

The Corporation of the Town of Tillsonburg

COUNCIL BUDGET MEETING

AGENDA



Thursday, September 12, 2019

5:00 PM

Council Chambers

200 Broadway, 2nd Floor

1. Call to Order

2. Adoption of Agenda

Proposed Resolution #1

Moved By: _____

Seconded By: _____

THAT the Agenda as prepared for the Council Budget Meeting of Thursday, September 12, 2019, be adopted.

3. Moment of Silence

4. Disclosures of Pecuniary Interest and the General Nature Thereof

5. Departmental Reports

5.1 DCS 19-28 Offer to Purchase - 31 Earle Street

Proposed Resolution # 2

Moved By: _____

Seconded By: _____

THAT Council receive Report DCS 19-28 Offer to Purchase – 31 Earle Street;

AND THAT a by-law be brought forward to declare the lands surplus and to authorize the Mayor and Clerk to enter into an agreement of purchase and sale with peopleCare Inc for the property known 31 Earle Street, and more particularly described as Lots 25 and 26 Plan 966; Part WILLOW ST, Plan 966.

6. 2020 Budget

6.1 FIN 19-18 2020 Budget Process

Proposed Resolution # 3

Moved By: _____

Seconded By: _____

THAT Council receives FIN 19-18 2020 Budget Process;

AND THAT the following dates are scheduled for Council Budget Meetings:

November 18, 2019 4:00 pm – 9:00 pm

December 2, 2019 9:00 am – 4:00 pm

December 10, 2019 9:00 am – 4:00 pm

December 16, 2019 6:00 pm – 9:00 pm

January 6, 2020 5:00 pm – 9:00 pm

January 14, 2020 9:00 am – 4:00 pm

January 20, 2020 6:00 pm (if required)

6.2 FIN 19-19 2020 Budget Considerations

Proposed Resolution #4

Moved By: _____

Seconded By: _____

THAT Council accepts report FIN 19-19 2020 Budget Considerations as information.

7. Motions/Notice of Motions

7.1 Notice of Motion for Which Previous Notice was Given

Proposed Resolution #5

Moved By: _____

Seconded By: _____

THAT all financial statements of the Town of Tillsonburg in 2020 including the 2020 budget be converted to the standard format of accounting which reflects deficits in brackets and surpluses without brackets

8. By-Laws

8.1 By-Law 4343 To Authorize the Sale of Land to peopleCare and to Deem the Land Surplus

Proposed Resolution #6

Moved By: _____

Seconded By: _____

THAT By-Law 4343, To Authorize the SALE of Land to peopleCare Inc. and to Deem the Land Surplus to the needs of the Municipality, be read for a first, second, third and final reading and that the Mayor and Town Clerk be and are hereby authorized to sign the same, and place the corporate seal thereunto.

9. Confirm Proceeding By-law

Proposed Resolution #7

Moved By: _____

Seconded By: _____

THAT By-Law 4342 to Confirm the Proceedings of the Council Meeting held on Thursday, September 12, 2019 be read for a first, second, third and final reading and that the Mayor and the Clerk be and are hereby authorized to sign the same, and place the corporate seal thereunto.


10. Adjournment

Proposed Resolution #8

Moved By: _____

Seconded By: _____

THAT the Council Budget Meeting of Thursday, September 12, 2019, be adjourned at ____ p.m.

	Report Title	Offer to Purchase – 31 Earle Street
	Report No.	Report DCS 19-28
	Author	Cephas Panschow
	Meeting Type	Council Meeting
	Council Date	September 12, 2019
	Attachments	Offer to Purchase – peopleCare Inc

RECOMMENDATION

THAT Council receive Report DCS 19-28 Offer to Purchase – 31 Earle Street;

AND THAT a by-law be brought forward to declare the lands surplus and to authorize the Mayor and Clerk to enter into an agreement of purchase and sale with peopleCare Inc for the property known 31 Earle Street, and more particularly described as Lots 25 and 26 Plan 966; Part WILLOW ST, Plan 966.

EXECUTIVE SUMMARY

The purpose of this report is to seek Council approval to enter into an agreement of purchase and sale with peopleCare Inc for the purchase of the 31 Earle Street property (the Elliott Fairbairn building). The Town of Tillsonburg entered into a Letter of Interest with peopleCare Communities Inc following the direction Council provided at their February 11, 2019 meeting. They are interested in purchasing the property to develop a 128 to 192 bed Long Term Care facility and an approximately 100 unit Retirement Living Home. Total investment is estimated at \$60 Million.

BACKGROUND

At their February 11, 2019 meeting, Council directed the Chief Administrative Officer to enter into a non-binding Letter of Interest with peopleCare Inc with the intent to bring back an agreement of purchase and sale for Council's consideration.

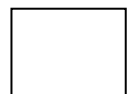
Subsequent to this, staff has been working with representatives from peopleCare Inc to explore this opportunity further.

One of the key issues identified is the status of the current building lease with Her Majesty in right of Ontario as represented by the Minister of Government and Consumer Services and used by the Ontario Provincial Police. As advised at that time, the Town does not have a termination right within the agreement although the lease agreement can be assigned with approval of the tenant.

Staff has had discussions with the tenant representative regarding the potential for them to vacate the lease and premises prior to 2029 and those discussions are ongoing. Notwithstanding the current lease in place, peopleCare has indicated that they would like to proceed with a conditional agreement on the 31 Earle Street property as that will enable them to move forward with their application for Long Term Care beds to the Ontario Ministry of Long Term Care as well as expediting the approval process. peopleCare Inc would have to satisfy themselves as to their ability to move forward prior to the end of the conditional period.

The general terms of their offer are:

Item	Offer Terms	Staff Comment
Property	Includes the existing building, the former school yard and the woodlot	Any development of the woodlot would require an Environmental Impact Study
Purchase Price	\$1,000,000 or \$194,000 per acre	Increase from initial proposed amount of \$750,000
Land Acreage Size and Adjustment	Subject to a recent survey	Subject to a recent survey but if the Purchaser deems that they do not need all of the woodlot, the area will be reduced but to not less than 4.5 acres
Initial Deposit	\$25,000 refundable deposit provided within 5 days of an accepted agreement	Per Town staff, deposit has been changed to a single deposit in the amount of \$20,000
Second Deposit	\$50,000 refundable deposit provided within five days of the Purchaser waiving their due diligence conditions	
Due Diligence Period	180 days from Council acceptance to conduct due diligence	
Closing Date	Take place within 90 days of the Purchaser satisfying their conditions	
Purchaser Conditions	<ul style="list-style-type: none"> Physical inspection of the site Town's provision of "Deliverables" information Purchaser obtaining/being satisfied as to the zoning, site plan approval, development agreements, building permits, etc Purchaser being satisfied that there are no existing contamination of the site Purchaser securing the necessary approvals from the 	



	Ministry of Health to develop a new Long Term Care Home <ul style="list-style-type: none"> • Purchaser securing approval from its Board of Directors 	
Purchaser Conditions (Additional)	<ul style="list-style-type: none"> • Agreement conditional upon review of either parties' solicitor for fourteen days following acceptance • First Right of Refusal on an alternative site should the Town obtain such a site 	
Vendor Conditions	Purchaser agrees to accept assignment of the lease currently in place with Her Majesty in right of Ontario (Minister of Government and Consumer Services)	

The conditions included by the Purchaser allow it to conduct its own due diligence on the 31 Earle Street property while seeking municipal approvals and approvals from the Ontario Ministry of Health and Ministry of Long Term Care.

Based on the land sale revenue, size of the development, the need being met, jobs being created and the future tax revenue, staff is recommending that Council enter into an agreement with peopleCare Inc for the proposed development.

CONSULTATION/COMMUNICATION

The building tenant representative has been advised of the interest of the Town in obtaining a release from the Town's lease obligations.

Should Council support moving forward, the public would be notified through the surplus lands declaration process as outlined in the Sale of Land Policy as well as the Planning process once applications are made.

The offer to purchase received from peopleCare Inc is on a new Agreement of Purchase and Sale template that has been developed in conjunction with the Town's solicitor, Duncan, Linton LLP and upon their recommendation. The new template combines the Town's standard conditions with increased protection for the municipality. Significant changes are summarized in the below table.

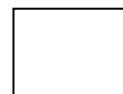
Clause	Comment
Deposit	Held by the solicitor instead of the Town as this is more typical for land sale transactions and was recommended by the solicitor
Irrevocable Date (Acceptance)	Additional clarification around the Town's process

	including making clear that approval is by Council bylaw and that any negotiated agreement by the Chief Administrative Officer or his/her designate is subject to approval by Council
"As is" Condition	Standard physical environmental conditions, but addition of text that they acknowledge the Vendor (Town) is not responsible for any deficiencies or past, present and future environmental liabilities. Further, the Purchaser has to sign a release and indemnity on or before closing.
Letters and Reports from Officials of the Vendor	Vendor (Town) to provide confirmation, if requested, as to the status of the property's compliance with all laws/bylaws.
Schedule C – Easement	Included in the template but only to be used if there is an easement requirement
Schedule D – Development Covenants	<p>Standard clause of starting construction of a building that covers a minimum 20% of the lot within one year and completing within two years but with addition of:</p> <ul style="list-style-type: none"> • Performance Deposit if an extension in the time to start construction is requested • Repurchase of the property if the Purchaser does not start construction at 90% of the purchase price and with other costs deducted • Option for the Town to repurchase any vacant portions of the property if not used by the Purchaser for 10 years • Building materials for the portion of the building that fronts on a municipal street frontages must include some glass, stone, etc, products other than metal cladding

FINANCIAL IMPACT/FUNDING SOURCE

The 31 Earle St property was appraised at a value of \$275,000 effective on July 18, 2007. The property was re-appraised at a value of \$529,000 as of March 29, 2012. As the value of the property doubled in the five years from 2007 to 2012, it is reasonable to assume that the land value has increased significantly since 2012.

The offer has been submitted at a price of \$1,000,000. The Purchaser has indicated that this is the maximum value they are able to pay due to the significant cost premium required to develop Long Term Care buildings. In addition to this, there would be additional costs for demolition of the building, including possible asbestos abatement.



CAO

From 2005 to 2018, the property has generated total net revenue of \$235,320 to the Town with annual surpluses ranging from a low of \$11,531 in 2009 to \$45,840 in 2015 and \$45,720 in 2018.

The capital costs incurred to date is as follows:

- 2005 Purchase Price – \$248,196
- 2006 Roof Rehabilitation – \$103,750
- 2015 Roof Rehabilitation – \$56,884
- **Total Capital – \$408,830**

The estimated debenture amounts remaining at the end of 2019 are \$185,625 (original purchase and roof) and \$36,000 (2015 roof rehabilitation) for a total of \$221,625. The debentures are scheduled to be paid in full by 2031 and 2025, respectively.

Should the Town sell the property at a price of \$1,000,000, the proceeds, net of debenture amounts, and not including future interest payments, would be \$778,375.

