

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE
MINISTER OF INFRASTRUCTURE**

as “**Vendor**”

and

THE CORPORATION OF THE TOWN OF FORT FRANCES

as “**Purchaser**”

DRAFT

AGREEMENT OF PURCHASE AND SALE

TABLE OF CONTENTS

SECTION 1 DEFINITIONS.....1

SECTION 2 AGREEMENT OF PURCHASE AND SALE4

SECTION 3 DEPOSIT / PAYMENT OF PURCHASE PRICE4

SECTION 4 HARMONIZED SALES TAX.....5

SECTION 5 "AS IS WHERE IS", PURCHASER’S INSPECTION PERIOD, AND ENVIRONMENTAL INDEMNITY5

SECTION 6 VENDOR'S CONDITIONS9

SECTION 7 SALE APPROVAL9

SECTION 8 CLASS EA REQUIREMENTS / ABORIGINAL CLAIMS/ SECTION 42 EXPROPRIATION ACT APPROVAL10

SECTION 9 RISK11

SECTION 10 VENDOR'S WARRANTIES, REPRESENTATIONS AND COVENANTS12

SECTION 11 PURCHASER'S WARRANTIES, REPRESENTATIONS AND COVENANTS12

SECTION 12 SEVERANCE.....13

SECTION 13 REFERENCE PLAN14

SECTION 14 TITLE.....14

SECTION 15 NO ASSIGNMENT15

SECTION 16 PARTICIPATION AGREEMENT [DIRECT DEALS ONLY]15

SECTION 17 PREPARATION OF TRANSFER/DEED DOCUMENTS AND FEES/COSTS16

SECTION 18 VENDOR'S LEGAL FEES AND APPRAISAL COSTS16

SECTION 19 TENDER.....16

SECTION 20 ADJUSTMENTS17

SECTION 21 ELECTRONIC REGISTRATION17

SECTION 22 CLOSING DELIVERABLES.....17

SECTION 23 NOTICE19

SECTION 24 CONFIDENTIALITY.....19

SECTION 25 GENERAL20

SECTION 26 IRREVOCABLE PERIOD21

AGREEMENT OF PURCHASE AND SALE

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO
AS REPRESENTED BY THE MINISTER OF INFRASTRUCTURE**
(hereinafter collectively called the “**Vendor**”)

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWN OF FORT FRANCES
(hereinafter called the “**Purchaser**”)

OF THE SECOND PART

RECITALS:

- A. The Vendor is the owner in fee simple of the property defined as the “Property” in Section 1.01(oo) of this Agreement.
- B. OILC confirms that it is the designated agent of the Vendor.
- C. The Purchaser has offered to purchase the Property from the Vendor and the Vendor has agreed to sell the Property to the Purchaser on the terms and conditions hereinafter set forth.

NOW THEREFORE in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1 DEFINITIONS

1.01 Definitions

Unless the context expressly or by necessary implication indicates a contrary meaning, the terms defined in this Section 1.01 for all purposes of this Agreement, shall have the meanings set out below:

- (a) “**Affiliate**” has the meaning set out in the *Business Corporations Act*, R.S.O. 1990, c.B. 16.
- (b) “**Agreement**” means collectively, this agreement of purchase and sale, all Schedules attached hereto and every properly executed instrument which by its terms amends, modifies or supplements this Agreement.
- (c) “**Adjustments**” means the adjustments to the Purchase Price provided for and determined pursuant to this Agreement.
- (d) “**As Is Where Is**” has the meaning ascribed to it in Section 5.01.
- (e) “**Assignee**” has the meaning ascribed to it in Section 15.02.
- (f) “**Applicable Laws**” means, collectively, all statutes, laws, by-laws, regulations, ordinances and orders of any governmental Authority, including without limitation all Land Use Regulations.
- (g) “**Authority**” means any governmental or quasi-governmental authority, regulatory authority, government department, agency, commission, board, tribunal, body or department, or any court, whether federal, provincial or municipal, having jurisdiction over the Property, or the use thereof.
- (h) “**Buildings**” means, individually or collectively, as the context requires, all buildings, structures and fixed improvements located on, upon or under the Lands, and all

improvements and fixtures of the Vendor contained in, upon or on such buildings and structures which are used in the operation of same, but excluding all buildings, structures, fixtures and improvements which are not owned by the Vendor, and “**Building**” means any one of the Buildings.

- (i) “**Business Day**” means any day on which the Government of Ontario normally conducts business.
- (j) “**Chattels**” means, collectively, the equipment, inventory, supplies and other chattels owned by the Vendor as of the Closing Date, located at the Lands or Buildings, and used in the maintenance, repair and operation of the Property, if any, all of which are listed in Schedule C to this Agreement.
- (k) “**Class EA**” means the Class Environmental Assessment Process for the Ministry of Infrastructure as it applies to OILC realty activities (being as at the date of this Agreement the “Ministry of Infrastructure Public Work Class Environmental Assessment (Office Consolidation)”, as approved April 28, 2004 and amended on September 11, 2008 and on October 31, 2012), as approved, amended, or renewed from time to time by the Minister of the Environment and Climate Change pursuant to Section 14 of the *Environmental Assessment Act*, R.S.O. 1990, c. E.18.
- (l) “**Class EA Requirements**” has the meaning ascribed to it in Section 8.01.
- (m) “**Closing**” means the closing of the Transaction, including without limitation the payment of the Purchase Price and the delivery of the closing documents in accordance with the provisions of this Agreement.
- (n) “**Closing Date**” means the day which is fifteen (15) Business Days next following the later of (i) the date the Purchaser waives or satisfies its condition(s) contained in Section 5 of this Agreement, and (ii) the date that the Vendor fulfills its condition(s) contained in Section 6, or any extension thereof pursuant to the terms hereof.
- (o) “**Contaminant**” has, for the purposes of this Agreement, the same meaning as that contained in the *Environmental Protection Act*, R.S.O. 1990, c. E.19, as amended, and shall include the requirements of any and all guidelines and/or policies issued by the Ontario Ministry of the Environment and Climate Change and/or the Ministry of Labour.
- (p) “**Crown Right Request**” has the meaning ascribed to it in Section 12.01.
- (q) “**Date of Acceptance**” means the date the Vendor approves and accepts this Agreement.
- (r) “**Deposit**” has the meaning ascribed to it in Section 3.01.
- (s) “**Environmental Law**” means, collectively, all Applicable Laws and agreements with governmental Authorities and all other applicable federal and provincial statutes, municipal and local laws, common law and deed restrictions, all by-laws, regulations, codes, licences, permits, orders, directives, guidelines, decisions rendered by any governmental Authority relating to the protection of the environment, natural resources, public health, occupational health and safety or the manufacture, processing, distribution, use, treatment, storage, disposal, packaging, transport, handling, containment, clean-up or other remediation or corrective action of any Hazardous Substance, and all authorizations issued pursuant to such Applicable Laws, agreements or statutory requirements.
- (t) “**Environmental Objection**” has the meaning ascribed to it in Section 5.02.
- (u) “**Environmental Reports**” means the reports relating to the environmental condition of the Lands and/or Buildings as identified in Schedule E.
- (v) “**Extended Period**” has the meaning ascribed to it in Section 12.07.
- (w) “**Further Class EA Extension Period**” has the meaning ascribed to it in Section 8.02(d)(i).
- (x) “**Further Extension Period**” has the meaning ascribed to it in Section 8.03(b).

- (y) “**Hazardous Substance**” includes, but is not limited to any hazardous or toxic chemical, waste, by-product, pollutant, contaminant, compound, product or substance, including without limitation, any Contaminant, asbestos, polychlorinated biphenyls, petroleum and its derivatives, by-products or other hydrocarbons and any other liquid, solid or gaseous material the exposure to, or manufacture, possession, presence, use, generation, storage, transportation, treatment, release, disposal, abatement, cleanup, removal, remediation or handling of, which is prohibited, controlled or regulated by any and is defined in or pursuant to any Environmental Law.
- (z) “**Heritage Requirements**” has the meaning ascribed to it in Section 8.01(b).
- (aa) “**HST**” has the meaning ascribed to it in Section 4.01 of this Agreement.
- (bb) “**Initial Class EA Extension Period**” has the meaning ascribed to it in Section 8.02.
- (cc) “**Initial Extension Period**” has the meaning ascribed to it in Section 8.03.
- (dd) “**Initial Period**” has the meaning ascribed to it in Section 12.07.
- (ee) “**Inspection Period**” means that period of time which is thirty (30) days following the date the Vendor notifies the Purchaser that the Sale Approval has been obtained.
- (ff) “**Lands**” means the land(s) described in Schedule A.
- (gg) “**Land Use Regulations**” means collectively, any land use policies, regulations, by-laws, or plans of any Authority that apply to the use of the Property, including the existing Official Plans, zoning by-laws and zoning orders.
- (hh) “**Land Transfer Tax Affidavit**” has the meaning ascribed to it in Section 17.01.
- (ii) “**Lease**” means the lease to be entered into between the Purchaser as landlord and the Vendor or another provincial government ministry or agency, as tenant, if applicable, in the form attached hereto as Schedule D and to be effective as of the Closing Date.
- (jj) “**Municipality**” means the municipality (or municipalities) where the Property is located.
- (kk) “**OILC**” means Ontario Infrastructure and Lands Corporation.
- (ll) “**Open Data**” means data that is required to be released to the public pursuant to the Open Data Directive.
- (mm) “**Open Data Directive**” means the Management Board of Cabinet’s Open Data Directive, updated on April 29, 2016, as amended.
- (nn) “**Permitted Encumbrances**” means, collectively, the encumbrances listed in Schedule B and any encumbrances created under the terms of this Agreement.
- (oo) “**Property**” means, collectively, all of the right, title and interest of the Vendor in and to each of the Lands, the Buildings, and the Chattels.
- (pp) “**Property Documents**” means the documents in OILC’s current possession related to the Property as set out in Schedule E and may include:
 - (A) plans, specifications and drawings for the Buildings, including architectural, structural and mechanical drawings, plans, specifications, test results from engineers, architects and others relating to the Property and related materials;
 - (B) executed copies of any Tenancy Agreements, assignable service contracts, operating agreements and management agreements;
 - (C) copies of assignable guarantees and warranties of materials, workmanship, labour and materials relating to the Property that are still in effect;

- (D) copies of building inspection reports, the Environmental Reports, heritage reports and archaeological reports relating to the Property; and
- (E) any plan of survey of the boundaries of the Property.
- (qq) **“Purchase Price”** means the total amount as set out in Section 2.01 that shall be paid by the Purchaser to the Vendor for the Property, exclusive of HST and subject to the Adjustments.
- (rr) **“Purchaser’s Reports”** has the meaning ascribed to it in Section 5.06.
- (ss) **“Requisition Date”** has the meaning ascribed to it in Section 14.01.
- (tt) **“Sale Approval”** means the necessary internal governmental approvals required to dispose of the Property to the Purchaser including, but not limited to, the approval of the Lieutenant Governor-in-Council pursuant to Section 9 of the *Ministry of Infrastructure Act*, 2011 S.O. 2011, C. 9, Sched. 27 for the sale of the Property.
- (uu) **“Tenancy Agreements”** means all leases or licences, if any, to be assumed by the Purchaser which currently affect the Property and are listed in Schedule “B” of this Agreement.
- (vv) **“Transaction”** means, collectively, the purchase and sale of the Property provided for in this Agreement and all other matters contemplated in this Agreement.
- (ww) **“Vendor”** means Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure and includes, for the purpose of any exculpatory clause and indemnity included in this Agreement in favour of the Vendor, OILC, any ministries, agencies, representatives, servants, employees, agents, invitees, officers, directors, contractors and licensees of Her Majesty the Queen in right of Ontario and OILC, and their brokers, service provider(s) and any other entity over whom the Vendor or OILC may reasonably be expected to exercise control.

