby agree as follows:

- 1. **Defined Terms.** In this Agreement and in the Schedules attached hereto, and in any supplemental or amending agreement, unless otherwise stated, the following capitalized terms shall have the meaning for prescribed for each:
 - (a) “Acceptance Date” means the date that this offer is accepted by the Vendor;
 - (b) “Agreement” means the within Agreement of Purchase and Sale and the Schedules appended thereto, as amended, amended and restated, renewed, extended, supplemented, replaced, or otherwise modified from time to time;
 - (c) “Business Day” means any day that is not a Saturday, Sunday, or statutory holiday in the Province of Ontario;
 - (d) “Closing” means the completion of the purchase and sale of the Property under this Agreement;
 - (e) “Closing Date” means March 20, 2025;
 - (f) “ETA” means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended from time to time;

- (g) “**HST**” means the applicable Harmonized Sales Tax in accordance with the *ETA* or other applicable legislation governing same payable with respect to the purchase of the Property;
 - (h) “**Irrevocable Date**” means March 14, 2025;
 - (i) “**Parties**” means the Vendor and the Purchaser, and “**Party**” means one of them, as required by context;
 - (j) “**Property**” has the meaning ascribed to it in Paragraph A of the recitals of this Agreement;
 - (k) “**Purchase Price**” has the meaning ascribed to it in Section 3 of this Agreement;
 - (l) “**Purchaser**” means the purchaser named in the recitals of this Agreement and includes “buyer”;
 - (m) “**Purchaser’s Solicitor**” means such firm or firms of solicitors as are appointed by the Purchaser from time to time and notice of which is provided to the Vendor;
 - (n) “**Requisite Deliveries**” has the meaning ascribed to it in Section 17 of this Agreement;
 - (o) “**Requisition Date**” means 6:00 p.m. on the first (1st) Business Day that is at least fourteen (14) days before the Closing Date;
 - (p) “**Vendor**” means the vendor named in the recitals of this Agreement and includes “seller”; and,
 - (q) “**Vendor’s Solicitor**” means Duncan, Linton LLP, or such other firm or firms of solicitors as are appointed by the Vendor from time to time and notice of which is provided to the Purchaser.
2. ***Purchase and Sale.*** The Vendor agrees to sell, and the Purchaser agrees to purchase, all of the Vendor’s right, title, estate, and interest in and to the Property, together with all fixtures, buildings, structures, and improvements now or hereafter located thereon and together with all easements, rights-of-ways, privileges and appurtenances attaching thereto and enuring to the benefit thereof, on the terms and conditions contained in this Agreement.
3. ***Purchase Price.*** The purchase price for the Property shall be Two Dollars (\$2.00) of lawful money of Canada (the “**Purchase Price**”).
4. ***Payment of the Purchase Price.*** The Purchase Price shall be paid by the Purchaser on Closing, subject to adjustments, in the form of a certified cheque or bank wire using the “Lynx High Value Payment System” drawn on the Purchaser’s Solicitor’s trust account, made payable to the Vendor’s Solicitor.

5. ***Harmonized Sales Tax.*** If the sale of the Property is subject to HST, then such HST shall be in addition to the Purchase Price. If the sale of the Property is not subject to HST, the Vendor shall certify on or before the Closing Date that the sale of the Property is not subject to HST. The Vendor shall not collect any HST payable on this transaction if, on or before the Closing Date, the Purchaser delivers a certificate confirming that:
 - (a) it is registered for the purpose of HST and specifying its HST registration number;
 - (b) it will self-assess for the HST on its GST/HST return or file the prescribed form pursuant to subsection 228(4) of the *ETA* in connection with the purchase of the Property;
 - (c) it is purchasing the Property for its own account and is not purchasing the Property as agent, trustee or otherwise on behalf of or for another person, and does not constitute a supply of a residential complex made to an individual for the purpose of paragraph 221(2)(b) of the *ETA*; and,
 - (d) it will indemnify and save harmless the Vendor from any HST payable on this transaction and any penalty or interest relating thereto.
6. ***Adjustments.*** Any rents, realty taxes, local improvement rates, unmetered public or private utility charges, unmetered cost of fuel, and any other items which are usually adjusted for according to the usual practice for commercial transactions in the vicinity of the Property shall be apportioned and allowed to the Closing Date, the Closing Date itself to be apportioned to the Purchaser.
7. ***Irrevocable Date.*** This offer shall be irrevocable by the Purchaser until the Irrevocable Date, after which time, if not accepted, this offer shall be null and void and any deposit paid by the Purchaser shall be returned to the Purchaser in full without interest or deduction.
8. ***Council Approval.*** 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 from time to time, and approval by the Vendor's council in its sole and absolute discretion by by-law. If the transaction contemplated by this Agreement is not approved by the Vendor's council by by-law before 12:00 p.m. on the Closing Date, this Agreement will become null and void and any deposit paid by the Purchaser shall be returned to the Purchaser in full without interest or deduction.
9. ***Closing.*** Closing shall take place by no later than 5:00 p.m. on the Closing Date, or such other date as mutually agreed upon between the Purchaser and the Vendor, at which time possession of the Property in "as is, where is" condition shall be given to the Purchaser.
10. ***"As Is" Condition.*** The Purchaser acknowledges that, except as otherwise expressly provided for in this Agreement, the Property is being purchased on an "as is, where

is” basis and that it has satisfied itself before making this offer as to all matters regarding the Property, including, without limiting the generality of the foregoing, physical conditions, 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 intended 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 associated with the Property.