COMMUNITY STRATEGIC PLAN (CSP) IMPACT

1. Excellence in Local Government
 - ☐ Demonstrate strong leadership in Town initiatives
 - ☐ Streamline communication and effectively collaborate within local government
 - ☐ Demonstrate accountability
2. Economic Sustainability
 - ☒ Support new and existing businesses and provide a variety of employment opportunities
 - ☐ Provide diverse retail services in the downtown core
 - ☐ Provide appropriate education and training opportunities in line with Tillsonburg's economy
3. Demographic Balance
 - ☐ Make Tillsonburg an attractive place to live for youth and young professionals
 - ☐ Provide opportunities for families to thrive
 - ☒ Support the aging population and an active senior citizenship
4. Culture and Community
 - ☐ Promote Tillsonburg as a unique and welcoming community
 - ☐ Provide a variety of leisure and cultural opportunities to suit all interests
 - ☒ Improve mobility and promote environmentally sustainable living



Report Approval Details

Document Title:	Report DCS 19-28 Offer to Purchase - 31 Earle Street.docx
Attachments:	- Offer_to_Purchase-peopleCare_Inc.pdf
Final Approval Date:	Sep 6, 2019

This report and all of its attachments were approved and signed as outlined below:

Dave Rushton - Sep 6, 2019 - 9:30 AM

**No Signature - Task assigned to David Calder was completed by workflow administrator
Donna Wilson**

David Calder - Sep 6, 2019 - 9:39 AM

Donna Wilson - Sep 6, 2019 - 9:41 AM



AGREEMENT OF PURCHASE AND SALE (the “Agreement” or “APS”)

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, herein described and depicted on Schedule A (attached and more or less comprising up to 5.15 acres).
2. In consideration of the agreement referred to in the preceding paragraph, the Purchaser shall pay to the Vendor a Purchase Price of \$1,000,000.00 (One Million) dollars or the equivalent Purchase Price calculated at One Hundred and Ninety Four Thousand Dollars (\$194,000.00) per acre. The final total Purchase Price shall be determined after the Purchaser performs a detailed site plan of the project on the property, which shall determine the area that the Purchaser shall purchase. If in the event the Purchaser does not require development of all of the lands, the Purchaser agrees to Purchase a minimum of 4.5 acres and shall not purchase all of the area to the south which is currently a wooded lot. The actual lot area of the Property shall be confirmed by an Ontario Land Surveyor. The final total Purchase Price shall be adjusted based on the determined actual lot area and useable area.
3. The Purchase Price shall be paid as follows:
 - (a) Twenty Thousand Dollars (\$20,000) deposit is payable by the Purchaser by certified cheque upon Acceptance of this Agreement, to be held on an interest free basis by the Solicitor for the Vendor as a deposit pending completion of this transaction on account of the Purchase Price on completion, or if this Agreement is not completed through no fault 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, by certified cheque or bank draft.

SECTION II PURCHASE OF PROPERTY

4. Irrevocable Date

- (a) This APS shall be irrevocable and open for acceptance by the Vendor until 6:00 p.m. on the **10th day of September, 2019** ("Acceptance"), and when accepted shall constitute a binding contract of purchase and sale, otherwise the APS shall be null and void and all deposit monies paid shall be returned to the Purchaser without deduction.
- (b) Acceptance shall mean the date upon which the Mayor and Clerk of the Town of Tillsonburg, or such other persons as the Vendor may authorize from time to time, sign and execute this APS subsequent to the requirement that the Council of The Corporation of the Town of Tillsonburg has passed a resolution or by-law authorizing and approving the sale of the Property to the Purchaser pursuant to the terms of this APS.
- (c) The parties agree and acknowledge that negotiation of this APS is not a valid and binding agreement until accepted by the Council of The Corporation of the Town of Tillsonburg. The Chief Administrative Officer of the Town of Tillsonburg, or his or her designate, shall negotiate the terms of this APS in good faith. However, the negotiation of the terms of this APS by the Chief Administrative Officer of the Town of Tillsonburg, or his or her designate, in no ways binds The Corporation of the Town of Tillsonburg until such time as this APS is authorized and approved by the Council of The Corporation of the Town of Tillsonburg.

5. Council Approval

- (a) This transaction is subject to compliance with Section 270 of the *Municipal Act, 2001*, S.O. 2001, c. 25 as amended and the approval of the Council of The Corporation of the Town of Tillsonburg in its sole and absolute discretion by resolution or by-law.

6. Deed/Transfer

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

7. Completion Date

- (a) The closing of this transaction shall take place within 90 days of the Purchaser satisfying the Purchaser conditions as set out in Section III below, at which time possession of the Property in "as is, where is" condition shall be given to the Purchaser other than as provided in this APS. The Vendor acknowledges that it has the right and authority to sell the Property.

8. Documents, Reports and Information

- (a) The Vendor will produce and deliver to the Purchaser within thirty (30) days of Acceptance of the APS any documents, reports or information in its possession in respect to the Property. The Purchaser agrees to return all of the above documentation to the Vendor if this transaction is not completed.

SECTION III CONDITIONS, REPRESENTATIONS AND WARRANTIES

9. "As Is" Condition

- (a) The Purchaser acknowledges that it is acquiring the Property in an "as is" condition and that it must satisfy itself within One Hundred and Eighty (180) days of Acceptance of the APS regarding the condition of the Property including, but not limited to, all existing physical conditions of this 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 the preceding sentence. If the Purchaser is for any reason whatsoever dissatisfied with the Property, it shall deliver written notice to that effect to the Vendor by no later than the time specified herein, and this Agreement shall be terminated and the deposit shall be returned to the Purchaser without interest or deduction. If the Vendor is notified that the condition of the Property is not satisfactory, then the Purchaser shall, prior to receiving its deposit monies 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. If the Purchaser fails to deliver written notice to the Vendor within the time specified herein regarding this condition, this condition shall be deemed to have been waived by the Purchaser.

10. Other Conditions

- (a) This APS and completion of this transaction is subject to the conditions set out in Schedule "B".

11. Investigation by the Purchaser

- (a) The Purchaser acknowledges having inspected the Property prior to executing the APS and understands that upon Acceptance by the Vendor, 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.

12. Future Use

- (a) 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.

13. Provision of Plans

- (a) The Purchaser agrees and covenants that prior to the issuance of a building permit, the Purchaser shall provide to the Town of Tillsonburg a plan showing the location of the building(s) and outside storage, the front elevation of the building(s), the exterior building materials, the landscaping treatment and the screening of outside storage. The provisions of this paragraph shall survive closing.

14. Reasonable Assistance

- (a) 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 Town of Tillsonburg's current fees by-law.

15. Development Covenants and Restrictions

- (a) 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.

16. Property Not for Resale

- (a) The Purchaser covenants that it is purchasing the Property for the construction of a building and not for the purpose of resale of vacant land.

17. This Agreement of Purchase and Sale is conditional upon the approval of the terms hereof by the solicitors for both the Vendor and the Purchaser within fourteen (14) days of the date of acceptance of this offer. Unless the Vendor and Purchaser give notice, in writing, that this condition has been fulfilled, this Offer shall be null and void and the deposit shall be returned

to the Purchaser in full without deduction. [this will help expedite getting this agreement to Council for consideration]

18. The Purchaser agrees to accept assignment of the lease currently in place between the Vendor and Her Majesty in right of Ontario as represented by the Minister of Government and Consumer Services for the existing building on the property.

SECTION IV PRIOR TO COMPLETION DATE

19. Purchaser May Inspect the Property
 - (a) The Purchaser, its agents and contractors shall be permitted to inspect the Property and any buildings as frequently as is reasonably necessary between the date of Acceptance and the Completion Date at reasonable times and upon reasonable notice to the Vendor.
20. Insurance
 - (a) 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. The Purchaser may elect to either receive the proceeds of the insurance and complete the purchase or to cancel the APS and have all the deposit monies paid to the Vendor returned together with all interest earned thereon without deduction.

SECTION V COMPLETING THE TRANSACTION

21. 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.
22. 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.
23. Survey or Reference Plan
 - (a) 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.
24. Letters and Reports from Officials of the Vendor
 - (a) On or before the requisition date, the Vendor agrees to provide to the Purchaser, if requested, at the Vendor's expense, letters or reports from the Building and Zoning Department of the Town of Tillsonburg and the Fire Chief of the Town of Tillsonburg regarding the status of compliance with all codes, by-laws, rules and regulations with respect to the Property and any buildings located thereon.
25. Examination of Title
 - (a) Title to the Property shall be good and marketable and free from all encumbrances except for any service easements or rights-of-way to be reserved in favour of the Vendor and for any easements or rights-of-way registered on title and any minor

encroachments shown on the 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 thirty (30) days from Acceptance of this APS 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.

26. Vendor to Discharge all Encumbrances

- (a) The Vendor agrees to obtain and register at its own expense, on or before the Completion Date, a discharge of all liens, encumbrances, agreements 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.

27. Adjustments

- (a) The Vendor agrees that all deposits, if any, held by the Vendor not including interest thereon shall be credited to the Purchaser in the Statement of Adjustments prepared for the Completion Date.

[NOTE: This clause added for clarity]

- (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.

28. Deliveries by the Vendor To The Purchaser on Closing

- (a) 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:
 - (i) a deed/transfer of the Property;
 - (ii) any survey or reference plan of the Property in the possession of the Vendor;
 - (iii) a Statutory Declaration by an authorized officer of the Vendor stating that accurateness and truthfulness of all of the representations and warranties;
 - (iv) a Statutory Declaration by an authorized officer of the Vendor as to possession of the Property in a form acceptable to the solicitors for the Purchaser;
 - (v) 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;
 - (vi) certified copies of all appropriate certificates, by-laws and other documents of Vendor authorizing the transaction herein; and
 - (vii) such further documentation and assurances as the Purchaser may reasonably require to complete the transaction contemplated by the APS.

29. Harmonized Sales Tax

- (a) The parties hereto acknowledge and agree that the transaction contemplated herein is subject to the Harmonized Sales Tax (HST) under the *Excise Tax Act*, R.S.C., 1985, c. E-15 (the "Act") and that the Purchase Price does not include HST. The Vendor shall provide the Purchaser with its HST Business 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:

- (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 the 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;
 - (4) an indemnity, indemnifying and saving harmless the Vendor from any HST payable on this transaction and penalty and interest relating to HST; and
 - (5) a notarial true copy of its HST registration confirmation.

SECTION VI MISCELLANEOUS

30. Entire Agreement

- (a) There is no representation, warranty, collateral agreement or condition affecting this Agreement of the Property other than expressed herein.\
- (b) **First Right of Refusal to Replace.** Both the Vendor and Purchaser agree, that in the event, the property currently located in the Town of Tillsonburg, located at 25 Maple Lane and known as the former East Maple Lane Public School, should become available for purchase to the Town of Tillsonburg through the current owner, The Thames Valley District School Board, that the Purchaser shall have the first right of refusal, (after the Town of Tillsonburg's First Right of Refusal) to purchase this property from the current owner, or from the Town of Tillsonburg. In the event the Purchaser or the Vendor shall be successful at securing this property, this agreement shall be amended to reflect the new property location and the terms and conditions of this offer shall be adjusted to reflect the new location.

31. Tender

- (a) 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 negotiable, certified cheque or bank draft may be tendered instead of cash.

32. Time of Essence

- (a) Time shall be of the essence of this Agreement.

33. Planning Act

- (a) 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

- (a) 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 address:

Solicitors for the Vendor:

Duncan, Linton LLP
ATTENTION: Patrick J. Kraemer
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:

PURCHASERLawyer

Tom Jutzi

[403 Albert St.](#)
[Waterloo, ON N2L 6C7](#)
[Canada](#)

Work [\(519\) 884-2620](#)

Email Address: tomj@dsjnlaw.com

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. Successors and Assigns

- (a) The Purchaser shall be permitted to assign all of its right, title and interest in and to this APS with the Vendor's written approval which shall not be unreasonably withheld including assignment to another corporation with the same shareholders as the Purchaser. Subject to the restrictions in the preceding sentence, the Vendor agrees to engross the Transfer/Deed of Land as directed by the Purchase 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.

36. Schedules

- (a) The following Schedules shall form an integral part of this Agreement:
 - (i) Schedule "A" Description of the Property;
 - (ii) Schedule "B" Conditions;
 - (iii) Schedule C" Easement; and,
 - (iv) Schedule "D" Development Covenants.

37. Acceptance by Fax or Email

- (a) The Purchaser and Vendor acknowledge and agree that the communication of this Agreement of Purchase and Sale 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.

38. Counterparts

- (a) 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.

39. Severability

- (a) 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.

IN WITNESS WHEREOF the Purchaser has executed this Agreement:

Dated at ___Waterloo_____, Ontario this ___5___ day of ___September___, 2019.

**

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 _____, 2019.