SECTION 2 AGREEMENT OF PURCHASE AND SALE

- 2.01** The Vendor agrees to sell, transfer and assign to the Purchaser all of the right, title and interest of the Vendor in the Property and the Purchaser agrees to purchase, acquire and assume the Property from the Vendor for the Purchase Price of FIFTEEN THOUSAND SEVEN HUNDRED Dollars (\$15,700.00) that shall be paid by the Purchaser to the Vendor for the Property, exclusive of HST and subject to the Adjustments on the Closing Date.

SECTION 3 DEPOSIT / PAYMENT OF PURCHASE PRICE

- 3.01** The Purchaser will pay to OILC in trust, by wire transfer, certified cheque or bank draft:
- (a) Upon the submission of this offer to purchase, a sum equal to ten percent (10%) of the Purchase Price as a deposit to be credited towards the Purchase Price on the Closing Date (the **“Deposit”**).
- 3.02** The parties authorize and direct OILC forthwith after the Date of Acceptance, to invest the Deposit with a Canadian bank as identified in *Schedule I* of the *Bank Act*, R.S., 1991, c. B.46 (Canada) in an interest bearing account (such investment to be available to OILC through its trust account bank and which investment allows liquidation of the investment as necessary for the anticipated Closing Date or earlier termination of this Agreement as herein provided). Any and all interest earned thereon shall accrue to the benefit of and, subject to Sections 3.03 and 5.03, be paid to the Purchaser forthwith following the Closing Date or earlier termination of this Agreement.
- 3.03** In the event that this Agreement is terminated due to a specific default by the Purchaser, then the Deposit, together with all interest accrued thereon, shall be forfeited to the Vendor as liquidated

damages and without derogating from any claims or causes of action the Vendor may have pursuant to this Agreement and at law against the Purchaser arising from the Purchaser's default.

- 3.04** If the Transaction is completed, the Deposit shall be credited against the Purchase Price due on Closing and all interest accrued thereon shall be paid to the Purchaser or as it may direct forthwith following Closing.
- 3.05** On Closing the Purchase Price shall be paid and satisfied as follows:
- (a) by release of the Deposit to the Vendor; and
 - (b) the balance of the Purchase Price, as adjusted pursuant to this Agreement shall be paid prior to 3:00 p.m. (Toronto time) on the Closing Date by the Purchaser to OILC in trust by way of certified cheque, bank draft or wire transfer. If payment is made by way of wire transfer, such payment shall be deemed to have been made when OILC's financial institution confirms receipt of such wire transfer.
- 3.06** This Agreement shall be completed on the Closing Date at the offices of OILC.

SECTION 4 HARMONIZED SALES TAX

- 4.01** The Purchase Price of the Property does not include the Harmonized Sales Tax ("HST") payable by the Purchaser in respect of the purchase of the Property pursuant to the *Excise Tax Act*, R.S.C. 1985, c. E.15 (Canada) (the "Act"). Subject to Section 4.02, the Purchaser agrees to pay to the Vendor, on the Closing Date, as a condition of completion of this Transaction by wire transfer, certified cheque or bank draft, all HST payable as a result of this Transaction in accordance with the Act.
- 4.02** Notwithstanding Section 4.01 above, the Vendor shall not collect HST from the Purchaser in this Transaction if, on Closing, the Purchaser is registered under the Act and in that event, the Purchaser shall:
- (a) file returns and remit such HST to the Receiver General for Canada when and to the extent required by the Act; and
 - (b) provide to the Vendor, on the Closing Date, a certificate confirming that the Purchaser is registered under the Act for the purposes of collecting and remitting HST, and confirming its HST registration number under the Act, together with an indemnity in favour of the Vendor for any and all HST, fines, penalties, actions, costs, losses, claims, damages or expenses and/or interest which may become payable by, or assessed against, the Vendor as a result of the Vendor's failure to collect HST from the Purchaser on the Closing Date, such certificate and indemnity to be in a form satisfactory to the Vendor's solicitor, acting reasonably,
- failing which the Purchaser shall pay to the Vendor on Closing the HST payable by the Purchaser with respect to this Transaction and the Vendor shall remit such HST to the appropriate Authority in accordance with the Act.
- 4.03** The Purchaser's obligations under this Section 4 shall survive and not merge on Closing.

SECTION 5 "AS IS WHERE IS", PURCHASER'S INSPECTION PERIOD, AND ENVIRONMENTAL INDEMNITY

- 5.01** The Purchaser acknowledges and agrees that:
- (a) in entering into this Agreement, the Purchaser has relied and will continue to rely entirely and solely upon its own inspections and investigations with respect to the Property, including without limitation, the physical and environmental condition of the Property and a review of any documentation respecting the Property, and the Purchaser acknowledges it is not relying on any information furnished by the Vendor or any other person on behalf of, or at the direction of, the Vendor in connection therewith;

- (b) the Purchaser is purchasing and shall accept, assume and take title to the Property and any improvements thereon in an “As Is, Where Is” condition. The term “**As Is, Where Is**” means in its condition or state on the date of Closing without any agreement, representation or warranty of any kind whatsoever, either express or implied on the part of the Vendor, as to the condition of the soil, the subsoil, the ground and surface water or any other environmental matters, the condition of the Lands, suitability for development, physical characteristics, profitability, the condition of the Buildings, if any, or any other matter respecting the Property whatsoever, including without limitation, compliance with Environmental Law, the existence of any Hazardous Substance or Contaminant, the use to which the Property may be put and its zoning, the development potential of the Property or the ability of the Purchaser to obtain approvals with respect to the Purchaser’s intended development of the Property, or as to the accuracy, currency or completeness of any information or documentation supplied to the Purchaser in connection with the Property; and
- (c) the Vendor shall have no obligations or responsibility to the Purchaser after Closing with respect to any matter relating to the Property or the condition thereof.

Without limiting the foregoing, the Purchaser accepts, assumes and takes title to the Property subject to the land uses currently permitted on the Property by the applicable Land Use Regulations and the Purchaser shall not make and is not authorized by the Vendor to make, prior to completion of this Transaction, any applications to the Municipality or any governmental Authority for changes or variances to the uses currently permitted on the Property, including without limitation changes or variances to official plans and/or zoning by-laws applicable to the Property.

The provisions of this Section 5.01 shall survive and not merge on Closing.

- 5.02** During the Inspection Period, the Purchaser shall carry out whatever investigations it considers necessary to satisfy itself with respect to the condition of the soil, the subsoil, the ground and surface water or any other environmental matter relating to the Property, the condition of the Lands and the condition of the Buildings, including, without limitation, compliance with Environmental Law, the existence of any Hazardous Substance or Contaminant, or the use to which the Property may be put and its zoning.

If as a result of such investigations the Purchaser has or acquires evidence within the Inspection Period that there exists a condition of non-compliance with Environmental Law or the presence of a Hazardous Substance or Contaminant on, in, at, under, emanating from or onto the Property that would be in excess of the guidelines for any of the permitted uses under the current zoning by-law affecting the Property, the risk or presence of which the Purchaser is not prepared to assume, then the Purchaser shall, by written notice, provide such evidence to the Vendor within the Inspection Period by way of a report of a recognized and qualified environmental consultant who shall specify in detail the nature of the non-compliance, Hazardous Substance or Contaminant and quantify the remediation cost (collectively, an “**Environmental Objection**”). Upon receipt of an Environmental Objection, the Vendor may, at its option and in its sole discretion:

- (a) undertake, as the Purchaser’s sole and exclusive remedy, to take such actions, complete such work and/or implement such measures, in the Vendor’s sole discretion as to means and methods, as may be necessary to correct the matter of non-compliance prior to the Closing Date or as soon as reasonably possible after the Closing Date if compliance prior to Closing is not, in the Vendor’s opinion, reasonably possible;
- (b) credit the Purchaser, as the Purchaser’s sole and exclusive remedy, the quantified cost of correcting the matter of non-compliance as an adjustment to the Purchase Price, in which event the Purchaser shall, on Closing, expressly assume the obligation and undertake to correct the matter of non-compliance as soon as possible after the Closing Date and shall indemnify and save harmless the Vendor from and against any and all claims, demands, costs, damages, expenses and liabilities whatsoever arising from the Purchaser’s failure to remediate the Hazardous Substance, Contaminant and/or matter of non-compliance;
- (c) terminate this Agreement in which event the Deposit shall, subject to Section 5.03, be returned to the Purchaser with accrued interest, and without further liability to the Vendor; or

- (d) refuse to do either (a), (b), or (c) above in which event the Purchaser shall have the option of either: (i) completing the Transaction without adjustment to the Purchase Price; or (ii) terminating this Agreement in which event the Deposit shall, subject to Section 5.03, be returned to the Purchaser with accrued interest, and without further liability to the Vendor.

The Vendor shall have ten (10) Business Days from receipt of the Environmental Objection to make its election under (a), (b), (c) or (d) above by notice in writing to the Purchaser and in the event the Vendor fails to make an election within said ten (10) Business Day period, the Vendor will be deemed to have elected option (d) above. The Purchaser shall have ten (10) days from the date of the Vendor's election or deemed election under (d) above to elect, by notice in writing to the Vendor, to terminate or complete as per paragraph (d) above and in the event the Purchaser fails to make an election within said ten (10) day period the Purchaser shall be deemed to have elected to complete the Transaction without adjustment to the Purchase Price.