11. ***Transfer/Deed.*** The Vendor agrees to transfer or deed the Property to the Purchaser on the Closing Date. The transfer or deed shall be prepared in a form acceptable to the solicitors for the Purchaser and the Purchaser shall pay all Land Transfer Tax and costs associated with its registration.
12. ***Title Search.*** The Purchaser shall be allowed until the Requisition Date to examine the title to the Property at the Purchaser’s own expense. 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 that run with the Property 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 telecommunication services to the Property or adjacent properties; and,
 - (d) any easements (including easements which may be reserved in favour of the Vendor) for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines, or other services which do not materially affect the use of the Property.

If before the Requisition Date any valid objection to title or to any outstanding work order or deficiency notice or that any building situate on the Property may not be insured against risk of fire is made in writing to the Vendor and which the Vendor is unable or unwilling to remove, remedy or satisfy or obtain title insurance (save and except risk of fire) in favour of the Purchaser and any mortgagee, and which the Purchaser will not waive, 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 the Vendor shall not be liable for any costs or damages. Save as to any valid objection so made by the Requisition Date and

except for any objection going to the root of the title, the Purchaser shall be conclusively deemed to have accepted the Vendor's title to the Property.

13. ***Discharge of Existing Charges/Mortgages.*** The Purchaser shall not call for the production of any title deed, abstract, survey, or other evidence of the title to the Property except such as are in the possession and control of the Vendor. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the *Trust and Loan Companies Act*, S.C. 1991, c. 45 (as amended from time to time), chartered bank, trust company, credit union, *caisse populaire*, or insurance company and which is not to be assumed by the Purchaser on Closing is not available in registrable form on the Closing Date, the Purchaser agrees to accept the Vendor's Solicitor's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after the Closing Date, provided that the Vendor shall provide to the Purchaser a mortgage statement prepared by the chargee or mortgagee setting out the balance required to obtain the discharge.
14. ***Future Use.*** The Purchaser acknowledges and agrees that it will be required by the Vendor to rededicate the Property to the Vendor for stormwater management purposes, free of charge to the Vendor and any encumbrances, upon registration of a plan of subdivision in respect of adjoining lands owned by the Purchaser. The Purchaser hereby undertakes not to call into question directly or indirectly in any proceeding in law or in equity or before any administrative tribunal the right of the Vendor to require the rededication of the Property to the Vendor. This section shall survive and not merge upon Closing.
15. ***Planning Act.*** This Agreement shall be effective to create an interest in the Property only if the Vendor complies with the subdivision control provisions of the *Planning Act*, R.S.O. 1990, c. P.3, as amended from time to time, by the Closing Date.
16. ***Residency.*** The Vendor shall deliver to the Purchaser a statutory declaration by an officer of the Vendor wherein the officer declares that, as of the Closing Date, the Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended from time to time, failing which, the Purchaser will be credited against the Purchase Price with the amount necessary to pay to the Minister of National Revenue to satisfy the Purchaser's liability under the said legislation for tax payable on this transaction.
17. ***Closing Arrangements.*** The Parties acknowledge and agree that the exchange of closing funds, non-registrable documents, and other items (collectively, the "Requisite Deliveries") and the release thereof to the Vendor and the Purchaser, respectively, will:
 - (a) not occur at the same time as the registration of the transfer or deed (and any other documents intended to be registered in connection with the Closing); and,

- (b) be subject to conditions whereby the solicitors receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said solicitors.

The Parties hereby irrevocably instruct the said solicitors to be bound by the Document Registration Agreement which is recommended from time to time by the Law Society of Ontario.

18. ***Deliveries by the Vendor.*** The Vendor agrees to deliver to the Purchaser on or before the Closing Date the following:

- (a) deposit instructions or wire particulars for the Vendor's Solicitor's trust account and a signed direction permitting payment of the balance of the Purchase Price thereto;
- (b) a registrable transfer or deed of the Property;
- (c) a statement of adjustments;
- (d) an undertaking by the Vendor to readjust any errors or omissions from the statement of adjustments;
- (e) if applicable, the certificate regarding HST contemplated in Section 5 of this Agreement;
- (f) the statutory declaration regarding residency contemplated in Section 16 of this Agreement; and,
- (g) such other documents as may reasonably be required by the Purchaser and are customarily utilized for purchase and sale transaction involving similar property in the vicinity of the Property.