IN WITNESS WHEREOF the Vendor has executed this Agreement:

**The Corporation of the Town of
Tillsonburg**

Stephen Molnar
Mayor

Donna Wilson
Clerk

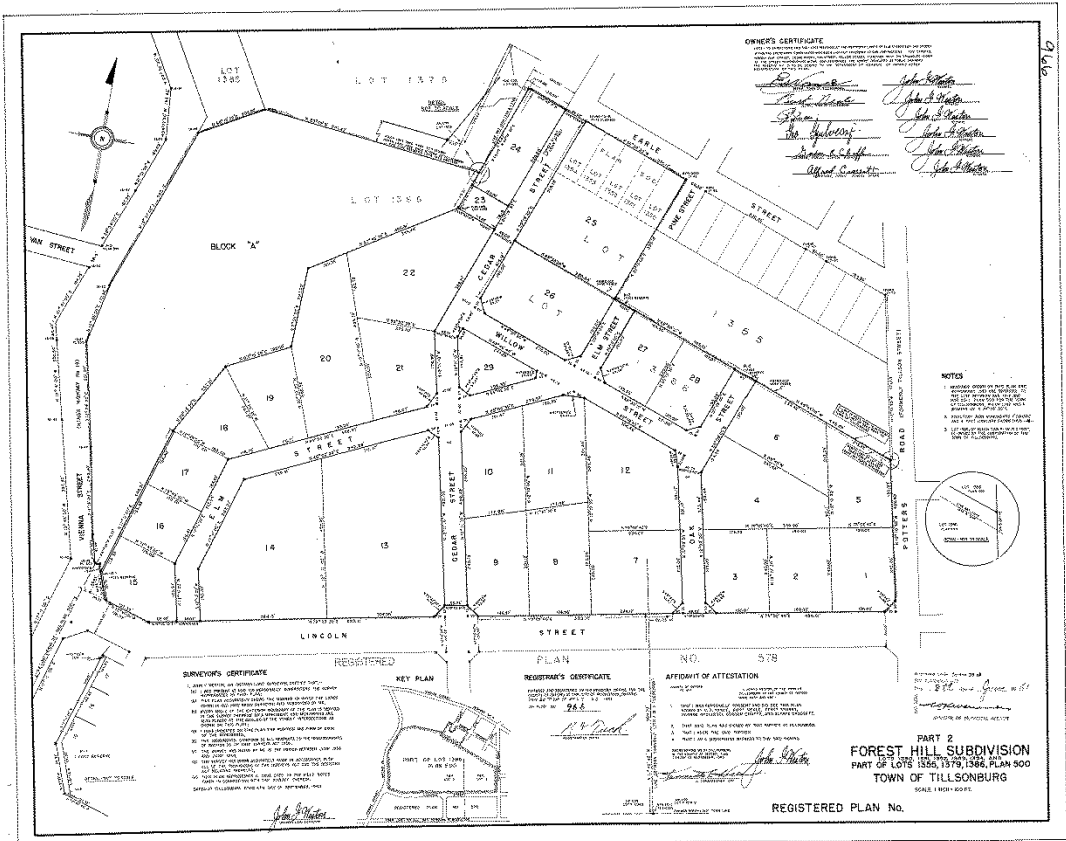
We have authority to bind The Corporation
of the Town of Tillsonburg.

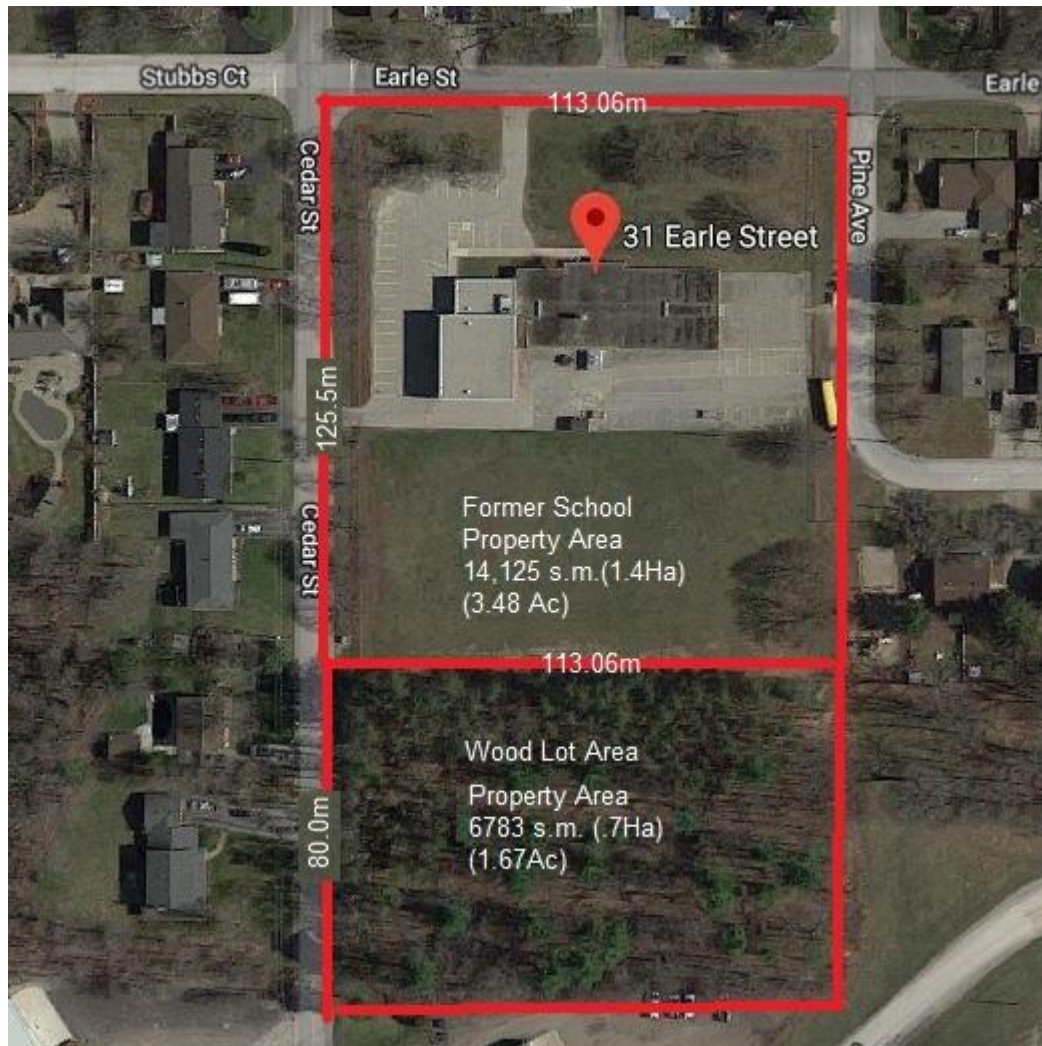
SCHEDULE "A" – SITE BOUNDARY DRAWING AND LEGAL DESCRIPTION OF THE PROPERTY

ALL AND SINGULAR that certain parcel or tract of land and premises situated, lying and being in the Town of Tillsonburg in the County of Oxford, being compromised of:

Lots 25 and 26 Plan 966; Part WILLOW ST Plan 966 CLOSED BY A72887, AS IN 485417; S/T A96683; Tillsonburg;

including the former Earle Street Public School building and lands consisting of 3.48 Acres and the adjoining wood-lot to the south consisting of 1.67 Acres combined, which shall measure more or less as 5.15 Acres and to be confirmed by a surveyor prior to closing





SCHEDULE "B" – PURCHASER'S CONDITIONS

The transaction of purchase and sale contemplated herein shall be subject to the fulfillment of the following terms and conditions on or before 180 days from acceptance, which terms and conditions are for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser. If the conditions are not fulfilled or waived then the deposit shall be returned and Agreement arising from the offer shall be at an end and all parties released from their obligations:

The Purchaser will, promptly and with all due diligence, proceed to complete all tests, to conduct all investigations and to obtain all approvals the Purchaser deems necessary or appropriate to purchase the Property. Accordingly, the Purchaser's purchase of the Property will be contingent upon the satisfaction of the following conditions during the Due Diligence Period:

1. The Purchaser completing a physical inspection of site / buildings and acceptance of the same to the Purchaser's sole discretion.
2. The Purchaser being satisfied in its sole discretion with the information delivered to it by the Vendor under the paragraph labeled "Deliverables", located on page 12 paragraph 9 subsections 1-9. and the Purchaser's ability to perform due diligence in terms of the items listed herein 1,2,3,4,5. [This duplicates the purpose of the schedule as the whole schedule is conditions – This whole clause can be deleted and replaced with a "financial viability" condition along the lines of "The Purchaser being satisfied, in their sole and absolute discretion, as to the economic viability of the project including municipal fees and charges.
3. The Purchaser having obtained or being satisfied that it will obtain, at its cost, the necessary approvals for the proposed development including re-zoning for a Retirement and Long Term Care use, site plan approval, development agreements, building permits etc. that may be required by the municipality and/or any other regulatory body to complete the proposed new development on the property.
4. The Purchaser being satisfied that there are no contaminants existing in the soils or waters at the Property. The Vendor agrees to provide any soil test it may have, including all geo-technical tests and environmental reports, and the Purchaser shall provide a building survey and asbestos report for any and all of the buildings that are located on the site. Upon request the Vendor shall use best efforts to provide reliance letters for the environmental reports addressed to the Purchaser and its mortgagee.
5. The Purchaser securing the necessary Ministry of Health approvals to develop a new Long Term Care Home at the subject site of the former Earle Street School or such similar suitable site as both parties may agree upon, and the Purchaser securing the necessary approvals from the Ontario Ministry of Health and the Municipality to develop a Long Term Care Home with the amount of beds to be determined by the Purchaser, and Senior Living Community, on the subject property, with the amount of units to be determined by the Purchaser.
6. The Purchaser, securing its Board of Directors approval for the project, which will be predicated on the Board of Directors being satisfied of the Economic Viability of the proposed development and the Purchaser securing the necessary Bank Financing to complete the purchase transaction and the development project.
7. In the event that the Purchaser has made investigations and applications and proceeded diligently with achieving the conditions, 1,2,3,4,5,6 herein, but has not satisfied himself, that one or more of the conditions recited in 1,2,3,4,5 or 6 is achievable,, and/or obtained any approvals from the Ontario Ministry of Health, approvals required by the Purchaser for its proposed development of the Property on terms satisfactory to the Purchaser to permit the Purchaser's proposed development of the Property or waived its condition in Schedule A, Purchaser's Conditions or terminated this Agreement in writing; then the Purchaser shall be permitted to request from the Vendor, an extension in the Conditional period, for a period of time which is reasonably long enough for the Purchaser to secure the conditions recited in 1,2,3,4,5 and 6 above. Purchaser from the Vendor who may, in their sole and absolute discretion, acting reasonably, grant this extension.
8. In the event Purchaser is able to satisfy himself of the Purchaser conditions in a time period sooner than the 180 day inspection period and waive the conditions sooner than both the allowed time periods, (as soon as conditions are satisfied by Purchaser) the Purchaser shall make his best efforts waive conditions immediately thereafter, to accelerate all corresponding dates, including the closing dates, to correspond with a closing date on the property in accordance with paragraph 3 above, in a sooner time period.

9. Deliverables of Vendor

The Vendor agrees to provide the Purchaser, within 5 (five) business days following acceptance of this Agreement, by Purchaser and Vendor, and the payment of the deposit by Purchaser recited in Section 1 Clause 3, the following items. If any of the items listed below are provided at a later date, the Purchaser's conditional period as detailed above shall be extended by the same number of days the Vendor has taken to provide said item.

1. Copies of any notices, orders or permits in its possession or under its control, issued by any Governmental Authority within the past three (3) years relating to the Property or the use thereof;
2. Any environmental or geo-technical reports in connection with the Property in the Vendor's possession or control;
3. Any existing boundary survey in the Vendor's possession and control showing the boundaries of the Property and the improvements constructed to date;
4. Copies of all site plans, municipal, title, servicing or other agreements, plans and drawings, warranties from contractors or suppliers, grading, engineering, servicing, landscaping or other plans, and any other documents relating to the title, condition or development of the Property in the possession or control of the Vendor;
5. Copies of any and all restrictive covenants and agreements that affect the Property;
6. To the best of its ability the Vendor shall provide true and accurate copies of all inquiries of commercial interests of Letters of Intent, Offers to Lease or leases and/or offers to lease and lease related communications or notices (for the past 3 years) affecting or relating to the Property;
7. Any engineering or building/property condition reports in the Vendor's possession or control;
8. Any other information concerning the Property, buildings or tenants in the Vendor's possession or control as may be reasonably required by the Purchaser to complete this transaction.