- 5.03** During the Inspection Period, the Vendor will permit the Purchaser access to the Property, at reasonable times and upon a minimum of three (3) Business Days' prior written notice to the Vendor, to carry out, at the Purchaser's sole expense and risk, such investigations, tests and inspections as the Purchaser deems necessary, provided that the Purchaser takes all reasonable care in the conduct of such investigations, tests and inspections. All tests, investigations and inspections conducted by the Purchaser or its representatives shall be commenced and completed during the Inspection Period and shall be carried out as expeditiously as possible and at times and in such manner so as to not interfere with any tenants, occupants or licensees on the Property and the operation and maintenance of the Property. The Purchaser covenants and agrees to promptly repair or pay the cost of repair of any damage occasioned during or resulting from such investigations, tests and inspections of the Property conducted by the Purchaser or its representatives and to return the Property to the condition it was in prior to such investigations, tests and inspections. The Vendor assumes no responsibility for and the Purchaser shall indemnify and save harmless the Vendor from and against any and all claims, demands, costs, damages, expenses and liabilities whatsoever arising from the Purchaser's and/or its agents' or consultants' presence on the Property or the Purchaser's and/or its agents' or consultants' activities on or in connection with the Property. The Vendor shall be entitled to deduct from the Deposit paid by the Purchaser hereunder the amount of any losses, costs, claims, third party actions, damages and expenses which the Vendor may suffer as a result of a breach of this Section 5.03. The obligations in this Section 5.03 shall survive termination of this Agreement and shall not merge on Closing.
- 5.04** The Purchaser shall be entitled to a maximum of three (3) inspections of the Property during the Inspection Period provided that the Purchaser provides the Vendor with a minimum of three (3) Business Days' prior written notice for each inspection.
- 5.05** The Vendor agrees to provide to the Purchaser, within five (5) days of the date of commencement of the Inspection Period, the Property Documents listed in Schedule E. The Purchaser acknowledges and agrees that: (i) the Property Documents are being provided to the Purchaser for informational purposes only and the Vendor makes no representations or warranties whatsoever with respect to the content, completeness or accuracy of the Property Documents, or the environmental or any other condition of the Property; (ii) the Vendor shall not be liable to the Purchaser, its agents, employees or lending institution in any way for any error, omission or inaccuracy contained in any Property Document; and (iii) as of the Closing Date, the Purchaser shall become solely liable for all conditions and Hazardous Substances and/or Contaminants existing at the Property, whether known or unknown by the Purchaser, and whether or not such conditions or Hazardous Substances and/or Contaminants are disclosed in the Property Documents or have been discovered by Purchaser in the course of its due diligence or other investigations or inspections of the Property.
- 5.06** The Purchaser covenants and agrees that the Property Documents provided by the Vendor and any and all third party reports, findings, recommendations, opinions and information resulting from the Purchaser's due diligence ("**Purchaser's Reports**") and the information contained therein are strictly confidential and the Purchaser represents and warrants that neither the Purchaser, its employees, agents, consultants, or lending institution, all of whom shall be bound by the same confidentiality obligations, will release the Property Documents, Purchaser's Reports or any of the information contained therein to any other individual, or corporation or to any federal, provincial, or municipal agency, institution or any other Authority, other than such disclosure as is necessary to permit proper evaluation of the Transaction by the Purchaser's lending institution, without the express written consent of the Vendor, and the Purchaser shall refuse all requests for such Property Documents, Purchaser's Reports and/or information in the

absence of the Vendor's express written consent, unless compelled to do so by any competent judicial or administrative Authority. If this Agreement is terminated for any reason, the Purchaser will promptly return to the Vendor all Purchaser's Reports and Property Documents without keeping copies. The Purchaser shall deliver to the Vendor forthwith following receipt, copies of any and all Purchaser's Reports the Purchaser commissions or obtains during the course of its investigations.

- 5.07** In the absence of the Purchaser delivering: (i) an Environmental Objection; and (ii) a notice to terminate the Agreement under Section 5.02(d), the Purchaser shall be conclusively deemed to accept the Property in its As Is, Where Is condition, having waived all requisitions concerning any matters relating to the Property, save for any valid requisition on title made prior to the expiry of the Requisition Date, and the Purchaser shall accept full responsibility for all conditions related to the Property, and the Purchaser shall comply, at its sole cost, with all orders relating to the condition of the Property issued by any competent government Authority, court or administrative tribunal, including any order issued against the Vendor including without limitation, any non-compliance with Environmental Law or relating to the existence of any Hazardous Substance or Contaminant.
- 5.08** As an inducement to, and as further consideration for, the Vendor agreeing to sell the Property to the Purchaser upon the terms and conditions set forth in this Agreement, the Purchaser covenants and agrees that, effective as of the Closing Date, the Purchaser shall forever release and covenant not to sue the Vendor and its affiliates, subsidiaries, related legal entities, employees, directors, officers, appointees and agents with respect to anything arising out of the environmental or any other condition of the Property or the presence of Hazardous Substances or Contaminants in, on, under, or emanating from or onto the Property, regardless of whether such environmental conditions or the presence of Hazardous Substances or Contaminants is known or unknown by the Purchaser and regardless of whether such condition is set forth in the Property Documents, the Purchaser's Reports or any other report, document or information discovered during the course of the Purchaser's due diligence or otherwise. The foregoing release and covenant not to sue shall apply to all claims at law or in equity, including, but not limited to, claims or causes of action for personal injury or death, property damage, statutory claims under Environmental Laws and claims for contribution.
- 5.09** The Purchaser shall be responsible for, and hereby agrees to indemnify, defend and save harmless the Vendor and its employees, directors, officers, appointees and agents from, any and all costs (including legal, consultant and witness costs and fees), claims, demands, actions, prosecutions, administrative hearings, fines, losses, damages, penalties, judgments, awards (including awards of costs) and liabilities (including sums paid in settlement of claims), that may arise as a result of the condition of the Property, the presence of Hazardous Substances or Contaminants in, on or under the Lands, the Buildings or any structure or paved surface, or in any environmental medium (including, but not limited to, the soil, groundwater, or soil vapour on or under, or emanating from the Property), any order issued by any Authority in connection with the condition of the Property, or any loss, damage, or injury caused either directly or indirectly as a result of the condition of the Property including, without limitation, non-compliance with Environmental Law or the existence of any Hazardous Substance or Contaminant. Without limiting the generality of the foregoing, this indemnification shall specifically cover costs incurred in connection with any claim for personal injury and/or death, property damage, investigation of site conditions and/or any clean-up, remedial, removal, monitoring or restoration work required by any federal, provincial, or local government agency or political subdivision because of the presence of Hazardous Substances, in, on or under the Lands, the Buildings or any environmental medium, structure or paved surface or emanating therefrom.
- 5.10** The parties agree to execute and exchange at the time of Closing such further documentation of the agreements herein contained as either party reasonably requests, including, but not limited to, an agreement whereby the Purchaser shall reaffirm the release, covenant not to sue and indemnifications regarding the condition of the Property and environmental matters set forth in this Section 5. Notwithstanding the foregoing, the release, covenant not to sue and indemnifications set forth in this Section 5 shall become effective and enforceable automatically upon the registration of the Transfer/Deed of Land in respect of the Property in favour of the Purchaser, and Purchaser shall be bound by them, regardless of whether or not Purchaser executes any separate instrument at the time of Closing.
- 5.11** INTENTIONALLY DELETED.
- 5.12** This Section 5 shall not merge but shall survive the Closing Date and shall be a continuing obligation of the Purchaser.

SECTION 6 VENDOR'S CONDITIONS

- 6.01** The obligation of the Vendor to complete the Transaction is conditional upon fulfillment of each of the following conditions on or before the Closing Date or any earlier date or time specified in this Agreement:
- (a) the Vendor shall have obtained the Sale Approval pursuant to Section 7 of this Agreement;
 - (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects at the times contemplated in this Agreement;
 - (c) the representations and warranties of the Purchaser set forth in this Agreement shall be true and accurate in all material respects as if made as of the Closing; and
 - (d) all documents and deliveries required to be executed and/or delivered by the Purchaser shall have been executed and delivered to the Vendor in accordance to this Agreement.
- 6.02** The conditions set forth in Section 6.01 are for the sole benefit of the Vendor and may be waived in whole or in part by the Vendor, or by its solicitors on its behalf, in the sole and absolute discretion of the Vendor by notice to the Purchaser. The conditions are conditions precedent to the obligation of the Vendor to complete this Agreement on the Closing Date.
- 6.03** If a condition set forth in Section 6.01 is not fulfilled within the applicable time period, if any, and the Vendor fails to notify the Purchaser or the Purchaser's solicitors that such condition has been waived or the time period for compliance has been extended within the applicable time period allowed, if any (save and except for any condition which is to be satisfied on the Closing in connection with which it is hereby agreed that upon successful completion of the Transaction, such condition shall be deemed to have been satisfied), at the Vendor's sole option, this Agreement shall be null and void, notwithstanding any intermediate act or negotiations, and (i) in the event the Agreement is terminated as a result of the non-fulfilment of the condition set forth in Section 6.01(a), neither the Vendor nor the Purchaser shall, subject to Section 5.03, be liable to the other for any loss, costs or damages, and the Deposit shall, subject to Section 5.03, be returned to the Purchaser with interest and without deduction, and (ii) in the event the Agreement is terminated as a result of the non-fulfilment of any of the conditions set forth in Section 6.01(b), (c) or (d), the Deposit shall be forfeited to the Vendor as liquidated damages and without derogating from any claims or causes of action the Vendor may have pursuant to this Agreement and at law against the Purchaser arising from the Purchaser's default therein.

SECTION 7 SALE APPROVAL

- 7.01** The obligation of the Vendor to complete the Transaction is conditional upon fulfillment of the following condition: within ninety (90) days from the Date of Acceptance, the Vendor shall have obtained the Sale Approval, which approval the Purchaser acknowledges may be arbitrarily and unreasonably withheld. The Vendor shall notify the Purchaser if and when such approval is obtained, and the date of such notification if obtained shall be the date of commencement of the Inspection Period.
- 7.02** The Purchaser agrees that should the Vendor be unable to satisfy the condition set out in Section 7.01 within the said ninety (90) day period, then the Vendor may, at its option and in its sole discretion, extend this time period for an additional ninety (90) days by notice in writing to the Purchaser within the initial ninety (90) day period.
- 7.03** The Purchaser acknowledges that any Sale Approval that the Vendor obtains with respect to the Property may be subject to the limitations stated therein, including but not limited to a limitation that such approval shall be valid for a specified period of time from the date of such Sale Approval (the "**Approval Term**"), in which event such Sale Approval shall cease to be valid on the date upon which the Approval Term concludes (the "**Expiry Date**"), or on such date that such other limitation(s), if any, is/are not met and satisfied. In the event that the Vendor shall have

obtained a Sale Approval for the Property in satisfaction of the condition set out in Section 7.01, and in the event that the completion of the Transaction has not occurred on or before the Expiry Date set out in such Sale Approval or such date that such other limitation(s), if any, is/are not met and satisfied, notwithstanding any waiver of the condition set out in Section 7.01, this Agreement shall then be null and void, and neither the Vendor nor the Purchaser shall, subject to Section 5.03, be liable to the other for any loss, costs or damages.