19. ***Deliveries by the Purchaser.*** The Purchaser agrees to deliver to the Vendor on or before the Closing Date the following:

- (a) the balance of the Purchase Price payable pursuant to this Agreement;
- (b) an undertaking by the Purchaser to readjust any errors or omissions from the statement of adjustments;
- (c) a signed direction identifying the name in which to engross the transfer or deed;
- (d) if applicable, the certificate regarding HST contemplated in Section 5 of this Agreement; and,

- (e) such other documents as may reasonably be required by the Vendor and are customarily utilized for purchase and sale transactions involving similar property in the vicinity of the Property.
20. **Real Estate Commission.** The Parties each represent and warrant to the other that neither has engaged any real estate agent or broker in connection with the matters contemplated in this Agreement and, accordingly, no commissions are payable to any real estate agents or brokers. This representation and warranty shall survive and not merge on Closing.
21. **Time.** 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 the Vendor and the Purchaser or by their respective solicitors who may be specifically authorized in that regard.
22. **Time and Date.** Any reference to a time and date in this Agreement shall mean the time and date where the Property is located.
23. **Entire Agreement.** This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between the Vendor and the Purchaser. There is no representation, warranty, collateral agreement, or condition which affects this Agreement other than as expressed herein.
24. **Interpretation.** This Agreement shall be read with all changes of gender or number required by the context. The division of this Agreement into sections and the insertion of headings are for convenience of reference only and do not affect the constitution or interpretation hereof.
25. **Recitals.** The Parties acknowledge and declare that the recitals constitute part of this Agreement and are true in substance and fact.
26. **Severability.** If any provision of this Agreement, or the application thereof to any circumstances, is 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.
27. **Notices.** Unless stated otherwise in this Agreement, all notices required to be given pursuant to this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered personally, by email, or mailed by prepaid registered mail addressed to the Party to whom such notice is intended to be given at the following addresses:

For the Vendor:

The Corporation of the Town of Tillsonburg
Attn: Tanya Daniels, Clerk
10 Lisgar Avenue
Tillsonburg, ON N4G 5A5

Email: tdaniels@tillsonburg.ca

with a copy to:

Duncan, Linton LLP
Attn: Adrian L. Rosu
45 Erb Street East
Waterloo, ON N2J 1L7
Email: adrian@kwlaw.net

For the Purchaser:

Performance Communities Realty Inc.
Attn: William R. Hayhoe
1 Barrie Boulevard
St. Thomas, ON N5P 4B9

with a copy to:

Andrew Hentz
Lerners LLP
88 Dufferin Avenue
London, ON N6A 4G4

Any such notice so given or made will be deemed to have been given or made and to have been received on the day of delivery if emailed or delivered personally, or on the third (3rd) day following the date of mailing if delivered by prepaid registered mail, provided that in each case such day is a Business Day and the notice is so delivered or sent prior to 5:00 p.m. on such day. Otherwise, such notice will be deemed to have been given and made and to have been received on the next following Business Day.

28. **Assignment.** The Purchaser shall not assign any of its obligations, rights, title, or interest in or to any part of this Agreement or the transactions contemplated thereby without the prior written consent of the Vendor, which consent shall be in the Vendor's sole and unfettered discretion.
29. **Schedules.** The following Schedules are attached hereto and are hereby deemed to be incorporated into this Agreement by reference as though set forth in full:

Schedule "A": Description of the Property

In the event of any conflict or discrepancy between the terms and conditions of this Agreement and any Schedule attached hereto, the Schedule shall prevail.

30. **Counterparts.** This Agreement may be executed in any number of counterparts and by facsimile or other form of electronic transmission reproducing an original, each of

which will be deemed to be an original, and such counterparts will constitute one and the same instrument.

31. ***Electronic Signatures.*** The Parties consent and agree to the use of electronic signatures pursuant to the *Electronic Commerce Act, 2000*, S.O. 2000, c. 17, as amended from time to time, with respect to this Agreement and any other documents respecting the transaction contemplated by this Agreement.

[Remainder of page left blank. Signing page follows.]

IN WITNESS WHEREOF, the Purchaser hereby makes this offer, which shall be irrevocable until the Irrevocable Date.

**PERFORMANCE COMMUNITIES
REALTY INC.**

Per: ^{Signed by:} William Ralph Hayhoe
Name: William R. Hayhoe
Title: President

I have authority to bind the corporation.

The Vendor hereby accepts and agrees to the terms of this Agreement this ____ day of _____, 2025.

**THE CORPORATION OF THE TOWN
OF TILLSONBURG**

Per: _____
Name: Deb Gilvesy
Title: Mayor

Per: _____
Name: Tanya Daniels
Title: Clerk

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

SCHEDULE "A"

Description of the Property

Firstly:

PART OF BLOCK 22, PLAN 41M-148, BEING DESIGNATED AS PART 1 ON PLAN 41R-10762; TOWN OF TILLSONBURG

Part of PIN: 00021-0346 (LT)

Secondly:

PART OF PARCEL A-1 SECTION M-16 BLOCK A ON PLAN M-16, BEING DESIGNATED AS PARTS 3 AND 4 ON PLAN 41R-10762; TOWN OF TILLSONBURG

Part of PIN: 00021-0160 (LT)