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.

**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 constructed a building for such use including obtaining a building permit for a permanent building with a minimum building coverage of twenty percent (20%) of the total area of the Property. The Owner further covenants and agrees to commence construction of a permanent building on the Property which complies with the permitted uses of the Property’s zoning within one (2) years of the date the Owner took title to the Property being the date of registration of transfer (the “Completion Date”) and to substantially complete the construction of the said building in conformity with an approved site plan within twenty-four (24) months from the Completion Date of this transaction.
- (b) In the event that the Owner has not obtained a building permit in accordance with the provisions of subclause 1.a) above, the Owner may request from The Corporation of the Town of Tillsonburg (the “Town of Tillsonburg”), in writing, an extension of the time specified in subclause 1.a) above up to a maximum extension period of six (6) months, (such extension, the “Extended Time”) upon payment by the Owner to the Town of Tillsonburg of a performance deposit equal to ten (10%) percent 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 complete construction within the Extended Time, then the Town of Tillsonburg 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 of Tillsonburg’s damages.
- (c) If the Owner does not comply with the provisions of subclause 1.a) above within the periods therein specifically set out or within the Extended Time, the Owner, will, at the option of the Town of Tillsonburg by notice in writing to the Owner, re-convey good title to the Property to the Town of Tillsonburg, free and clear of all encumbrances, in consideration for payment by the Town of Tillsonburg to the Owner of 90% of the purchase price paid by the Owner to the Town of Tillsonburg for the conveyance of the Property in the first instance (the “Discounted Consideration”). The re-conveyance shall be completed within sixty (60) days of the notice set out in this subclause. The Town of Tillsonburg shall be allowed to deduct from the Discounted Consideration all of its reasonable costs, realty commission and legal fees incurred with respect to the original conveyance of the Property by the Town of Tillsonburg to the Owner, as well as the costs of the Town of Tillsonburg 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 of Tillsonburg. The Town of Tillsonburg 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) Subject to subclause 1.c) above, 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 of Tillsonburg for consideration equal to or less than the consideration paid by the Owner to the Town of Tillsonburg in the original conveyance of the Property less the costs of the Town of Tillsonburg incurred in re-acquiring the Property, including without limitation, real estate commission, land transfer tax, registration costs, legal fees and such other costs as reasonably incurred by the Town of Tillsonburg, provided however that 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 of Tillsonburg may require. The Town of Tillsonburg 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 of Tillsonburg does not accept an offer to sell made by the Owner under the provisions of this subclause, the Town of Tillsonburg’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 fulfilling all of the building requirements as set out in subclause 1.a) and 1.b) above.

2. Town of Tillsonburg Option on Vacant Portion of Land

- (a) The Town of Tillsonburg shall have the option to repurchase such vacant portion of the Property not used by the Owner for the construction building(s) thereon provided such land is not reasonably ancillary to the Owner's use and occupation of the said building.
- (b) This option shall only be exercisable if the Owner has not constructed permanent buildings with a minimum building coverage of forty percent (30%) of the total area of the Property.
- (c) The option shall be exercisable by the Town of Tillsonburg for consideration equal to the per square foot consideration paid by the Owner to the Town of Tillsonburg in the original conveyance of the Property. Any costs incurred by the Town of Tillsonburg in re-acquiring the subject portion of the Property, including without limitation, real estate commission, land transfer tax, registration costs, legal fees and such other costs shall be at the cost of the Town of Tillsonburg.
- (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 materials other than brick, stone or glass construction, provided that the following facing materials may be used to a maximum of 40% of the total surface area of each wall; stainless steel; decorative glazed terra cotta; ceramic veneer; precast stone or concrete panel; aluminum; bronze; steel with protective glazed enamel; or, porcelain finish.
- (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 of Tillsonburg Zoning By-Law, 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 of Tillsonburg as part of such site plan control approval process.

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 this 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 of Tillsonburg 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.

6. Right to Waive

- (a) Notwithstanding anything herein contained, the Town of Tillsonburg 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.

	Report Title	2020 Budget Process
	Report No.	FIN 19-18
	Author	Dave Rushton, Director of Finance
	Meeting Type	Council Budget Meeting
	Council Date	September 12, 2019
	Attachments	Excerpt Section 290 Municipal Act

RECOMMENDATION

THAT Council receives FIN 19-18 2020 Budget Process;

AND THAT the following dates are scheduled for Council Budget Meetings:

November 18, 2019 4:00 pm – 9:00 pm
 December 2, 2019 9:00 am – 4:00 pm
 December 10, 2019 9:00 am – 4:00 pm
 December 16, 2019 6:00 pm – 9:00 pm
 January 6, 2020 5:00 pm – 9:00 pm
 January 14, 2020 9:00 am – 4:00 pm
 January 20, 2020 6:00 pm (if required)

EXECUTIVE SUMMARY

After the completion of the 2019 Budget Deliberations, Council requested that staff bring back a process to follow for the 2020 Budget Deliberations

OBJECTIVE

To define a process for Council to follow that is understandable for all parties and allow Council to approve the 2020 Budget in January of 2020.

BACKGROUND

Municipalities are required to prepare and adopt a budget on an annual basis, as per the *Municipal Act, 2001*, section 290. The budget process report provides Council and the Public with the processes and timelines necessary to meet legislative requirements and achieve the strategic objectives of the organization.

Current Situation:

The Town's Budget process focuses on developing and providing recommendations that achieve the expectations of Council and the Community.

Throughout the budget process Council will provide direction for removing or adding projects, deferring projects to a future year or to reduce amounts assigned to various budgeted matters. Staff will keep a running list of additions and changes to the budget for review throughout the budget process. The running list/chart will include matters for further discussion, requests for

additional information and changes to the budget along the way.

The initial pre-budget meeting will allow Council to provide a Council list of objectives, service level changes, capital project requests and the acceptable % range to the tax levy. Staff will maintain a running list by use of a flip chart for council's deliberation. At this meeting the budget meeting schedule will be approved.

The Town is currently experiencing significant development, which requires considerable investment in new assets to serve the growing population. In addition, the Town's existing infrastructure has aged to the point where significant investment is needed to maintain the current assets (repair and replacement).

Given the limited financial resources available, it is critical for the Town to maximize its use of existing financial resources by investing in capital projects that provide the greatest benefit to the Community and ensure we are managing our assets in a sustainable manner.

Corporate-wide prioritization of capital projects requires management to think beyond their individual areas of responsibility by weighing the needs of all lines of service in a consistent and unbiased manner. Each capital request will be evaluated and prioritized by the Corporate Senior Leadership Team, thus ensuring limited resources are allocated effectively.

The proposed Budget binder illustrating staff recommended operating and capital budgets is prepared and distributed in advance of budget deliberations to provide Council and the Public sufficient time to review and provide feedback. For the 2020 budget process, the proposed budget binder is scheduled to be distributed on November 8, 2019, which is 10 days prior to the commencement of budget deliberations on November 18th.

Subsequent to distribution of the proposed budget binder, staff will receive individual Councillor questions to provide any necessary clarifications and receive advanced questions ahead of Council deliberations. This will ensure that questions are understood and answers are prepared to provide quality answers for Council's consideration.

The following chart provides an overview of the deliverables and tentative scheduled meeting dates for the 2020 Budget.

2020 Budget Process		
Deliverable	Comments	Tentative Scheduled
Council Pre-Budget Meeting	Council reviews <ul style="list-style-type: none"> Provides a list of objectives % range to tax levy Service level changes 	Sept 12, 2019 – 5:00 pm–9:00 pm

	<ul style="list-style-type: none"> Major capital project requests (staff to keep running list of objectives and requests for reference) 	
Proposed 2019 Budget Binder	Distribution of the proposed 2019 Budget Binder to Council and the Public (electronic).	Nov 8, 2019 – no meeting
Overview of Budget Package	Staff to present 2020 Budget & Business Plans by Department	Nov 18, 2019 4:00 pm–9:00 pm
Budget Deliberations - Capital Budget Deliberations Meeting #1	The asset management reserve is funded from the phase in amount of the 2019 assessment this amount will be pre-determined and along with other funding sources available such as grants, reserves and debt. A number of new projects will be selected for 2020 in addition to any projects not finalized in 2019. Staff will present the proposed projects initially and return to council, items of interest that will be recorded during the presentation. Deliberation of these items take place and staff directed to prepare detailed reports as requested for review at the next capital budget meeting.	Dec 2, 2019 9:00 am–4:00 pm
Rates & Fees	To review the proposed rates and fees for the 2020 calendar year.	Dec 9, 2019 4:30 pm–5:30 pm
Budget Deliberations - Operating Budget Meeting #1	This funding comes primarily from taxation and user fees revenue. This is reviewed and direction provided as to activities necessary to operate the Town. This process will determine the amounts needed to be raised from taxation and change to the tax levy rate. Deliberation of these items take place and staff directed to prepare detailed reports as requested for review at the next operating budget meeting.	Dec 10, 2019 9:00 am–4:00 pm
External Organization Requests	To allow organizations to request Municipal Funds. Presentations from external Organizations.	Dec 16, 2019 6:00 pm–9:00 pm
Capital Budget Meeting #2	Staff brings forward requested reports from meeting #1 for discussion resulting from adjustments, additions, changes from first Capital meeting.	Jan 6, 2020 5:00 pm–9:00 pm
Operating Budget Meeting #2	Staff brings forward requested reports from meeting #1 for discussion resulting from adjustments, additions, changes from first Operating meeting.	Jan 14, 2020 9:00 am–4:00 pm



Budget Meeting	Additional budget meeting if required.	Jan 20, 2020 5:00 pm–9:00 pm
Regular Council Meeting	2020 Final Budget presented at regular Council Meeting	Jan 27, 2020

This report informs Council on the 2020 budget process and timelines required to develop the Town's annual budget.

Budget deliberations are scheduled for September 12th, November 18th, December 2nd, 9th, 10th 16th, and January 14th and with the flexibility of adding January 20th, if required.

Council Budget Approval is recommended to occur on January 27th, 2020.

FINANCIAL IMPACT/FUNDING SOURCE

There is no direct impact resulting from this process.

COMMUNITY STRATEGIC PLAN (CSP) IMPACT

1. Excellence in Local Government
 - ☒ Demonstrate strong leadership in Town initiatives
 - ☒ Streamline communication and effectively collaborate within local government
 - ☒ Demonstrate accountability



Report Approval Details

Document Title:	FIN 19-18 2020 Budget Process.docx
Attachments:	- Municipal Act Yearly Budget Excerpt.docx
Final Approval Date:	Sep 3, 2019

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to David Calder was completed by workflow administrator Donna Wilson

David Calder - Sep 3, 2019 - 4:58 PM



Yearly budget, local municipalities

290 (1) For each year, a local municipality shall, in the year or the immediately preceding year, prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality, including,

- (a) amounts sufficient to pay all debts of the municipality falling due within the year;
- (b) amounts required to be raised for sinking funds or retirement funds; and
- (c) amounts required for any board, commission or other body. 2001, c. 25, s. 290 (1); 2006, c. 32, Sched. A, s. 120 (1).

Exception

(1.1) Despite subsection (1), a budget for a year immediately following a year in which a regular election is held, may only be adopted in the year to which the budget applies. 2006, c. 32, Sched. A, s. 120 (2).

Detail and form

(2) The budget shall, in such detail and form as the Minister may require, set out the following amounts:

- 1. The estimated revenues, including the amount the municipality intends to raise on all the rateable property in the municipality by its general local municipality levy and the amount it intends to raise on less than all the rateable property in the municipality by a special local municipality levy under section 312.
- 2. The estimated portion of the estimated revenues described in paragraph 1, if any, to be paid into the municipality's reserve, sinking and retirement funds.
- 3. The estimated expenses, subject to any regulation made under clause 292 (2) (a).
- 4. The estimated portion of the estimated expenses described in paragraph 3, if any, to be paid out of the municipality's reserve, sinking and retirement funds. 2009, c. 18, Sched. 18, s. 2.