SECTION 8
CLASS EA REQUIREMENTS / ABORIGINAL CLAIMS / SECTION 42 EXPROPRIATION
ACT APPROVAL

- 8.01** The obligation of the Vendor to complete the Transaction is conditional upon fulfillment of the following condition on or before the Closing Date: the Vendor shall have completed the Class EA for the Property and the Transaction (collectively, the "Class EA Requirements"). For purposes of this condition, the Class EA Requirements shall, without limitation, include and be deemed to include the following specific requirements:
- (a) the requirements of the *Environmental Assessment Act*, R.S.O. 1990, c.E. 18, as approved, amended, or renewed from time to time, as they apply to the Property and the Transaction (the "Environmental Requirements"); and
 - (b) the requirements of the Standards & Guidelines for Conservation of Provincial Heritage Properties issued by the Ministry of Tourism, Culture and Sport pursuant to Section 25.2 of the *Ontario Heritage Act*, R.S.O. 1990, c.O.18, as approved, amended, or renewed from time to time, as they apply to the Property and the Transaction (the "Heritage Requirements").
- 8.02** Notwithstanding any other provision of this Agreement, the completion of the Transaction is subject to continuing compliance to the Closing Date with all Class EA Requirements. In the event that prior to the Closing Date:
- (a) any governing Authority makes or issues, or the Vendor receives any notice or communication from any governing Authority that it is considering whether to make or issue, any order or directive pursuant to the Class EA Requirements that necessitates that the Vendor, in addition to the actions and measures taken aforesaid, take other or different actions or measures to comply with the Class EA Requirements (including, without limitation, an order or directive requiring the Vendor to comply with Part II of the *Environmental Assessment Act*);
 - (b) a written request has been made to the Minister of the Environment, of which the Vendor has notice, that other or different measures be taken to comply with the Class EA Requirements;
- then the Vendor may, at its option and in its sole discretion, extend the Closing Date for at least an additional thirty (30) days (the "**Initial Class EA Extension Period**") by notice in writing to the Purchaser during which time the Vendor shall:
- (c) use reasonable efforts to determine whether the request in subsection (b) above has been satisfied or has been refused; and
 - (d) at its option and in its sole discretion, either:
 - (i) comply with such order or directive (as the same may be modified or withdrawn) at its own expense, in which event the Vendor may extend the Closing Date up to (but no more than) three times, for a further period of thirty (30) days each (for a maximum of ninety (90) days in the aggregate) (collectively, the "**Further Class EA Extension Period**"); or
 - (ii) within the Initial Class EA Extension Period or at any time within the Further Class EA Extension Period, terminate this Agreement by written notice to the Purchaser, in which case this Agreement shall be null and void and of no further force and effect and the Deposit and any interest accrued thereon shall, subject to Section 5.03, be returned to the Purchaser and neither party shall be further liable

to the other pursuant to this Agreement other than the Purchaser's obligations pursuant to Section 5.03 of this Agreement.

8.03 Notwithstanding any other provision of this Agreement, if at any time prior to the Closing Date the Vendor receives notification or otherwise becomes aware of any claim or potential claim whatsoever for an interest in respect of the Property, by any First Nation or other aboriginal group or individual, in relation to any constitutional right, treaty right, land claim, surrender agreement or consultation right, including, without limitation, an interest in the title to the Property, a right to the use of the whole or any part of the Property, a restriction on the use of the Property or any part thereof for any purpose, a restriction on access to the Property or any part thereof, a claim for compensation, arising out of any interest or claimed interest in the Property or a right of consultation in relation to the Property, then the Vendor may at its option and in its sole and unfettered discretion extend the Closing Date for at least an additional thirty (30) days (the “**Initial Extension Period**”) by notice in writing to Purchaser during which time the Vendor shall:

- (a) determine in its sole and unfettered discretion if such claim, potential claim or interest is capable of being satisfied or whether appropriate releases can be obtained from all interested parties to enable the Vendor to complete the sale of the Property to the Purchaser by the Closing Date free and clear of any such claim, potential claim or interest;
- (b) enter into arrangements which enable the Vendor to complete the sale of the Property in accordance with Section 8.03(a), for which purpose it may extend the Closing Date up to (but no more than) three times, for a further thirty (30) days each (for a maximum of ninety (90) days in the aggregate) (collectively, the “**Further Extension Period**”); or
- (c) within the Initial Extension Period or at any time within the Further Extension Period, have the right to terminate this Agreement by written notice to the Purchaser in which case the Agreement shall be null and void and of no further force and effect and neither party shall be further liable to the other pursuant to this Agreement other than the Purchaser's obligations pursuant to Section 5.03 of this Agreement.

8.04 INTENTIONALLY DELETED.

8.05 If at any time prior to Closing, the Vendor receives notification or otherwise becomes aware of any requirements imposed by an Authority, including without limitation any additional Heritage Requirements, not otherwise contemplated in this Section 8 and with which the Vendor must comply as a condition of completing the Transaction, then the Vendor may at its option and in its sole and unfettered discretion extend the Closing Date up to three (3) times for a period of thirty (30) days each time (maximum ninety (90) days) by notice in writing to Purchaser during which time the Vendor shall:

- (a) determine in its sole and unfettered discretion if such requirement can be satisfied so as to enable the Vendor to complete the sale of the Property to the Purchaser by the Closing Date; or
- (b) have the right, with or without a determination pursuant to subsection (a) above, to terminate this Agreement by written notice to the Purchaser in which case the Agreement shall be null and void and of no further force and effect and the Deposit plus any interest accrued thereon shall, subject to Section 5.03, be returned to the Purchaser and neither party shall be further liable to the other pursuant to this Agreement other than the Purchaser's obligations pursuant to Section 5.03 of this Agreement

SECTION 9 RISK

9.01 Until completion of this Agreement on the Closing Date, the Property shall be and remain at the risk of the Vendor, except as otherwise provided in Section 5. The Purchaser acknowledges that the Vendor, in respect of damage to the Property, is self-insured. In the event of damage to the Property on or before the Closing Date (other than damage occasioned during or resulting from the Purchaser's and/or its agents, consultants or representatives entries and/or activities on or to the Property, in which event Section 5.03 shall govern), the Vendor may elect (i) to repair the Property to the same state and condition as it was in at the time this Agreement was entered into

in which event the Purchaser will complete the Transaction without an abatement in the Purchase Price; or (ii) to reduce the Purchase Price by an amount equal to the cost required to complete the repair as estimated by an independent qualified architect or engineer retained by the Vendor acting reasonably and at arm's length in which event the Purchaser will complete the Transaction and accept a price reduction equal to such cost, or (iii) to terminate this Agreement in which case the Deposit shall, subject to Section 5.03, be immediately returned to the Purchaser, with interest and without deduction, and neither party shall, subject to Section 5.03, have any further rights or obligations hereunder.

- 9.02** From and including the Closing Date, the Property shall be entirely at the risk of the Purchaser and the Purchaser shall accept and assume any and all responsibilities and liabilities arising out of or in any way connected with the Property whether they arose before, on or after the Closing Date and, without being limited by the foregoing, any state, nature, quality or condition in, on, under or near the Property existing as of the Closing Date, whenever and however arising, whether known or unknown and whether environmental or otherwise, and whether such responsibilities and liabilities are imposed by law, equity or any governing Authority.

SECTION 10

VENDOR'S WARRANTIES, REPRESENTATIONS AND COVENANTS

- 10.01** The Vendor warrants and represents to the Purchaser that the Vendor is not a non-resident of Canada within the meaning and intended purpose of Section 116 of the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.).
- 10.02** Any information provided by the Vendor or its agents, including the Property Documents, and any comments made by the Vendor, its employees, officers, directors, appointees, agents or consultants are for the assistance of the Purchaser in allowing it to make its own inquiries. The Vendor makes no representations or warranties as to, and takes no responsibility for, the accuracy or completeness of the Property Documents or any other information it has provided to the Purchaser.

SECTION 11

PURCHASER'S WARRANTIES, REPRESENTATIONS AND COVENANTS

- 11.01** The Purchaser warrants and represents to the Vendor that the Purchaser does not have a conflict of interest with the Vendor or OILC or with any of their respective directors, officers, appointees, employees or agents. The Purchaser agrees to provide a Statutory Declaration in the form attached hereto as Schedule F at the time of execution by the Purchaser of this Agreement. The Purchaser acknowledges that in the event that the information upon which the Statutory Declaration was provided has changed, the Purchaser shall inform the Vendor of such change up to and including the Closing Date.
- 11.02** The Vendor shall deliver and the Purchaser shall accept vacant possession of the Lands on the Closing Date in an As Is Where Is condition, subject to: (i) the rights of tenants and licensees as set out in the Tenancy Agreements, if any; (ii) the Permitted Encumbrances; and (iii) the Lease, if any.
- 11.03** As of the Closing Date, the Purchaser shall assume and be responsible as owner for the management and administration of the Property and the Vendor shall have no further responsibility whatsoever therefor.
- 11.04** Without limiting the generality of the foregoing, the Purchaser shall comply with the terms of the Permitted Encumbrances, any agreement entered into by the Vendor with any Authority relating to the Property, all other agreements relating to public utilities and municipal services, the Land Use Regulations, all relevant municipal by-laws and all registered restrictions. The Purchaser further agrees and acknowledges that it shall be bound by any contractual obligations which the Vendor may have entered into concerning the Property prior to the Closing Date.
- 11.05** On the Closing Date, the Purchaser will execute and deliver an Assignment, Assumption and Indemnity in the Vendor's standard form accepting, assuming and indemnifying the Vendor with respect to all such matters referred to in this Section 11.

SECTION 12 SEVERANCE

- 12.01** The Purchaser acknowledges that although the Vendor is entitled to invoke “Crown Right” to sever property (i.e. the ability of the Crown to divide land referenced under the subdivision control provisions of the *Planning Act*), the Vendor has elected to only invoke Crown Right (a) when it disposes of land to entities that include government or government related agencies; (b) when it acquires land for government or government related agencies, or (c) where requested to do so by the Municipality in which the Lands are located (a “Crown Right Request”).
- 12.02** Evidence of a Crown Right Request, if applicable in connection with the Transaction, shall be in the form of a letter from the Municipality’s Planning and Building Department, or other representative of the Municipality acceptable to the Vendor, requesting the Vendor to exercise its Crown Right in connection with the disposition of the Lands.
- 12.03** Notwithstanding the foregoing, if after preliminary discussions with the Municipality, the Vendor is of the opinion that it will not be requested to use its Crown Right and if the Vendor does not proceed pursuant to the provisions of Section 12.04, the Vendor shall have the right, in its sole, unfettered and subjective discretion, to terminate this Agreement by written notice to the Purchaser given on or before the Closing Date in which event the Deposit plus any interest accrued thereon shall, subject to Section 5.03, be returned to the Purchaser, and neither party shall have any further obligation to the other respecting this Agreement.
- 12.04** If the Vendor does not terminate this Agreement in accordance with the provisions of Section 12.03, then the Vendor shall proceed with diligence with an application for consent to convey the Lands to the Purchaser pursuant the subdivision control provisions of the Planning Act, R.S.O. 1990, c. p.13 (a “**Consent**”) at the sole cost and expense of the Purchaser, which cost shall include all application fees, legal fees and disbursements, and all costs and expenses in connection with satisfying and/or complying with any conditions imposed as a condition of Consent (the “**Conditions**”). If so requested by the Vendor, the Purchaser shall cooperate with the Vendor in the application for Consent by attending at any hearings and making submissions, and/or executing any documents required as a condition of obtaining such Consent.
- 12.05** If a Consent by the appropriate body is not given or, if Consent is given but Conditions are attached which the Vendor in its sole, unfettered and subjective discretion is not prepared to satisfy or, if Consent is given but is appealed and the Vendor is not prepared in its sole, unfettered and subjective discretion to defend such appeal, then the Vendor shall have the right in its sole, unfettered and subjective discretion to terminate this Agreement by written notice to the Purchaser given on or before the Closing Date, and neither party shall have any further obligation to the other respecting this Agreement other than the Purchaser’s obligations pursuant to Section 5.03 of this Agreement.
- 12.06** If the Lands abut other lands owned by the Vendor and a Consent is obtained then in the absence of delivery of notice of termination by the Vendor as described in Section 12.05, this Agreement shall be completed on the later of:
- (i) the Closing Date;
 - (ii) five (5) days after notice is given to the Purchaser that the Consent is final and binding, if no Conditions have been imposed; or
 - (iii) five (5) days after notice is given to the Purchaser that the Conditions have been satisfied, if Conditions have been imposed.
- 12.07** Notwithstanding the foregoing, this Agreement may be terminated by the Vendor if the Consent is not final and binding or if any Conditions which have been imposed have not been satisfied within one hundred and eighty (180) days after the Date of Acceptance of this Agreement by the Vendor (the “**Initial Period**”). If the Consent is not final and binding or if any Conditions imposed have not been satisfied by such date, the Vendor may, at any time up to ten (10) days following the expiration of the Initial Period and/or each extension thereof, as the case may be, extend the time on one or more occasions to obtain the Consent in final and binding form or to satisfy any Conditions imposed, as the case may be, for further periods of time chosen by the Vendor upon notice to the Purchaser provided that the total number of days of extension do not exceed three hundred and sixty-five (365) days after the Date of Acceptance (the “**Extended**

Period”). If the Consent is not final and binding or if all Conditions have not been satisfied by the expiration of the Extended Period, this Agreement shall automatically be terminated, the Deposit plus any interest accrued thereon shall be returned to the Purchaser, and neither party shall have any further obligation to the other respecting this Agreement other than the Purchaser’s obligations pursuant to Section 5.03 of this Agreement.

12.08 Evidence of Consent shall be in the form of:

- (a) a final unconditional Consent of the Committee of Adjustment or Land Division Committee for the Municipality authorizing the Consent, which is not subject to further appeal; or
- (b) a final Order of the Ontario Municipal Board (if necessary or sought) confirming approval of the Consent, if one has been obtained, which is not subject to further appeal.

SECTION 13 REFERENCE PLAN

13.01 The Vendor agrees, at the Purchaser’s sole expense, but in any event such expense not to exceed TEN THOUSAND (\$10,000.00) Canadian dollars, to prepare and deposit in the appropriate Land Registry Office, a reference plan of survey of the Lands, if required. The Vendor shall provide the Purchaser with a copy of the deposited reference plan on or before the Closing Date. Such costs, including all applicable disbursements and taxes, shall be treated as an adjustment to the Purchase Price in the Vendor’s favour in accordance with Section 20 of this Agreement.

SECTION 14 TITLE

14.01 The Purchaser shall have until the day which is ten (10) Business Days before the Closing Date (the “Requisition Date”) to investigate title to the Property at the Purchaser’s expense. The Purchaser agrees not to call for the production of any title deed, abstract, survey or other evidence of title to the Lands except such as are in the possession of the Vendor.

14.02 On the Closing Date, the Purchaser shall accept title to the Property in an As Is Where Is condition subject to the following:

- (a) the Land Use Regulations;
- (b) the Tenancy Agreements, if any;
- (c) the Lease, if any; and
- (d) the Permitted Encumbrances.

The Purchaser agrees to satisfy itself with respect to compliance with all such agreements, easements, restrictions or covenants, encumbrances and regulations referred to herein and agrees that the Vendor shall not be required to provide any evidence of compliance with same.

14.03 If, prior to the expiry of the Requisition Date, the Purchaser furnishes the Vendor in writing with a valid objection to title which the Vendor is unwilling or unable to remove, remedy and satisfy and which the Purchaser will not waive, this Agreement shall be terminated notwithstanding any intermediate acts or negotiations with respect to such objection, the Deposit shall, subject to Section 5.03, be returned to the Purchaser with interest and without deduction and the Vendor shall not be liable for any costs or damages suffered by the Purchaser arising out of such termination or otherwise out of this Agreement.

14.04 The Vendor hereby consents to the relevant Municipality releasing to the Purchaser any information in its records in connection with the Property and the Vendor agrees to execute and deliver such necessary authorizations as the Purchaser may reasonably require in this regard but any such authorization shall specifically prohibit the right of or a request for an inspection of the Property by the Municipality or any other Authority.

SECTION 15 NO ASSIGNMENT

- 15.01** The Purchaser shall not assign or register this Agreement, or any assignment of this Agreement, or any part of either, or register a caution in relation thereto, or direct title to the Property, without, in each instance, obtaining the prior written consent of the Vendor, which consent may be arbitrarily and unreasonably withheld. Notwithstanding the foregoing, the Purchaser may, upon prior written notice to the Vendor, assign this Agreement to an Affiliate of the Purchaser as that term is defined in the Business Corporations Act, R.S.O. 1990, c. B.16 but the Purchaser shall not be relieved of any of its liabilities or obligations hereunder in the event of any such assignment to an Affiliate.
- 15.02** If the Vendor consents to an assignment of this Agreement to a third party including an Affiliate (the “Assignee”), the Purchaser shall cause the Assignee and the Purchaser, to covenant in writing in favour of the Vendor to be jointly and severally bound by and to jointly and severally perform their respective obligations of this Agreement. The Purchaser shall not be released from its liabilities and obligations hereunder in the event of an assignment to an Assignee.
- 15.03** In the event of any assignment of this Agreement to an Assignee, such Assignee shall provide a similar representation, warranty and Statutory Declaration as required of the Purchaser in Section 11.01.

SECTION 16 PARTICIPATION AGREEMENT

- 16.01** It is the express intention of the Vendor and the Purchaser that there shall be no speculation with respect to all or any portion of the Property. In the event of a bona fide arm’s length sale or proposed sale of all or any portion of the Property by the Purchaser or any affiliated company of the Purchaser as that term is defined in the Business Corporations Act, R.S.O. 1990, c.B. 16, at any time within twenty (20) years from the Closing Date, at the option of the Vendor, either (i) the Vendor shall have the right to repurchase the Property at the same price paid by the Purchaser to the Vendor pursuant to this Agreement, plus the cumulative total of any and all capital improvements made by the Purchaser to the Property from and after the Closing Date (as determined in accordance with generally accepted accounting principles and to account for the depreciation of the capital improvements and any diminution in value due to damage, faulty workmanship, construction defects or other causes), or (ii) one hundred percent (100%) of any Profit as defined below shall be paid to the Vendor and the amount of such Profit shall be a charge on the Property in favour of the Vendor until paid.

Furthermore, in the event that the Purchaser does not begin to use and thereafter continue to use the Property for the purpose for which it was purchased during the period of twenty (20) years from the Closing Date; the Vendor shall have the right to repurchase the Property at the same price paid by the Purchaser to the Vendor pursuant to this Agreement, plus the cumulative total of any and all capital improvements made by the Purchaser to the Property from and after the Closing Date (as determined in accordance with generally accepted accounting principles and to account for the depreciation of the capital improvements and any diminution in value due to damage, faulty workmanship, construction defects or other causes). For the purposes of this provision, the Purchaser and Vendor acknowledge that the purpose for which the Property is being purchased is municipal purposes including, but not limited to, the expansion of the adjacent not-for-profit Fort Frances Community Clinic.

The Purchaser acknowledges that the Vendor may be required to obtain certain approvals to exercise either of the options in this Section 16.01.

“Base Amount” means FIFTEEN THOUSAND SEVEND HUNDRED (\$15,700.00) Dollars.

“Profit” means the amount by which the Sale Price exceeds the Base Amount.

“Sale Price” means: The value in lawful money of Canada of all consideration and benefit paid or agreed to be paid for the Property by a bona fide purchaser dealing at arm’s length with the Purchaser (or the Purchaser’s heirs, administrators, successors or assigns) including the value of all chattels situate thereon which are then owned by the Purchaser and which are intended to pass

on such sale transaction and the value of any encumbrances or mortgages assumed by the purchaser or taken back as part of the consideration for such sale transaction, less the aggregate of the following:

- (a) the cumulative total of any and all capital improvements to the Property (as determined in accordance with generally accepted accounting principles and to account for the depreciation of the capital improvements and any diminution in value due to damage, faulty workmanship, construction defects or other causes) made by the Purchaser to the Property from and after the Closing Date;
- (b) any real estate commission payable by the Purchaser in disposing of the Property to such a bona fide purchaser in an amount not to exceed the then current industry practice; and
- (c) reasonable legal and accounting fees payable by the Purchaser in disposing of the Property.

On the Closing Date, the Purchaser will enter into an agreement with the Vendor, in the form attached hereto as Schedule I (the "Participation Agreement"), to give effect to these provisions, notice of which shall be registered on title. At the request of the Vendor, the Purchaser shall enter into a charge or other form of security, acceptable to the Vendor at its sole, unfettered discretion, to secure payment of the Profit.

SECTION 17 PREPARATION OF TRANSFER/DEED DOCUMENTS AND FEES/COSTS

- 17.01** The Transfer/Deed of the Lands will be prepared by the Vendor, except for the Affidavit of Residence and Value of the Consideration ("**Land Transfer Tax Affidavit**"), which will be prepared by the Purchaser.
- 17.02** The Purchaser shall pay its own legal costs and registration costs. The Purchaser shall be responsible for the payment of Land Transfer Tax and registration fees and any other taxes and fees payable in connection with the registration of the transfer/deed of the Property.

SECTION 18 VENDOR'S LEGAL FEES AND APPRAISAL COSTS

- 18.01** All legal costs, including all applicable disbursements and taxes, incurred by the Vendor as of the Closing Date, but no earlier than three (3) years prior to the Closing Date, as they pertain to the subject Agreement and completion of the Transaction shall be paid by the Purchaser, but in any event such costs shall not exceed FIVE HUNDRED (\$500.00) Dollars. Such costs shall be treated as an adjustment to the Purchase Price in the Vendor's favour in accordance with Section 20 of this Agreement.
- 18.02** The Purchaser agrees to pay for all appraisal costs, including all applicable disbursements and taxes, incurred by the Vendor in contemplation of this Agreement and the sale of the subject Property, but in any event such costs shall not exceed TWO THOUSAND (\$2000.00) Dollars. Such costs shall be treated as an adjustment to the Purchase Price in the Vendor's favour in accordance with Section 20 of this Agreement.

SECTION 19 TENDER

- 19.01** Any tender of money or documents pursuant to this Agreement may be made on the Vendor or the Purchaser or their respective solicitors. Money must be tendered in Canadian funds by bank draft or negotiable cheque certified by a Canadian chartered bank, trust company, credit union or Province of Ontario Savings Office. The Vendor and the Purchaser acknowledge and agree that insofar as the tender of any documents to be electronically registered is concerned, the tender of same will be deemed to be effective and proper when the solicitor for the party tendering has

completed all steps required by Teraview in order to complete this Transaction that can be performed or undertaken by the tendering party's solicitor without the cooperation or participation of the other party's solicitor, and specifically when the tendering party's solicitor has electronically "signed" the Transfer/Deed of Land and any other closing document, if any, to be electronically registered for completeness and granted access to the other party's solicitors to same, but without the necessity for the tendering party's solicitor actually releasing such documents to the other party's solicitor for registration.