Reserve fund adjustment

(3) The total calculated under paragraph 1 shall be at least equal to the total calculated under paragraph 2:

- 1. The amount described in paragraph 1 of subsection (2), added to the amount described in paragraph 4 of subsection (2).
- 2. The amount described in paragraph 2 of subsection (2), added to the amount described in paragraph 3 of subsection (2). 2009, c. 18, Sched. 18, s. 2.

Allowance

(4) In preparing the budget for a year, the local municipality,

- (a) shall not include in the estimated revenues described in paragraph 1 of subsection (2) the estimated proceeds of any borrowing during the year;

MUNICIPAL ACT, 2001 S.O. 2001, c.25

- (b) shall treat as estimated revenues any surplus of any previous year that resulted because,
 - (i) revenues for that year were greater than the amount described in paragraph 1 of subsection (2) for that year, or
 - (ii) expenses for that year were less than the amount described in paragraph 3 of subsection (2) for that year;
- (c) shall provide for any deficit of any previous year that resulted because,
 - (i) revenues for that year were less than the amount calculated by deducting for that year the amount described in paragraph 2 of subsection (2) from the amount described in paragraph 1 of subsection (2), or
 - (ii) expenses were incurred by the municipality that were not in the budget for that year and were not paid for that year from a reserve, sinking or retirement fund;
- (d) shall provide for the cost of the collection of taxes and any abatement or discount of taxes;
- (e) shall provide for taxes and other revenues that in the opinion of the treasurer are uncollectible and for which provision has not been previously made;
- (f) may provide for taxes and other revenues that it is estimated will not be collected during the year; and
- (g) may provide for such reserve funds as the municipality considers necessary. 2009, c. 18, Sched. 18, s. 2.

(5) REPEALED: 2017, c. 10, Sched. 1, s. 37.

Yearly budget from boards, etc.

(6) Despite any other Act, for the purpose of preparing and adopting its budget for a year, the local municipality may by by-law require that the year's budget of every board, commission or other body, other than an upper-tier municipality or school board, for which the municipality is required by law to levy a tax or provide money, be submitted to the municipality on or before a date specified by the local municipality, and that the budget shall be in such detail and form as the by-law provides. 2009, c. 18, Sched. 18, s. 2.

Legislation Act, 2006


(7) Part III (Regulations) of the *Legislation Act, 2006* does not apply to a requirement of the Minister under subsection (2). 2009, c. 18, Sched. 18, s. 2.

Definition

(8) In this section,

“reserve fund” includes a reserve. 2009, c. 18, Sched. 18, s. 2.

Section Amendments with date in force (d/m/y)

	Report Title	2020 Budget Considerations
	Report No.	FIN 19-19
	Author	Dave Rushton, Director of Finance
	Meeting Type	Council Budget Meeting
	Council Date	September 12, 2019
	Attachments	

RECOMMENDATION

THAT Council accepts report FIN 19-19 2020 Budget Considerations as information.

EXECUTIVE SUMMARY

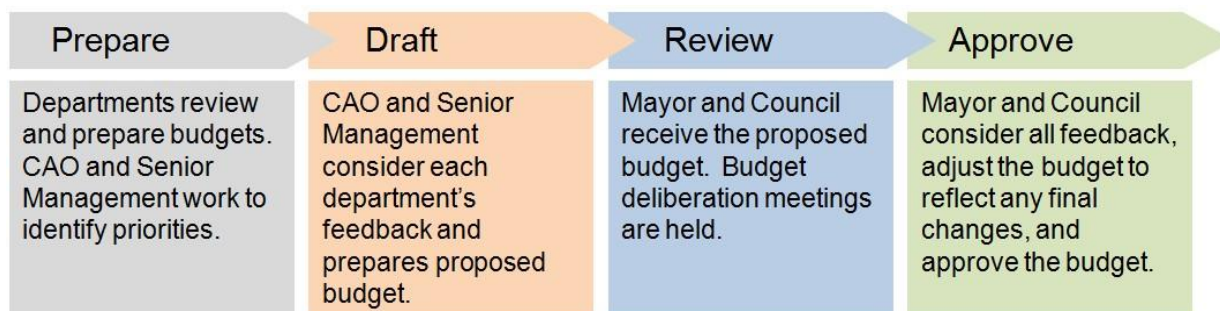
As Council prepares for the 2020 Budget there have already been several capital items that have been proposed and other items that council can recommend to be incorporated for consideration by staff in the development of the 2020 Budget Package to be presented to Council for their review. The 2020 business plan and budget approval is planned for the January 27, 2020 Council meeting. A January business plan and budget approval allows projects to be completed within their planned schedule and provides staff with direction regarding annual operations for the start of the fiscal year.

BACKGROUND

Business plans identify the annual business goals, outlines resource requirements necessary to achieve those goals, as well as identifies appropriate performance measures for monitoring and reporting purposes.

The Annual Business Plan/Budget Cycle is as follows:

- July – September (Q3) – establish business plan goals aligned with strategic plan
- October – December (Q4) – business plan and budget submission
- January – March (Q1) – Approve budget and begin implementation of business plans.
- April – May (Q2) Set tax rates for 2020.



The budgeting process allows municipalities to prioritize projects, programs, and service levels based on anticipated revenue and expenses. The proposed schedule for presentations and deliberations of draft business plans and budgets with Council was included in report FIN 19-18.

Based on the schedule presented above, consideration for adoption of the budget would be planned for the regular Council meeting scheduled on January 27, 2020. This timeframe will allow approved projects to be completed within their planned schedule and provide staff direction regarding annual operations.

The principles in the preparation of the annual budget may be summarized into the following:

- Maintain existing service levels,
- Incorporate long-term perspective,
- Establish linkages to Corporate and departmental plans,
- Identify and implement efficiencies,
- Keep tax levy reasonable,
- Ensure user fees for services are appropriate,
- Have planned capital projects ready for grant opportunities with upper levels of government (shovel-ready).

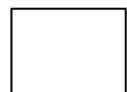
Asset Management Plan (AMP) Funding was included in the AMP policy and the Council approved and submitted to the Province an Asset Management Policy in June 2019.

The asset management plan funding will provide long-term financial support to the Town's capital program. The increase in the MPAC assessment is added each year for funding capital projects. Asset Management Plan Funding would be used to plan for the replacement of Town's assets. This gives staff clear guidelines to prioritize projects based on the funds available from taxation. The asset management plan funding contributes to the Asset Management Reserve. This Reserve is then used to fund projects during the budget process and other unplanned projects during the year. Asset management plan funding reduces the Town's reliance on external debt financing and reduce the long term cost of capital expenditures.

Regulating Asset Management Planning

The Infrastructure for Jobs and Prosperity Act, 2015, was proclaimed on May 1, 2016 and includes an authority for the province to regulate municipal asset management planning. The purpose of the regulation is to implement best practices throughout the municipal sector so that the province, municipalities, and the federal government can work together to address challenges posed by aging infrastructure and increasing renewal pressures.

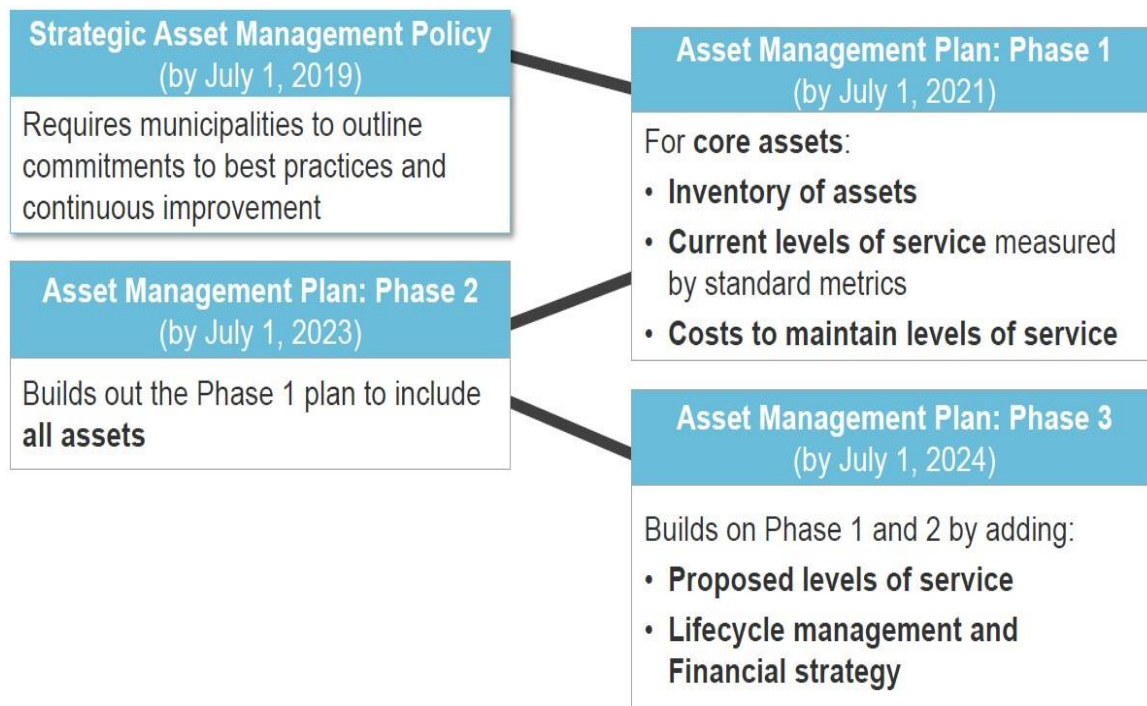
On January 1, 2018, Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure came into effect. The regulation sets out requirements for municipal asset



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management planning to help municipalities better understand their infrastructure needs and inform infrastructure planning and investment decisions. Building on the province's *2012 Building Together: Guide for Municipal Asset Management Plans*, municipalities are required to adopt a strategic asset management policy that would promote best practices and link asset management planning with budgeting, operations, maintenance and other municipal planning activities. Continued municipal asset management planning will also help councils prepare long-term infrastructure financing plans and make good investment decisions for their residents

The following is an overview of the regulatory requirements for a Strategic Asset Management Plan (SAMP) as outlined in O. Reg. 588/17:



In June 2019, Council approved and submitted to the Province an Asset Management Policy.

Operating Budget

The operating budget includes the day-to-day expenses and revenues that are required to run the municipality and provide services to citizens. It includes expense items; such as, salaries, contracted services, fuel, utilities, building materials, transfer payments, debt charges, and asset management supported by the tax base.

Operating expenses are offset by revenues. Municipalities rely on property taxation as a major source of revenue.

Capital Budget

The Town acquires, operates, maintains and renews assets to support the delivery of services to residents, businesses, partner agencies, and visitors.

The capital budget funds the Town's infrastructure. Roads, bridges and sidewalks provide transportation networks. Recreation centres and playgrounds are community gathering places where people learn, play, stay healthy, and interact with one another. Fire trucks, and snow plows are required to support emergency services and keep our Town safe and accessible all year long.

The capital budget is financed through a combination of debt, government grants, development charges, reserves and contributions from the tax base.

The 2020 capital budget submission will identify projects that would be undertaken during the year and how each project will be funded. As part of the Capital section of the budget book, staff have provided commentary describing each project.

Budget Challenges/Risks/Opportunities

Ontario Municipal Partnership Fund (OMPF)

In August at the AMO Conference, the Province announced that the OMPF program was being funded in 2020 at the same level as 2019.

Facility Capital Work

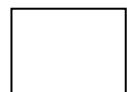
Several facilities have major work programs required based on the Asset Management Plan.

Capital funding from senior governments

Capital projects submitted by Engineering Services rely on funding from the Investing in Canada Infrastructure Program (ICIP) and the Provincial Connecting Link Program. Both of these projects were recently announced as approved. The Concession St. W. from Rolph to Charlotte project funded by ICIP is \$1.8M in total and the Town will need to fund \$500K some of which will come from DCs. The Oxford St. from Broadway to Vienna Rd. project funded by the Connecting Link Program is \$1.6M and the Town will need to fund \$ 200K.

Recently the Federal Government announced the Community, Culture and Recreation (CCR) stream of the Investing in Canada Infrastructure Program (ICIP) which launched on September 3, 2019. This funding could be used towards a large capital project such as the one described in the Aquatic Study. To qualify for the highest level of funding in the Rehabilitation and Renovation Category an individual project cap is \$5M. The Multi-Purpose Category, which includes large scale renovations, has a cap of \$50M. The Town's share under either of these programs would be 26.67%. The Federal and Provincial Funding allocation is about \$700M over 10 years.

After the 2019 Budget process the Federal Government announced an additional \$490K in one time gas tax funding in addition to our normal annual funding. This has not been spent as nor has the Provincial Government provided the Town \$600K for service improvements and capital projects.



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Reserves and Reserve Funds

The Town maintains reserve and reserve funds in accordance with the Reserves and Reserve Funds Policy. Reserves are a critical component of a municipality's long-term financial planning. The purpose of maintaining reserves is to:

- Provide stability of tax rates;
- Provide funding for one-time or short term requirements without permanently impacting tax and utility rates;
- Make provisions for the replacement and/or maintenance of capital assets and infrastructure;
- Provide flexibility to manage debt levels and protect the Town's financial position;
- Provide a source of internal financing;
- Ensure adequate cash flows;
- Provide for future liabilities incurred in the current year but paid for in future years.

The Reserves and Reserve Fund Policy annual report is to provide an update on the balances of reserves, how they compare to the targeted funding levels established in the policy, and recommend to Council a plan to work towards achieving the targeted balances.

Development Charges

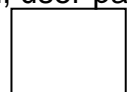
Development charges (DCs) are collected by municipalities to recover a portion of the growth-related costs associated with the capital infrastructure needed to service new development. DCs are based on the methodology that existing taxpayers should not be liable for capital costs of new growth. At the same time, new taxpayers should not have to contribute more than the net capital cost attributable to growth in order to maintain current levels of municipal services. DCs are the primary way for Ontario municipalities to raise funds for required growth related capital infrastructure improvements related to the provision of services and to provide a funding source to minimize the impact on the existing tax base. DC funds may only be used for the purpose for which they are collected.

In the DC Study, approved by Council in June 2019, several projects were recommended for implementation in 2020. Details of these projects will be in the 2020 Budget, in summary there are projects amounting to \$361K with \$209K coming from DCs and \$152K from taxation that includes \$52K in exemptions.

Debt Management Policy

A Debt Management Policy was adopted by Council through By-Law 4135 on September 11, 2017.. The purpose of the Debt Management Policy is to formally set out the parameters and provide guidance by establishing guidelines and appropriate controls for the use and issuance of debt and by integrating debt management with other long-term planning.

Debt is a long-term tool that can be used to help fund the capital budget. In many respects, it works much like a home mortgage, with the principal and interest being repaid over the asset's life. Debt financing should be used, where appropriate. More specifically, debt financing should only be considered for new, non-recurring infrastructure requirements, programs and facilities which are self-supporting and projects where the cost of deferring expenses exceeds debt servicing costs. In Tillsonburg we categorize debt in three ways; taxation-supported, user-pay,



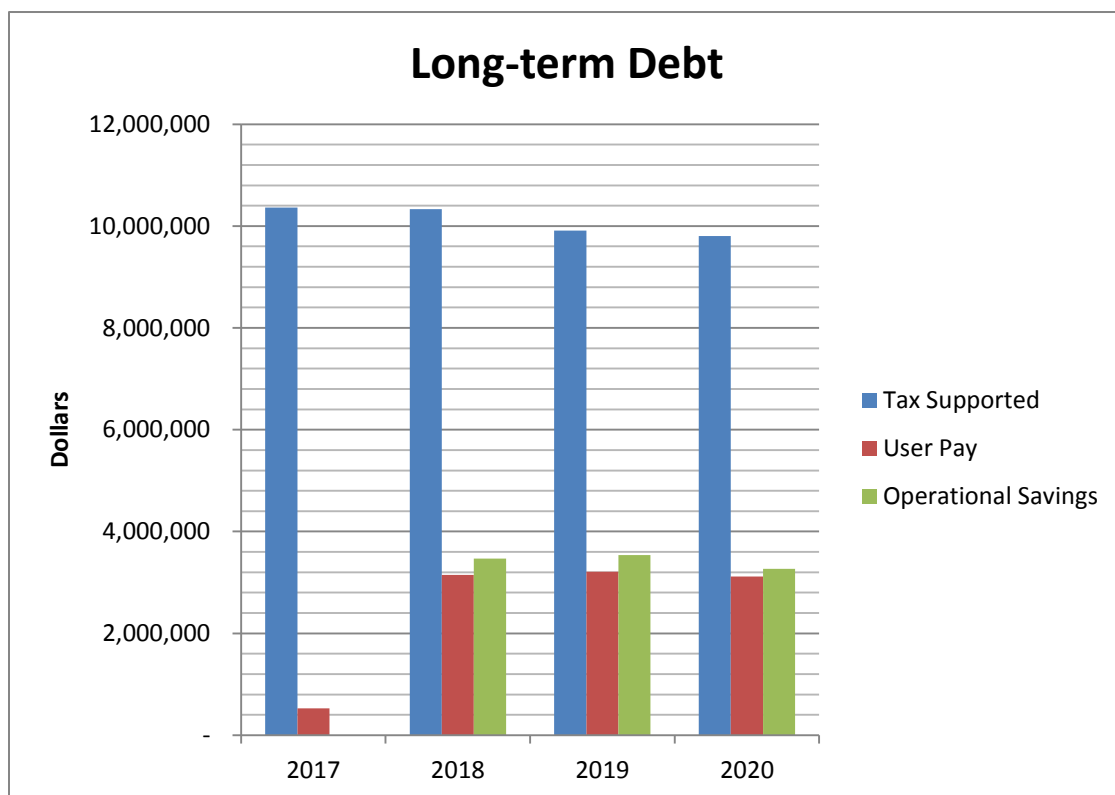
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and operational savings.

The Annual Repayment Limit as set by the Province for 2019 is \$3.4M. Any long term lease like being proposed by the Town Hall Committee or commitment to a large aquatic centre would significantly reduce this amount. This calculation allows 25% of revenues less grants and sale of assets to be used to pay principal and interest. While this is a limit, staff would not recommend that level of debt be used.

There is about \$1M available from tax supported debt available for the 2020 budget.

The following chart shows the four year (2017-2020) forecasted balance (shown in the millions) of long-term debt compared by category.



Tax Rate Levy

This is the amount of change by which the weighted assessment is multiplied by to get the actual taxes charged to property owners. In the last few years, staff has attempted to keep the change to near inflation rates as a guideline for the development of the Budget. Council can provide a percentage range in this matter prior to the draft of the Budget.

FINANCIAL IMPACT/FUNDING SOURCE

There is no financial impact beyond what has been approved in the 2019 budget.

Summary of Sources and Commitments for 2020 Budget.

	<u>Sources</u>	<u>Commitments</u>
AMP	\$2.1M	
ICIP	\$1.5M	\$.3M
Connecting Link	\$1.6M	\$.2M
DCs	\$.2M	<u>\$.2M</u>
Debt	\$1.0M	
Gas Tax	\$1.0M	
One Time Provincial	<u>\$.6M</u>	
Total	\$8.0M	\$.7M

Use of Reserves has not been factored in at this point.

Risks/Implications

Delayed approval of the 2020 budget will cause some planned projects' schedules to be condensed which could potentially result in additional costs.

The outcome of the regional review may have an impact on the planned schedule.

COMMUNITY STRATEGIC PLAN (CSP) IMPACT

1. Excellence in Local Government
 - ☒ Demonstrate strong leadership in Town initiatives
 - ☒ Demonstrate accountability
2. Demographic Balance
 - ☒ Make Tillsonburg an attractive place to live for youth and young professionals
 - ☒ Provide opportunities for families to thrive
 - ☒ Support the aging population and an active senior citizenship
3. Culture and Community
 - ☒ Promote Tillsonburg as a unique and welcoming community
 - ☒ Provide a variety of leisure and cultural opportunities to suit all interests
 - ☒ Improve mobility and promote environmentally sustainable living



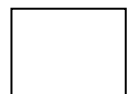
Report Approval Details

Document Title:	FIN 19-19 2020 Budget Considerations .docx
Attachments:	
Final Approval Date:	Sep 6, 2019

This report and all of its attachments were approved and signed as outlined below:

**No Signature - Task assigned to David Calder was completed by workflow administrator
Donna Wilson**

David Calder - Sep 6, 2019 - 9:39 AM



CORPORATION OF THE TOWN OF TILLSONBURG

BY-LAW NUMBER 4343

A BY-LAW to Authorize the Sale of Land to peopleCare Inc. and to deem the lands Surplus to the needs of the Town.

WHEREAS pursuant to Section 8 of the Municipal Act, 2001, C. 25, a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS The Corporation of the Town of Tillsonburg has agreed to sell certain lands, being Lots 25 and 26, Plan 966 and Part of Willow St., Plan 966, known municipally as 31 Earle Street;

AND WHEREAS The Council of the Corporation of the Town of Tillsonburg has determined that the said lands are surplus to the needs of the Corporation and should be sold;

BE IT THEREFORE ENACTED by the Council of The Corporation of the Town of Tillsonburg as follows:

1. THAT the Council of the Town of Tillsonburg does hereby authorize the conveyance of lands described as Lots 25 and 26, Plan 966 and Part of Willow St., Plan 966, known municipally as 31 Earle Street;
2. THAT Schedule " A" being the agreement of purchase and sale for the said lands dated September 5, 2019, form part of this by-law as if written and incorporated herein;
3. AND THAT THAT the Mayor and Town Clerk be hereby authorized and instructed to perform all acts and take such steps and execute such documents under the seal of the Corporation as may be necessary to effect such a conveyance of said land.
4. THAT this By-Law shall come into full force and effect upon passing.

READ A FIRST AND SECOND TIME THIS 12th day of September, 2019.

READ A THIRD AND FINAL TIME AND PASSED THIS 12th day of September, 2019.

MAYOR – Stephen Molnar

TOWN CLERK – Donna Wilson

AGREEMENT OF PURCHASE AND SALE (the “Agreement” or “APS”)

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, herein described and depicted on Schedule A (attached and more or less comprising up to 5.15 acres).
2. In consideration of the agreement referred to in the preceding paragraph, the Purchaser shall pay to the Vendor a Purchase Price of \$1,000,000.00 (One Million) dollars or the equivalent Purchase Price calculated at One Hundred and Ninety Four Thousand Dollars (\$194,000.00) per acre. The final total Purchase Price shall be determined after the Purchaser performs a detailed site plan of the project on the property, which shall determine the area that the Purchaser shall purchase. If in the event the Purchaser does not require development of all of the lands, the Purchaser agrees to Purchase a minimum of 4.5 acres and shall not purchase all of the area to the south which is currently a wooded lot. The actual lot area of the Property shall be confirmed by an Ontario Land Surveyor. The final total Purchase Price shall be adjusted based on the determined actual lot area and useable area.
3. The Purchase Price shall be paid as follows:
 - (a) Twenty Thousand Dollars (\$20,000) deposit is payable by the Purchaser by certified cheque upon Acceptance of this Agreement, to be held on an interest free basis by the Solicitor for the Vendor as a deposit pending completion of this transaction on account of the Purchase Price on completion, or if this Agreement is not completed through no fault 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, by certified cheque or bank draft.