SECTION 20 ADJUSTMENTS

- 20.01** Adjustments between the Vendor and the Purchaser shall be made on the Closing Date for taxes, local improvement rates, utility costs, rents, legal costs and other matters or items which are ordinarily the subject of adjustment for the purchase and sale of a property similar to the Property. Such adjustments shall be made on the basis that, except as may be otherwise expressly provided for in this Agreement:
- (a) the Vendor shall be responsible for all expenses and liabilities and entitled to all income from the Property up to the Closing Date; and
 - (b) the Purchaser shall be responsible for all expenses and liabilities and entitled to all income from the Property from and including the Closing Date.
- 20.02** Any adjustments that cannot be determined on the Closing Date shall be determined by the parties as soon after the Closing Date as is reasonably possible. Any amounts payable by one party to the other, as determined by the parties, acting reasonably, shall be paid within ten (10) days of the request for such payment. On the Closing Date, the Vendor and the Purchaser shall exchange undertakings to re-adjust the foregoing items, if necessary.
- 20.03** All adjustments to be made under Section 20.01 shall be completed on or before the date which is no later than six (6) months from the Closing Date and no re-adjustment may be made by either party thereafter.

SECTION 21 ELECTRONIC REGISTRATION

- 21.01** Where the Property is in an area where electronic registration is mandatory and the Transaction will be completed by electronic registration pursuant to Part III of the *Land Registration Reform Act*, R.S.O. 1990, c. L.4, and the *Electronic Registration Act*, S.O. 1991, c.44, and any amendments thereto, the Vendor and Purchaser acknowledge and agree that the exchange of closing funds, non-registrable documents and other closing deliverables provided for herein and the release thereof to the Vendor and Purchaser will:
- (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this Transaction); and
 - (b) be subject to conditions whereby the lawyer(s) receiving any of the closing deliverables will be required to hold same in escrow and not release same except in accordance with the terms of a document registration agreement between the said lawyers, the form of which is as recommended from time to time by the Law Society of Upper Canada (the "**Document Registration Agreement**").

SECTION 22 CLOSING DELIVERABLES

- 22.01** Subject to the provisions of this Agreement, the Vendor covenants that it shall execute or cause to be executed and shall deliver or cause to be delivered to the Purchaser or the Purchaser's solicitors on or before the Closing Date, each of the following:

- (a) vacant possession of the Property in an As Is Where Is condition, subject to the rights of others as set out in the Permitted Encumbrances;
- (b) an Assignment of all Tenancy Agreements, the Lease and the Permitted Encumbrances, as applicable;
- (c) notice to the tenant(s) or licensee(s) (and the tenant name in the Lease, if any) informing them of the sale of the Property and directing them to pay future rent to the Purchaser;
- (d) an executed Transfer/Deed of Land in registrable form duly executed by the Vendor in favour of the Purchaser (save for any Land Transfer Tax Affidavit);
- (e) an undertaking to re-adjust the statement of adjustments, if necessary, upon written demand;
- (f) a direction regarding the payment of funds;
- (g) statement of adjustments;
- (h) Document Registration Agreement as set out in Schedule G; and
- (i) such other deeds, conveyances and other documents as the Purchaser or its solicitors may reasonably require in order to implement the intent of this Agreement.

22.02 Subject to the provisions of this Agreement, the Purchaser covenants that it shall execute or cause to be executed and shall deliver or cause to be delivered to the Vendor or the Vendor's Solicitors on or before the Closing Date:

- (a) a certified cheque ,bank draft or confirmation of wire transfer for the balance of the Purchase Price due on the Closing Date;
- (b) a direction as to title, if necessary;
- (c) an undertaking to re-adjust the statement of adjustments, if necessary, upon written demand;
- (d) HST Declaration and Indemnity, as contemplated in Section 4, if applicable;
- (e) an updated Statutory Declaration in the form set out in Schedule F is required in the event that there have been any changes to the information contained in the Statutory Declaration provided to the Vendor prior to the date of execution of this Agreement pursuant to Section 11.01;
- (f) an Acknowledgement and Indemnity with respect to all the matters in Section 11, in the form and substance attached herein as Schedule H;
- (g) Document Registration Agreement in the form attached as Schedule G;
- (h) Assignment and Assumption of Tenancy Agreements, the Lease and the Permitted Encumbrances, as applicable;
- (i) Participation Agreement as set out in Section 16 , if applicable;
- (j) Charge pursuant to Section 16, if applicable;
- (k) an Indemnity in accordance with Section 5.09;
- (l) an Environmental Indemnity regarding Section 5.1 as attached in Schedule "J"; and
- (m) such other deeds, conveyances, resolutions and other documents as the Vendor or its solicitors may reasonably require in order to implement the intent of this Agreement.

**SECTION 23
NOTICE**

- 23.01** Any notice under this Agreement is sufficiently given if delivered personally or if sent by ordinary prepaid mail or prepaid courier or electronic facsimile machine (including e-mail) addressed to the Purchaser at

The Corporation of the Town of Fort Frances
320 Portage Avenue
Fort Frances, ON P9A 3P9
Attention: Elizabeth (Lisa) Slomke, Town Clerk
Telephone: 807-274-5323 ext. 1215
Facsimile: 807-274-8479
Email: lslomke@fortfrances.ca

and to the Purchaser's Solicitors at:

Attention: _____

Telephone: _____

Facsimile: _____

and to the Vendor at:

c/o Ontario Infrastructure and Lands Corporation
Sales, Easements & Acquisitions
1 Dundas Street West
Suite 2000
Toronto, ON M5G 2L6
Attention: Vice President, Sales, Easements & Acquisitions
Facsimile: 416-327-3942

And:

Attention: Director, Legal Services (Real Estate and Leasing)
777 Bay Street,
Suite 900
Toronto, ON M5G 2C8
Facsimile: 416-326-2854

or at such other addresses as the Vendor and the Purchaser may designate from time to time. Any such notice shall be conclusively deemed to have been given and received upon the same day if personally delivered or sent by facsimile or email, or, if mailed, three (3) Business Days after the same is mailed. Any party may, at any time by notice given in writing to the other party, change the address for service of notice on it.

**SECTION 24
CONFIDENTIALITY**

- 24.01** The Vendor and Purchaser agree to take all necessary precautions to maintain the confidentiality of the terms and conditions contained herein. The Purchaser acknowledges that this Agreement and any information or documents that are provided to the Vendor may be released pursuant to the provisions of the *Freedom of Information and Protection of Privacy Act* (Ontario) as amended

and Open Data may be released pursuant to the Open Data Directive, as amended. This acknowledgment shall not be construed as a waiver of any right to object to the release of this Agreement or of any information or documents.

- 24.02** The Purchaser agrees to ensure that the Purchaser, its partners, directors, officers, employees, agents, sub-contractors, volunteers and its financial institution shall maintain the confidentiality and security of all materials and information which is the property of the Vendor and in the possession or under the control of the Purchaser pursuant to this Agreement. The Purchaser agrees to ensure that the Purchaser, its partners, directors, officers, employees, agents, sub-contractors, volunteers and its financial institution shall not directly or indirectly disclose or use, either during or following the term of this Agreement, except where required by law, any material or information belonging to the Vendor pursuant to this Agreement, without first obtaining the prior written consent of the Vendor for such disclosure or use and in the event of termination of this Agreement, the Purchaser will be responsible for returning all such documentation and information to the Vendor without making copies.

SECTION 25 GENERAL

- 25.01** Time shall in all respects be of the essence of this Agreement, provided that the time for doing or completing any matter provided for in this Agreement may be extended or abridged by an agreement in writing, signed by the Vendor and the Purchaser or by an agreement between their respective solicitors who are hereby expressly authorized in this regard. If anything in this Agreement is to be done on a day which is not a Business Day, the same shall be done on the next succeeding Business Day.
- 25.02** This Agreement shall be binding upon, and enure to the benefit of, the Vendor and the Purchaser and their respective successors and permitted assigns. The Vendor and the Purchaser acknowledge and agree that the representations, covenants, agreements, rights and obligations of the Vendor and the Purchaser under this Agreement shall not merge on the completion of this Transaction, but shall survive completion and remain in full force and effect and be binding upon the parties, save and except as may be otherwise expressly provided for in this Agreement.
- 25.03** Whenever the singular is used in this Agreement, it shall mean and include the plural and whenever the masculine gender is used in this Agreement it shall mean and include the feminine gender if the context so requires.
- 25.04** This Agreement constitutes the entire agreement between the parties and there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property, except as specifically set forth in this Agreement. This Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto.
- 25.05** This Agreement and the rights and obligations of the Vendor and the Purchaser shall be determined in accordance with the laws of the Province of Ontario.
- 25.06** Wherever this Agreement makes reference to a requirement for the consent or approval of the Vendor, such consent must be prior written consent and may be arbitrarily and unreasonably withheld in the sole and absolute discretion of the Vendor.
- 25.07** No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided.
- 25.08** If any provision of this Agreement or part thereof or the application thereof to any person or circumstance, to any extent, shall be determined to be invalid or unenforceable, the remainder of this Agreement or the application of such provisions or part thereof to any person, party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby. Each covenant, obligation and agreement in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.
- 25.09** Each of the parties hereto shall from time to time hereafter and upon any reasonable request of the other and in such form as may be satisfactory to both parties hereunder, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required

or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

SECTION 26 IRREVOCABLE PERIOD

- 26.01** Signature of this Agreement by the Purchaser and the submission thereof to the Vendor constitutes an offer under seal, which is irrevocable for thirty (30) days from the date it is submitted to the Vendor and open for acceptance by the Vendor during said thirty (30) day period, subject to an extension for a further period up to thirty (30) days at the sole discretion of the Vendor. This offer, once accepted on the Date of Acceptance, constitutes a binding contract of purchase and sale. This offer may be made and accepted by facsimile transmission, including facsimile signature provided that the original hard copy, with original signatures is received by both parties within seven (7) days of the facsimile acceptance. The Purchaser, in submitting this offer, acknowledges that there has been no promise or representation or assurance given to the Purchaser that any of the terms and conditions in this offer are or will be acceptable to the Vendor.

[no further text on this page]

DRAFT

OFFERED BY the Purchaser this _____ day of _____, 201____.

**THE CORPORATION OF THE TOWN OF
FORT FRANCES**

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have authority to bind the
Corporation

ACCEPTED BY the Vendor this _____ day of _____, 201__.

DRAFT

**HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO
as represented by
THE MINISTER OF INFRASTRUCTURE
as represented by
ONTARIO INFRASTRUCTURE AND
LANDS CORPORATION**

By: _____
Name:
Title:

By: _____
Name:
Title:

Authorizing Signing Officer

SCHEDULE A
LEGAL DESCRIPTION OF LANDS

Firstly: Part of Lot 240, Town Plot of Alberton, designated as Part 1, Plan 48R-4544, Town of Fort Frances, District of Rainy River, being Part of PIN 56018-2284 (LT); and

Secondly: Lot 241, Town Plot of Alberton, designated as Part 2, Plan 48R-4544, Town of Fort Frances; District of Rainy River, being PIN 56018-0124 (LT).

DRAFT

SCHEDULE B
PERMITTED ENCUMBRANCES

(a) General Encumbrances:

- (i) the Tenancy Agreements, if any, (for greater certainty including expired leases registered against title to the Property) and any notices of such leases registered on title to the Property, including all easements, rights of way, restrictions, restrictive covenants, servitudes and other similar rights in land contained in the leases, which exist as of the Closing Date and any leasehold mortgages or security interests relating to tenants or the tenants' interest in respect thereof and which do not encumber the interest of the landlord thereunder;
- (ii) liens for real property taxes (which term includes charges, rates and assessments) or charges for electricity, power, gas, water and other services and utilities in connection with the Property or for construction in connection with the Property for amounts the payment of which is not yet due or delinquent;
- (iii) any easements, rights of way, restrictions, building schemes, licences, restrictive covenants and servitudes, rights of access or use, airport zoning regulations and other similar rights in land (including, without limitation, rights of way and servitudes for sewers, drains, gas and water mains, electrical power, telephone and cable conduits, poles, wires or cables) granted to, reserved or taken by any person which do not, in the aggregate, materially and adversely impair the use or marketability of any of the Property for the purposes for which it is presently held, and any rights reserved or vested in any Authority or public or private utility by the terms of any lease, licence, franchise, grant, agreement or permit, subdivision, development, servicing, encroachment, site plan, parking or other similar agreement with any Authority or public or private utility;
- (iv) title defects or irregularities which do not, in the aggregate, materially and adversely impair the use of the Property for the purpose for which it is presently held;
- (v) any cost sharing, common use, reciprocal or other similar agreements relating to the use and/or operation of the Property and/or adjoining properties and all security given by the parties thereto to each other to secure their respective obligations thereunder;
- (vi) any subsisting reservations, limitations, provisos, conditions or exceptions, including royalties, contained in the original grant of the Property from the Crown;
- (vii) any rights of expropriation, access or use, or any other right conferred or reserved by or in any statute of Canada or the Province of Ontario;
- (viii) the provisions of all applicable laws including by-laws, regulations, ordinances, land use contracts, development agreements and similar instruments relating (without limitation) to development, use and zoning;
- (ix) encroachments by any improvements on the Property over adjoining lands and easements or rights of way and/or any improvements on adjoining lands encroaching on the Property which do not materially and adversely affect the present use of the Property;
- (x) any claim for lien which although registered, or of which notice has been given, relates solely to work done by or on behalf of a tenant under a Tenancy Agreement, so long as the Vendor has not assumed payment of such work;
- (xi) all registered and unregistered agreements, easements, rights, covenants and/or restrictions in favour of municipalities, publicly or privately regulated utilities or adjoining owners, or that otherwise run with the Lands; and
- (xii) any encroachments that are shown on existing surveys or as may be revealed by an up-to-date survey

(b) Specific Encumbrances:

All instruments registered on title to the Property as of the Closing Date of this Agreement.

DRAFT

**SCHEDULE C
CHATELS**

N/A

DRAFT

**SCHEDULE D
LEASE**

N/A

DRAFT

SCHEDULE E
PROPERTY DOCUMENTS

1. Phase One Environmental Site Assessment, prepared by DST Consulting Engineers Inc., dated March 1, 2017; and
2. Plan 48R-4544.

DRAFT

SCHEDULE F
STATUTORY DECLARATION

Canada)	IN THE MATTER OF THE TITLE TO <>
)	
Province of Ontario)	
)	
)	AND IN THE MATTER OF A SALE THEREOF from HER
)	MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS
)	REPRESENTED BY THE MINISTER OF
)	INFRASTRUCTURE (the “Vendor”) to <> (the
)	“Purchaser”)
)	
TO WIT:)	
)	
)	
)	
)	

I, _____, of the _____, in the Province of Ontario,

DO SOLEMNLY DECLARE, that:

1. I am the _____{title} of the Purchaser and as such have knowledge of the matters hereinafter declared.
2. The Purchaser and ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (“OILC”) are arm’s length parties and the Purchaser has received no special knowledge nor special consideration in entering into the above Agreement of Purchase and Sale, which would lead to the presumption that the parties are not arm’s length parties.
3. The Purchaser and the Vendor are arm’s length parties and the Purchaser has received no special knowledge nor special consideration in entering into the above Agreement of Purchase and Sale, which would lead to the presumption that the parties are not arm’s length parties.
4. There are no outstanding legal disputes or actions between the Vendor and Purchaser.
5. The Purchaser is not in conflict with OILC (or any of its employees) with respect to the above transaction.
6. The Purchaser is not in conflict with the Vendor (or any of its employees) with respect to the above transaction.

AND I make this solemn Declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath and by virtue of the *Canada Evidence Act*.

DECLARED by the above-named)	
Declarant, before me at the _____ of)	
_____, this)	
day of _____, 201_____.)	_____
)	
)	
A Commissioner, etc.)	

SCHEDULE G
DOCUMENT REGISTRATION AGREEMENT

DOCUMENT REGISTRATION AGREEMENT

BETWEEN:

<>

(hereinafter referred to as the “Vendor’s Solicitor”)

AND:

<>

(hereinafter referred to as the “Purchaser’s Solicitor”)

RE: Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure (the “Vendor”) sale to <> (the “Purchaser”) of the property legally described as <>, City of <>, being the whole of PIN <>(LT) (the “Property” pursuant to an Agreement of Purchase and Sale between the Purchaser, as purchaser, and the Vendor, as vendor, dated <> and accepted <> (the “Purchase Agreement”), Scheduled to be completed on <> (the “Closing Date”)

FOR GOOD AND VALUABLE CONSIDERATION (the receipt and sufficiency of which is hereby expressly acknowledged), the parties hereto hereby undertake and agree as follows:

Holding Deliveries
In Escrow

1. The Vendor’s Solicitor and the Purchaser’s Solicitor shall hold all funds, keys and closing documentation exchanged between them (the “Requisite Deliveries”) in escrow, and shall not release or otherwise deal with same except in accordance with the terms of this Agreement. Both the Vendor’s Solicitor and the Purchaser’s Solicitor have been authorized by their respective clients to enter into this Agreement. Once the Requisite Deliveries can be released in accordance with the terms of this Agreement, any monies representing payout funds for mortgages to be discharged shall be forwarded promptly to the appropriate mortgage lender.¹

Advising of
Concerns with
Deliveries

2. Each of the parties hereto shall notify the other as soon as reasonably possible following their respective receipt of the Requisite Deliveries (as applicable) of any defect(s) with respect to same.

Selecting Solicitor
Responsible for
Registration

3. The Purchaser’s Solicitor shall be responsible for the registration of the Electronic Documents (as hereinafter defined) unless the box set out below indicating that the Vendor’s Solicitor will be responsible for such registration has been checked. For the purposes of this Agreement, the solicitor responsible for such registration shall be referred to as the “Registering Solicitor” and the other solicitor shall be referred to as the “Non-Registering Solicitor”:

Vendor’s Solicitor will be registering the Electronic

☐

Responsibility of
Non-Registering
Solicitor

4. The Non-Registering Solicitor shall, upon his/her receipt and approval of the Requisite Deliveries (as applicable), electronically release for registration the Electronic Documents and shall thereafter be entitled to release the Requisite Deliveries from escrow forthwith following the earlier of:

- a) the registration of the Electronic Documents;
- b) the closing time specified in the Purchase Agreement unless a specific time has been inserted as follows[_____ a.m./p.m. on the Closing Date] (the “Release Deadline”), and provided that notice under paragraph 7 below has not been received; or
- c) receipt of notification from the Registering Solicitor of the registration of the Electronic Documents.

If the Purchase Agreement does not specify a closing time and a Release Deadline has not been specifically inserted the Release Deadline shall be 6.00 p.m. on the Closing Date.

¹Solicitors should continue to refer to the Law Society of Upper Canada practice guidelines relating to recommended procedures to follow for the discharge of mortgages.

Responsibility of Registering Solicitor	5. The Registering Solicitor shall, subject to paragraph 7 below, on the Closing Date, following his/her receipt and approval of the Requisite Deliveries (as applicable), register the documents listed in Schedule “A” annexed hereto (referred to in this agreement as the “ Electronic Documents ”) in the stated order of priority therein set out, as soon as reasonably possible once same have been released for registration by the Non- Registering Solicitor, and immediately thereafter notify the Non-Registering Solicitor of the registration particulars thereof by telephone or telefax (or other method as agreed between the parties).
Release of Requisite Deliveries by Non-Registering Solicitor	6 Upon registration of the Electronic Documents and notification of the Non-Registering solicitor in accordance with paragraph 5 above, the Non- Registering Solicitor shall be entitled to forthwith release the Requisite Deliveries from escrow.
Returning Deliveries where Non-registration	7. Any of the parties hereto may notify the other party that he/she does not wish to proceed with the registration ² of the Electronic Documents, and provided that such notice is received by the other party before the release of the Requisite Deliveries pursuant to this Agreement and before the registration of the Electronic Documents, then each of the parties hereto shall forthwith return to the other party their respective Requisite Deliveries.
Counterparts & Gender	8. This agreement may be signed in counterparts, and shall be read with all changes of gender and/or number as may be required by the context.
Purchase Agreement Prevails if Conflict or Inconsistency	9. Nothing contained in this agreement shall be read or construed as altering the respective rights and obligations of the Purchaser and the Vendor as more particularly set out in the Purchase Agreement, and in the event of any conflict or inconsistency between the provisions of this agreement and the Purchase Agreement, then the latter shall prevail.
Telefaxing Deliveries & Providing Originals if Requested	10. This agreement (or any counterpart hereof), and any of the closing documents hereinbefore contemplated, may be exchanged by telefax or similar system reproducing the original, provided that all such documents have been properly executed by the appropriate parties. The party transmitting any such document(s) shall also provide the original executed version(s) of same to the recipient within 2 business days after the Closing Date, unless the recipient has indicated that he/she does not require such original copies.

Dated this _____ day of <>, 201 .

Dated this _____ day of <>, 201

Name/Firm Name of Vendor’s Solicitor

Name/Firm Name of Purchaser’s Solicitor

<>

<>

(Signature)

(Signature)

Note: This version of the Document Registration Agreement was adopted by the Joint LSUC-CBAO Committee on Electronic Registration of Title Documents on March 29, 2004 and posted to the web site on April 8, 2004.

Schedule "A"

1. Transfer from <> to <>.

² For the purpose of this Agreement, the term “registration” shall mean the issuance of registration number(s) in respect of the Electronic Documents by the appropriate Land Registry Office.

SCHEDULE H
ACKNOWLEDGEMENT AND INDEMNITY

The Purchaser hereby acknowledges that all representations, warranties and covenants provided for in Section 11 of the Agreement of Purchase and Sale executed on the of 20 , shall survive closing and further agrees to indemnify the Vendor and its successors, administrators, permitted assigns, directors, officers, employees, agents, servants, representatives, appointees and all others for whom the Vendor is responsible in law, from and against all such loss, damage, or injury and all actions, suits, proceedings, costs, charges, damages, expenses, claims, or demands arising therefrom or connected therewith.