SECTION II PURCHASE OF PROPERTY

4. Irrevocable Date
 - (a) This APS shall be irrevocable and open for acceptance by the Vendor until 6:00 p.m. on the **10th day of September, 2019** ("Acceptance"), and when accepted shall constitute a binding contract of purchase and sale, otherwise the APS shall be null and void and all deposit monies paid shall be returned to the Purchaser without deduction.
 - (b) Acceptance shall mean the date upon which the Mayor and Clerk of the Town of Tillsonburg, or such other persons as the Vendor may authorize from time to time, sign and execute this APS subsequent to the requirement that the Council of The Corporation of the Town of Tillsonburg has passed a resolution or by-law authorizing and approving the sale of the Property to the Purchaser pursuant to the terms of this APS.
 - (c) The parties agree and acknowledge that negotiation of this APS is not a valid and binding agreement until accepted by the Council of The Corporation of the Town of Tillsonburg. The Chief Administrative Officer of the Town of Tillsonburg, or his or her designate, shall negotiate the terms of this APS in good faith. However, the negotiation of the terms of this APS by the Chief Administrative Officer of the Town of Tillsonburg, or his or her designate, in no ways binds The Corporation of the Town of Tillsonburg until such time as this APS is authorized and approved by the Council of The Corporation of the Town of Tillsonburg.
5. Council Approval
 - (a) This transaction is subject to compliance with Section 270 of the *Municipal Act, 2001*, S.O. 2001, c. 25 as amended and the approval of the Council of The Corporation of the Town of Tillsonburg in its sole and absolute discretion by resolution or by-law.
6. Deed/Transfer
 - (a) The Vendor agrees to deed or transfer the Property to the Purchaser subject to the terms of this Agreement.
7. Completion Date
 - (a) The closing of this transaction shall take place within 90 days of the Purchaser satisfying the Purchaser conditions as set out in Section III below, at which time possession of the Property in "as is, where is" condition shall be given to the Purchaser other than as provided in this APS. The Vendor acknowledges that it has the right and authority to sell the Property.
8. Documents, Reports and Information
 - (a) The Vendor will produce and deliver to the Purchaser within thirty (30) days of Acceptance of the APS any documents, reports or information in its possession in respect to the Property. The Purchaser agrees to return all of the above documentation to the Vendor if this transaction is not completed.

SECTION III CONDITIONS, REPRESENTATIONS AND WARRANTIES

9. "As Is" Condition
 - (a) The Purchaser acknowledges that it is acquiring the Property in an "as is" condition and that it must satisfy itself within One Hundred and Eighty (180) days of Acceptance of the APS regarding the condition of the Property including, but not limited to, all existing physical conditions of this 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 the preceding sentence. If the Purchaser is for any reason whatsoever dissatisfied with the Property, it shall deliver written notice to that effect to the Vendor by no later than the time specified herein, and this Agreement shall be terminated and the deposit shall be returned to the Purchaser without interest or deduction. If the Vendor is notified that the condition of the Property is not satisfactory, then the Purchaser shall, prior to receiving its deposit monies 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. If the Purchaser fails to deliver written notice to the Vendor within the time specified herein regarding this condition, this condition shall be deemed to have been waived by the Purchaser.

10. Other Conditions

- (a) This APS and completion of this transaction is subject to the conditions set out in Schedule "B".

11. Investigation by the Purchaser

- (a) The Purchaser acknowledges having inspected the Property prior to executing the APS and understands that upon Acceptance by the Vendor, 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.

12. Future Use

- (a) 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.

13. Provision of Plans

- (a) The Purchaser agrees and covenants that prior to the issuance of a building permit, the Purchaser shall provide to the Town of Tillsonburg a plan showing the location of the building(s) and outside storage, the front elevation of the building(s), the exterior building materials, the landscaping treatment and the screening of outside storage. The provisions of this paragraph shall survive closing.

14. Reasonable Assistance

- (a) 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 Town of Tillsonburg's current fees by-law.

15. Development Covenants and Restrictions

- (a) 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.

16. Property Not for Resale

- (a) The Purchaser covenants that it is purchasing the Property for the construction of a building and not for the purpose of resale of vacant land.

17. This Agreement of Purchase and Sale is conditional upon the approval of the terms hereof by the solicitors for both the Vendor and the Purchaser within fourteen (14) days of the date of acceptance of this offer. Unless the Vendor and Purchaser give notice, in writing, that this condition has been fulfilled, this Offer shall be null and void and the deposit shall be returned

to the Purchaser in full without deduction. [this will help expedite getting this agreement to Council for consideration]

18. The Purchaser agrees to accept assignment of the lease currently in place between the Vendor and Her Majesty in right of Ontario as represented by the Minister of Government and Consumer Services for the existing building on the property.

SECTION IV PRIOR TO COMPLETION DATE

19. Purchaser May Inspect the Property
 - (a) The Purchaser, its agents and contractors shall be permitted to inspect the Property and any buildings as frequently as is reasonably necessary between the date of Acceptance and the Completion Date at reasonable times and upon reasonable notice to the Vendor.
20. Insurance
 - (a) 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. The Purchaser may elect to either receive the proceeds of the insurance and complete the purchase or to cancel the APS and have all the deposit monies paid to the Vendor returned together with all interest earned thereon without deduction.

SECTION V COMPLETING THE TRANSACTION

21. 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.
22. 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.
23. Survey or Reference Plan
 - (a) 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.
24. Letters and Reports from Officials of the Vendor
 - (a) On or before the requisition date, the Vendor agrees to provide to the Purchaser, if requested, at the Vendor's expense, letters or reports from the Building and Zoning Department of the Town of Tillsonburg and the Fire Chief of the Town of Tillsonburg regarding the status of compliance with all codes, by-laws, rules and regulations with respect to the Property and any buildings located thereon.
25. Examination of Title
 - (a) Title to the Property shall be good and marketable and free from all encumbrances except for any service easements or rights-of-way to be reserved in favour of the Vendor and for any easements or rights-of-way registered on title and any minor

encroachments shown on the 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 thirty (30) days from Acceptance of this APS 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.

26. Vendor to Discharge all Encumbrances

- (a) The Vendor agrees to obtain and register at its own expense, on or before the Completion Date, a discharge of all liens, encumbrances, agreements 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.

27. Adjustments

- (a) The Vendor agrees that all deposits, if any, held by the Vendor not including interest thereon shall be credited to the Purchaser in the Statement of Adjustments prepared for the Completion Date.

[NOTE: This clause added for clarity]

- (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.

28. Deliveries by the Vendor To The Purchaser on Closing

- (a) 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:
 - (i) a deed/transfer of the Property;
 - (ii) any survey or reference plan of the Property in the possession of the Vendor;
 - (iii) a Statutory Declaration by an authorized officer of the Vendor stating that accurateness and truthfulness of all of the representations and warranties;
 - (iv) a Statutory Declaration by an authorized officer of the Vendor as to possession of the Property in a form acceptable to the solicitors for the Purchaser;
 - (v) 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;
 - (vi) certified copies of all appropriate certificates, by-laws and other documents of Vendor authorizing the transaction herein; and
 - (vii) such further documentation and assurances as the Purchaser may reasonably require to complete the transaction contemplated by the APS.

29. Harmonized Sales Tax

- (a) The parties hereto acknowledge and agree that the transaction contemplated herein is subject to the Harmonized Sales Tax (HST) under the *Excise Tax Act*, R.S.C., 1985, c. E-15 (the "Act") and that the Purchase Price does not include HST. The Vendor shall provide the Purchaser with its HST Business 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:

- (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 the 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;
 - (4) an indemnity, indemnifying and saving harmless the Vendor from any HST payable on this transaction and penalty and interest relating to HST; and
 - (5) a notarial true copy of its HST registration confirmation.

SECTION VI MISCELLANEOUS

30. Entire Agreement

- (a) There is no representation, warranty, collateral agreement or condition affecting this Agreement of the Property other than expressed herein.\
- (b) **First Right of Refusal to Replace.** Both the Vendor and Purchaser agree, that in the event, the property currently located in the Town of Tillsonburg, located at 25 Maple Lane and known as the former East Maple Lane Public School, should become available for purchase to the Town of Tillsonburg through the current owner, The Thames Valley District School Board, that the Purchaser shall have the first right of refusal, (after the Town of Tillsonburg's First Right of Refusal) to purchase this property from the current owner, or from the Town of Tillsonburg. In the event the Purchaser or the Vendor shall be successful at securing this property, this agreement shall be amended to reflect the new property location and the terms and conditions of this offer shall be adjusted to reflect the new location.

31. Tender

- (a) 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 negotiable, certified cheque or bank draft may be tendered instead of cash.

32. Time of Essence

- (a) Time shall be of the essence of this Agreement.

33. Planning Act

- (a) 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

- (a) 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 address:

Solicitors for the Vendor:

Duncan, Linton LLP
ATTENTION: Patrick J. Kraemer
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:

PURCHASERLawyer

Tom Jutzi

[403 Albert St.](#)
[Waterloo, ON N2L 6C7](#)
[Canada](#)

Work [\(519\) 884-2620](#)

Email Address: tomj@dsinlaw.com

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. Successors and Assigns

- (a) The Purchaser shall be permitted to assign all of its right, title and interest in and to this APS with the Vendor's written approval which shall not be unreasonably withheld including assignment to another corporation with the same shareholders as the Purchaser. Subject to the restrictions in the preceding sentence, the Vendor agrees to engross the Transfer/Deed of Land as directed by the Purchase 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.

36. Schedules

- (a) The following Schedules shall form an integral part of this Agreement:
 - (i) Schedule "A" Description of the Property;
 - (ii) Schedule "B" Conditions;
 - (iii) Schedule C" Easement; and,
 - (iv) Schedule "D" Development Covenants.

37. Acceptance by Fax or Email

- (a) The Purchaser and Vendor acknowledge and agree that the communication of this Agreement of Purchase and Sale 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.

38. Counterparts

- (a) 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.

39. Severability

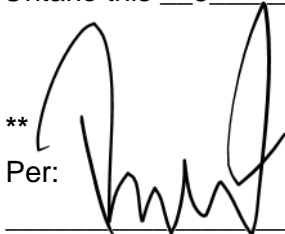
- (a) If any provision of this Agreement, or the application thereof to any circumstances, shall be held to be invalid or unenforceable, then the remaining provisions of this Agreement, or the application thereof to other circumstances, shall not be affected, and shall be valid and enforceable.

IN WITNESS WHEREOF the Purchaser has executed this Agreement:

Dated at ___Waterloo_____, Ontario this ___5___ day of ___September___, 2019.

**

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 _____, 2019.

IN WITNESS WHEREOF the Vendor has executed this Agreement:

**The Corporation of the Town of
Tillsonburg**

Stephen Molnar
Mayor

Donna Wilson
Clerk

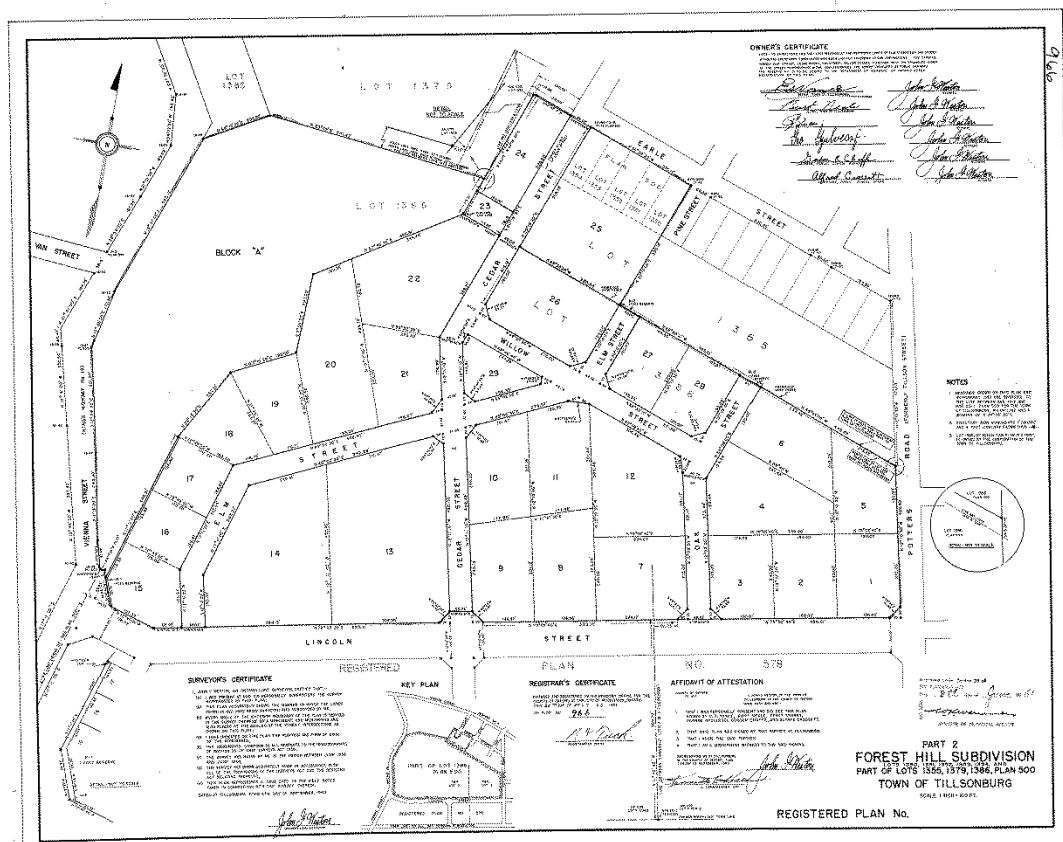
We have authority to bind The Corporation
of the Town of Tillsonburg.

SCHEDULE "A" – SITE BOUNDARY DRAWING AND LEGAL DESCRIPTION OF THE PROPERTY

ALL AND SINGULAR that certain parcel or tract of land and premises situated, lying and being in the Town of Tillsonburg in the County of Oxford, being compromised of:

Lots 25 and 26 Plan 966; Part WILLOW ST Plan 966 CLOSED BY A72887, AS IN 485417; S/T A96683; Tillsonburg;

including the former Earle Street Public School building and lands consisting of 3.48 Acres and the adjoining wood-lot to the south consisting of 1.67 Acres combined, which shall measure more or less as 5.15 Acres and to be confirmed by a surveyor prior to closing





SCHEDULE "B" – PURCHASER'S CONDITIONS

The transaction of purchase and sale contemplated herein shall be subject to the fulfillment of the following terms and conditions on or before 180 days from acceptance, which terms and conditions are for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser. If the conditions are not fulfilled or waived then the deposit shall be returned and Agreement arising from the offer shall be at an end and all parties released from their obligations:

The Purchaser will, promptly and with all due diligence, proceed to complete all tests, to conduct all investigations and to obtain all approvals the Purchaser deems necessary or appropriate to purchase the Property. Accordingly, the Purchaser's purchase of the Property will be contingent upon the satisfaction of the following conditions during the Due Diligence Period:

1. The Purchaser completing a physical inspection of site / buildings and acceptance of the same to the Purchaser's sole discretion.
2. The Purchaser being satisfied in its sole discretion with the information delivered to it by the Vendor under the paragraph labeled "Deliverables", located on page 12 paragraph 9 subsections 1-9. and the Purchaser's ability to perform due diligence in terms of the items listed herein 1,2,3,4,5. [This duplicates the purpose of the schedule as the whole schedule is conditions – This whole clause can be deleted and replaced with a "financial viability" condition along the lines of "The Purchaser being satisfied, in their sole and absolute discretion, as to the economic viability of the project including municipal fees and charges.
3. The Purchaser having obtained or being satisfied that it will obtain, at its cost, the necessary approvals for the proposed development including re-zoning for a Retirement and Long Term Care use, site plan approval, development agreements, building permits etc. that may be required by the municipality and/or any other regulatory body to complete the proposed new development on the property.
4. The Purchaser being satisfied that there are no contaminants existing in the soils or waters at the Property. The Vendor agrees to provide any soil test it may have, including all geo-technical tests and environmental reports, and the Purchaser shall provide a building survey and asbestos report for any and all of the buildings that are located on the site. Upon request the Vendor shall use best efforts to provide reliance letters for the environmental reports addressed to the Purchaser and its mortgagee.
5. The Purchaser securing the necessary Ministry of Health approvals to develop a new Long Term Care Home at the subject site of the former Earle Street School or such similar suitable site as both parties may agree upon, and the Purchaser securing the necessary approvals from the Ontario Ministry of Health and the Municipality to develop a Long Term Care Home with the amount of beds to be determined by the Purchaser, and Senior Living Community, on the subject property, with the amount of units to be determined by the Purchaser.
6. The Purchaser, securing its Board of Directors approval for the project, which will be predicated on the Board of Directors being satisfied of the Economic Viability of the proposed development and the Purchaser securing the necessary Bank Financing to complete the purchase transaction and the development project.
7. In the event that the Purchaser has made investigations and applications and proceeded diligently with achieving the conditions, 1,2,3,4,5,6 herein, but has not satisfied himself, that one or more of the conditions recited in 1,2,3,4,5 or 6 is achievable,, and/or obtained any approvals from the Ontario Ministry of Health, approvals required by the Purchaser for its proposed development of the Property on terms satisfactory to the Purchaser to permit the Purchaser's proposed development of the Property or waived its condition in Schedule A, Purchaser's Conditions or terminated this Agreement in writing; then the Purchaser shall be permitted to request from the Vendor, an extension in the Conditional period, for a period of time which is reasonably long enough for the Purchaser to secure the conditions recited in 1,2,3,4,5 and 6 above. Purchaser from the Vendor who may, in their sole and absolute discretion, acting reasonably, grant this extension.
8. In the event Purchaser is able to satisfy himself of the Purchaser conditions in a time period sooner than the 180 day inspection period and waive the conditions sooner than both the allowed time periods, (as soon as conditions are satisfied by Purchaser) the Purchaser shall make his best efforts waive conditions immediately thereafter, to accelerate all corresponding dates, including the closing dates, to correspond with a closing date on the property in accordance with paragraph 3 above, in a sooner time period.

9. Deliverables of Vendor

The Vendor agrees to provide the Purchaser, within 5 (five) business days following acceptance of this Agreement, by Purchaser and Vendor, and the payment of the deposit by Purchaser recited in Section 1 Clause 3, the following items. If any of the items listed below are provided at a later date, the Purchaser's conditional period as detailed above shall be extended by the same number of days the Vendor has taken to provide said item.

1. Copies of any notices, orders or permits in its possession or under its control, issued by any Governmental Authority within the past three (3) years relating to the Property or the use thereof;
2. Any environmental or geo-technical reports in connection with the Property in the Vendor's possession or control;
3. Any existing boundary survey in the Vendor's possession and control showing the boundaries of the Property and the improvements constructed to date;
4. Copies of all site plans, municipal, title, servicing or other agreements, plans and drawings, warranties from contractors or suppliers, grading, engineering, servicing, landscaping or other plans, and any other documents relating to the title, condition or development of the Property in the possession or control of the Vendor;
5. Copies of any and all restrictive covenants and agreements that affect the Property;
6. To the best of its ability the Vendor shall provide true and accurate copies of all inquiries of commercial interests of Letters of Intent, Offers to Lease or leases and/or offers to lease and lease related communications or notices (for the past 3 years) affecting or relating to the Property;
7. Any engineering or building/property condition reports in the Vendor's possession or control;
8. Any other information concerning the Property, buildings or tenants in the Vendor's possession or control as may be reasonably required by the Purchaser to complete this transaction.

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.

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 constructed a building for such use including obtaining a building permit for a permanent building with a minimum building coverage of twenty percent (20%) of the total area of the Property. The Owner further covenants and agrees to commence construction of a permanent building on the Property which complies with the permitted uses of the Property's zoning within one (2) years of the date the Owner took title to the Property being the date of registration of transfer (the "Completion Date") and to substantially complete the construction of the said building in conformity with an approved site plan within twenty-four (24) months from the Completion Date of this transaction.
- (b) In the event that the Owner has not obtained a building permit in accordance with the provisions of subclause 1.a) above, the Owner may request from The Corporation of the Town of Tillsonburg (the "Town of Tillsonburg"), in writing, an extension of the time specified in subclause 1.a) above up to a maximum extension period of six (6) months, (such extension, the "Extended Time") upon payment by the Owner to the Town of Tillsonburg of a performance deposit equal to ten (10%) percent 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 complete construction within the Extended Time, then the Town of Tillsonburg 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 of Tillsonburg's damages.
- (c) If the Owner does not comply with the provisions of subclause 1.a) above within the periods therein specifically set out or within the Extended Time, the Owner, will, at the option of the Town of Tillsonburg by notice in writing to the Owner, re-convey good title to the Property to the Town of Tillsonburg, free and clear of all encumbrances, in consideration for payment by the Town of Tillsonburg to the Owner of 90% of the purchase price paid by the Owner to the Town of Tillsonburg for the conveyance of the Property in the first instance (the "Discounted Consideration"). The re-conveyance shall be completed within sixty (60) days of the notice set out in this subclause. The Town of Tillsonburg shall be allowed to deduct from the Discounted Consideration all of its reasonable costs, realty commission and legal fees incurred with respect to the original conveyance of the Property by the Town of Tillsonburg to the Owner, as well as the costs of the Town of Tillsonburg 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 of Tillsonburg. The Town of Tillsonburg 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) Subject to subclause 1.c) above, 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 of Tillsonburg for consideration equal to or less than the consideration paid by the Owner to the Town of Tillsonburg in the original conveyance of the Property less the costs of the Town of Tillsonburg incurred in re-acquiring the Property, including without limitation, real estate commission, land transfer tax, registration costs, legal fees and such other costs as reasonably incurred by the Town of Tillsonburg, provided however that 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 of Tillsonburg may require. The Town of Tillsonburg 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 of Tillsonburg does not accept an offer to sell made by the Owner under the provisions of this subclause, the Town of Tillsonburg'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 fulfilling all of the building requirements as set out in subclause 1.a) and 1.b) above.

2. Town of Tillsonburg Option on Vacant Portion of Land

- (a) The Town of Tillsonburg shall have the option to repurchase such vacant portion of the Property not used by the Owner for the construction building(s) thereon provided such land is not reasonably ancillary to the Owner's use and occupation of the said building.
- (b) This option shall only be exercisable if the Owner has not constructed permanent buildings with a minimum building coverage of forty percent (30%) of the total area of the Property.
- (c) The option shall be exercisable by the Town of Tillsonburg for consideration equal to the per square foot consideration paid by the Owner to the Town of Tillsonburg in the original conveyance of the Property. Any costs incurred by the Town of Tillsonburg in re-acquiring the subject portion of the Property, including without limitation, real estate commission, land transfer tax, registration costs, legal fees and such other costs shall be at the cost of the Town of Tillsonburg.
- (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 materials other than brick, stone or glass construction, provided that the following facing materials may be used to a maximum of 40% of the total surface area of each wall; stainless steel; decorative glazed terra cotta; ceramic veneer; precast stone or concrete panel; aluminum; bronze; steel with protective glazed enamel; or, porcelain finish.
- (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 of Tillsonburg Zoning By-Law, 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 of Tillsonburg as part of such site plan control approval process.

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 this 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 of Tillsonburg 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.

6. Right to Waive

- (a) Notwithstanding anything herein contained, the Town of Tillsonburg 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.

THE CORPORATION OF THE TOWN OF TILLSONBURG

BY-LAW 4342

BEING A BY-LAW to confirm the proceedings of Council at its meeting held on the 12th day of September, 2019.

WHEREAS Section 5 (1) of the *Municipal Act, 2001, as amended*, provides that the powers of a municipal corporation shall be exercised by its council;

AND WHEREAS Section 5 (3) of the *Municipal Act, 2001, as amended*, provides that municipal powers shall be exercised by by-law;

AND WHEREAS it is deemed expedient that the proceedings of the Council of the Town of Tillsonburg at this meeting be confirmed and adopted by by-law;

NOW THEREFORE THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE TOWN OF TILLSONBURG ENACTS AS FOLLOWS:

1. All actions of the Council of The Corporation of the Town of Tillsonburg at its meeting held on September 12, 2019, with respect to every report, motion, by-law, or other action passed and taken by the Council, including the exercise of natural person powers, are hereby adopted, ratified and confirmed as if all such proceedings were expressly embodied in this or a separate by-law.
2. The Mayor and Clerk are authorized and directed to do all the things necessary to give effect to the action of the Council of The Corporation of the Town of Tillsonburg referred to in the preceding section.
3. The Mayor and the Clerk are authorized and directed to execute all documents necessary in that behalf and to affix thereto the seal of The Corporation of the Town of Tillsonburg.
4. This by-law shall come into full force and effect on the day of passing.

READ A FIRST AND SECOND TIME THIS 12th DAY OF SEPTEMBER, 2019.

READ A THIRD AND FINAL TIME AND PASSED THIS 12th DAY OF SEPTEMBER, 2019.

MAYOR – Stephen Molnar

TOWN CLERK – Donna Wilson