Date:

Witness:

Name:

Name:
Position:
Title:

SCHEDULE I
PARTICIPATION AGREEMENT

DRAFT

PARTICIPATION AGREEMENT

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS
REPRESENTED BY THE MINISTER OF INFRASTRUCTURE**

(hereinafter called the “**Vendor**”)

- and -

THE CORPORATION OF THE TOWN OF FORT FRANCES

(hereinafter called the “**Purchaser**”)

RECITALS:

- A. Her Majesty the Queen in right of Ontario as represented by the Minister of Economic Development, Employment and Infrastructure is the owner in fee simple of the property legally described as Part of Lot 240, Town Plot of Alberton, designated as Part 1, Plan 48R-4544, Town of Fort Frances, District of Rainy River, being Part of PIN 56018-2284 (LT) and Lot 241, Town Plot of Alberton, designated as Part 2, Plan 48R-4544, Town of Fort Frances, District of Rainy River, being PIN 56018-0124 (LT) (collectively, the “**Property**”).
- B. Ontario Infrastructure and Lands Corporation confirms that it is the designated agent of the Vendor.
- C. The Corporation of the Town of Fort Frances proposes to purchase and acquire the Property pursuant to an Agreement of Purchase and Sale between the Vendor and the Purchaser, dated <<Enter Date>> (the “**Sale Agreement**”).

NOW THEREFORE in consideration of the mutual covenants hereinafter set forth, the transfer of the Property from the Vendor to Purchaser and other good and valuable consideration, the parties hereto agree as follows:

1. It is the express intention of the Vendor and the Purchaser that there shall be no speculation with respect to all or any portion of the Property. In the event of a bona fide arm’s length sale or proposed sale of all or any portion of the Property by the Purchaser or any affiliated company of the Purchaser as that term is defined in the *Business Corporations Act*, R.S.O. 1990, c.B. 16, at any time within twenty (20) years from the Closing Date, at the option of the Vendor, either (i) the Vendor shall have the right to repurchase the Property at the same price paid by the Purchaser to the Vendor pursuant to the Sale Agreement, plus the cumulative total of any and all capital improvements made by the Purchaser to the Property from and after the Closing Date (as determined in accordance with generally accepted accounting principles and to account for the depreciation of the capital improvements and any diminution in value due to damage, faulty workmanship, construction defects or other causes), or (ii) one hundred percent (100%) of any Profit as defined below shall be paid to the Vendor and the amount of such Profit shall be a charge on the Property in favour of the Vendor until paid.

Furthermore, in the event that the Purchaser does not begin to use and thereafter continue to use the Property for the purpose for which it was purchased during the period of twenty (20) years from the Closing Date, the Vendor shall have the right to repurchase the Property at the same price paid by the Purchaser to the Vendor pursuant to the Sale Agreement, plus the cumulative total of any and all capital improvements made by the Purchaser to the Property from and after the Closing Date (as determined in accordance with generally accepted accounting principles and to account for the depreciation of the capital improvements and any diminution in value due to damage, faulty workmanship, construction defects or other causes). For the purposes of this provision, the Purchaser and Vendor acknowledge that the purpose for which the Property is being purchased is municipal purposes including, but not limited to, the expansion of the adjacent not-for-profit Fort Frances Community Clinic.

The Purchaser acknowledges that the Vendor may be required to obtain certain approvals to exercise any of the options in this Section 1.

2. For the purposes of this Agreement:

“**Base Amount**” means \$ FIFTEEN THOUSAND SEVEND HUNDRED (\$15,700.00) Dollars.

“**Closing Date**” means the date upon which the Property is transferred by the Vendor to the Purchaser pursuant to the Sale Agreement, being <<Enter Closing Date>>.

“**Profit**” means the amount by which the Sale Price exceeds the Base Amount.

“**Sale Price**” means the value in lawful money of Canada of all consideration and benefit paid or agreed to be paid for the Property by a bona fide purchaser dealing at arm's length with the Purchaser (or the Purchaser's heirs, administrators, successors or assigns) including the value of all chattels situate thereon which are then owned by the Purchaser and which are intended to pass on such sale transaction and the value of any encumbrances or mortgages assumed by the purchaser or taken back as part of the consideration for such sale transaction, less the aggregate of the following:

- (a) the cumulative total of any and all capital improvements to the Property (as determined in accordance with generally accepted accounting principles and to account for the depreciation of the capital improvements and any diminution in value due to damage, faulty workmanship, construction defects or other causes) made by the Purchaser to the Property from and after the Closing Date;
 - (b) any real estate commission payable by the Purchaser in disposing of the Property to such a bona fide purchaser in an amount not to exceed the then current industry practice; and
 - (c) reasonable legal and accounting fees payable by the Purchaser in disposing of the Property.
3. On the Closing Date, the Purchaser shall register Notice of this Agreement (attaching a copy of this Agreement) on title to the Property immediately following the transfer of the Property to the Purchaser, or in the priority specifically consented to by the Vendor, in writing.
4. Any notice under this Agreement is sufficiently given if delivered personally or if sent by ordinary prepaid mail or prepaid courier, electronic facsimile machine or similar electronic means (including e-mail) addressed to the Purchaser at:

The Corporation of the Town of Fort Frances
320 Portage Avenue
Fort Frances, ON P9A 3P9
Attention: Elizabeth (Lisa) Slomke, Town Clerk
Telephone: 807-274-5323 ext. 1215
Facsimile: 807-274-8479
Email: lslomke@fortfrances.ca

and to the Vendor at:

c/o Ontario Infrastructure and Lands Corporation
Sales, Easements & Acquisitions
1 Dundas Street West
Suite 2000
Toronto, ON M5G 2L6
Attention: Vice President, Sales, Easements & Acquisitions
Facsimile: 416-327-3942

And:

Attention: Director, Legal Services (Real Estate and Leasing)
777 Bay Street,
Suite 900
Toronto, ON M5G 2C8
Facsimile: 416-326-2854

or at such other addresses as the parties may designate from time to time. Any such notice shall be conclusively deemed to have been given and received upon the same day if personally delivered or sent by facsimile or similar electronic means (including e-mail), or, if mailed, three (3) Business Days after the same is mailed. Any party may, at any time by notice given in writing to the other party, change the address for service of notice on it.

- 5. This Agreement may be executed and delivered in counterparts and any such counterpart may be delivered in its original form or by facsimile transmission and each of which when so executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same Agreement.
- 6. This Agreement shall be binding upon, and enure to the benefit of the Purchaser and the Vendor and their respective successors and permitted assigns.

DATED the _____, day of _____, _____.

**THE CORPORATION OF THE TOWN OF FORT
FRANCES**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the Corporation.

DATED the _____, day of _____, _____.

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO
AS REPRESENTED BY THE MINISTER OF
INFRASTRUCTURE AS REPRESENTED BY ONTARIO
INFRASTRUCTURE AND LANDS CORPORATION**

Per: _____
Name:
Title:

I have the authority to bind the Corporation.

SCHEDULE J
PURCHASER’S ENVIRONMETNAL INDEMNITY AND COVENANT NOT TO SUE

TO: Her Majesty the Queen in right of Ontario as represented by the Minister of Economic Development, Employment and Infrastructure (the “**Vendor**”)

AND TO: <<Purchaser's Solicitor Name and/or Law Firm Name>>, its solicitors

RE: <<Purchaser(s) Name>> (the “**Purchaser**”) purchase from the Vendor of the property legally described as <<Legal Description>>, being <<the whole OR part>> of PIN <<Enter PIN>> (LT) (the “**Property**”) pursuant to an Agreement of Purchase and Sale between the Purchaser, as purchaser, and the Vendor, as vendor, accepted <<Date IO Accepted Offer>>, as may be amended from time to time (the “**Purchase Agreement**”)

In consideration the closing of the Transaction, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged:

1. The Purchaser agrees to accept, assume and take title the Property and any improvement thereon in an “As Is Where Is” condition in accordance with Section 5 of the Purchase Agreement.
2. The Purchaser acknowledges and agrees to be responsible for, and hereby agrees to indemnify, defend and save harmless the Vendor and its employees, directors, officers, appointees and agents from, any and all costs (including legal, consultant and witness costs and fees), claims, demands, actions, prosecutions, administrative hearings, fines, losses, damages, penalties, judgments, awards (including awards of costs) and liabilities (including sums paid in settlement of claims), that may arise as a result of the condition of the Property, the presence of Hazardous Substances or Contaminants in, on or under the Lands, the Buildings or any structure or paved surface, or in any environmental medium (including, but not limited to, the soil, groundwater, or soil vapour on or under, or emanating from the Property), any order issued by any Authority in connection with the condition of the Property, or any loss, damage, or injury caused either directly or indirectly as a result of the condition of the Property including, without limitation, non-compliance with Environmental Law or the existence of any Hazardous Substance or Contaminant. Without limiting the generality of the foregoing, this indemnification shall specifically cover costs incurred, from and after the Closing Date, in connection with any claim for personal injury and/or death, property damage, investigation of site conditions and/or any clean-up, remedial, removal, monitoring or restoration work required by any federal, provincial, or local government agency or political subdivision because of the presence of Hazardous Substances, in, on or under the Lands, the Buildings or any environmental medium, structure or paved surface or emanating therefrom.
3. The Purchaser covenants and agrees that, effective as of the Closing Date, the Purchaser forever releases and covenants not to sue the Vendor and its employees, directors, officers, appointees and agents with respect to anything arising out of the environmental or any other condition of the Property or the presence of Hazardous Substances or Contaminants in, on, under, or emanating from or onto the Property, regardless of whether such environmental conditions or the presence of Hazardous Substances or Contaminants is known or unknown by the Purchaser and regardless of whether such condition is set forth in the Property Documents, the Purchaser’s Reports or any other report, document or information discovered during the course of the Purchaser’s due diligence or otherwise. The foregoing release and covenant not to sue shall apply to all claims at law or in equity, including, but not limited to, claims or causes of action for personal injury or death, property damage, statutory claims under Environmental Laws and claims for contribution.
4. This Indemnity shall not merge but shall survive the Date of Closing and shall be continuing obligation of the Purchaser.
5. Unless otherwise defined herein, all capitalized terms used herein have the meaning ascribed to them in the Purchase Agreement.

6. The provisions of this Purchaser’s Environmental Indemnity and Covenant Not to Sue shall enure to the benefit of the Vendor and its successors and assigns and shall be binding upon the Purchaser and its successors and permitted assigns.

DATED as of the _____ day of <<Month>>, <<Year>>.

NOTE: SIGNATURE BLOCK FOR CORPORATION – REMOVE THIS NOTE OR DELETE CELL IF SALE IS WITH INDIVIDUAL(S)

<<PURCHASER(S) NAME>>

Per: _____
Name: <<Individual Signing Documents for Corporation>>
Title: <<Title>>

Per: _____
Name: <<Individual Signing Documents for Corporation, if there is a second person>>
Title: <<Title>>

I/We have the authority to bind the Corporation.

NOTE: SIGNATURE BLOCK FOR INDIVIDUAL(S) – REMOVE THIS NOTE OR DELETE CELL IF SALE IS WITH A CORPORATION

Witness:

Name: <<Enter Witness Name>>

Name: <<Purchaser's Name>>

Witness:

Name: <<Enter Witness Name>>

Name: <<Purchaser's Name>>

SCHEDULE “K”

**CLASS EA – ENVIRONMENTALLY SIGNIFICANT AREAS, DISTINCTIVE
ENVIRONMENTAL FEATURES and MITIGATION MEASURES**

N/A

DRAFT