AGREEMENT OF PURCHASE AND SALE

BETWEEN:

JOSEPH DAVID HOUGH and LISA MARIE HOUGH

(the "Vendor")

-and-

THE CORPORATION OF THE MUNICIPALITY OF LAMBTON SHORES

(the "Municipality" or the "Purchaser")

WHEREAS the Vendor is the owner of the lands and premises in the Municipality of Lambton Shores municipally known and legally described as set out in Schedule "A" attached hereto (the "**Vendor's Land**");

AND WHEREAS in connection with the Municipality's Ontario Street North Road Widening Project (the "**Project**") the Municipality requires a portion of the Vendor's Land for road widening as part of the Project;

AND WHEREAS the parties have agreed as follows:

1. REQUIRED LAND

The Vendor hereby offers to sell to the Municipality all and singular that parcel of land comprising part of the Vendor's Land which parcel of land is legally described in Schedule "B" attached hereto (and is hereinafter referred to as ("the "**Required Land**") and shown as Part 1 Plan 25R-11323 on Schedule D hereto.

2. PURCHASE PRICE

The Purchaser shall pay to the Vendor a net payment of EIGHTY TWO THOUSAND DOLLARS (\$82,000.00) (the "**Purchase Price**") of lawful money of Canada to be paid by the Municipality to the Vendor, or as the Vendor may direct in writing, by Municipality cheque, or at the option of the Municipality, by electronic transmission to the trust account of the Vendor's solicitor.

3. EXPROPRIATIONS ACT

If the Municipality determines in its sole and absolute discretion that expropriation of the Required Land is necessary to clear title or to meet deadlines for the Municipality's work, the Municipality may acquire the Required Land by expropriation and the Vendor agrees that payment of the Purchase Price represents compensation in full in respect of the Required Land. In the event that the Municipality registers a plan of expropriation prior to closing of this transaction, the terms of this Agreement shall continue in full force and effect, with necessary changes, save and except that no registration of an electronic transfer as provided in Section 15 (a) shall be required. In such case, the Vendor undertakes to obtain a good and valid release from any party that may have a claim against the Purchase Price, as required by the Municipality's solicitor in his or her sole discretion.

The Vendor agrees to indemnify and save harmless the Municipality from any claims, demands, damages, losses, costs, expenses, actions and other proceedings whatsoever brought by any third party owner, tenant or occupant of the Vendor's Land claiming

compensation under the *Expropriations Act* in respect of the Vendor's Land, the Required Land and/or the Project. This indemnity shall survive the Closing.

COSTS

The Municipality shall pay to the Vendor the Vendor's reasonable legal fees and solicitor's disbursements and applicable HST thereon in connection with this transaction. Such payment shall be made after Closing provided that the Vendor's solicitor shall have delivered to the Municipality's solicitor a detailed account of time and disbursements and the HST thereon no later than thirty (30) days after Closing. In the event the Municipality is not satisfied with the reasonableness of the account, the Municipality shall be at liberty to have the legal account judicially assessed, and payment shall be postponed pending completion of the assessment and any appeals therefrom. Failure of the Vendor or its solicitor to submit the account within thirty (30) days after Closing shall be deemed acceptance by the Vendor that the amount payable pursuant to this Section is included in the Purchase Price.

4. CLOSING DATE

The closing of this transaction ("**Closing**") or ("**closing**") shall take place on the thirtieth (30th) day after this Agreement has been executed by the Municipality and the Municipality has given notice of acceptance of this offer to the Vendor, (the "**Closing Date**") or such earlier or later date as may be mutually agreed in writing. On closing the Vendor shall convey good and marketable title to the Required Land to the Municipality in fee simple free and clear of all encumbrances, subject only to the Permitted Encumbrances (as hereinafter defined).

5. DELIVERIES

Within seven (7) days of execution of this offer by the Vendor the Vendor shall provide to the Municipality true and complete copies of all agreements to lease, amendments to agreements to lease, leases, amendments to leases, licences, amendments to licences, agreements to licence, assignments of lease, agreements to assign lease, subleases, agreements to sublease, and any other agreements by which possession or sharing of possession of any part of the Required Land has been granted to any party (all of which are collectively referred to as the "Leases") and true and complete copies of any other unregistered encumbrances or agreements affecting title to the Required Land of which the Vendor is aware, and of any environmental reports with respect to the Vendor's Land in the possession or under the control of the Vendor (the "Other Documents"), (all of which Leases and Other Documents are collectively referred to as the "Leases") together with a dated list of the Deliveries and certification that the list of Deliveries is complete and correct.

In the event that any other Deliveries come into being or come to the attention of the Vendor after the list and true and complete copies of Deliveries has been provided to the Municipality a supplementary list and copies of applicable documentation shall be delivered to the Municipality forthwith and shall be included within the meaning of the term Deliveries for all purposes of this Agreement.

6. INSPECTION, RIGHT TO ENTER, ACCESS TO RECORDS

- (a) The Municipality, its employees, agents, contractors, and consultants shall have the right, at its own risk and expense, at any time before or after Closing:
 - to enter on the Required Land and upon the Vendor's Land, not including any buildings thereon, for the purpose of preliminary site preparation, preengineering, including conducting soil, ground water, and environmental tests, surveys and inspections, and the right to drill test holes, and to remove samples, as the Municipality deems appropriate in connection with the Project;

- to enter on the Vendor's Land adjacent to the Required Land, not including any buildings thereon, as reasonably required in the judgment of the Municipality for the construction of the Project; and
- (iii) to obtain access to any municipal and other governmental records to determine if there are any environmental conditions, wastes, hazards, soil conditions, or violations of law of any type whatsoever, which might interfere with the Municipality's intended use of the Required Land, or with respect to which the Municipality might be put to any additional expense.

Any damages to the Vendor's Land caused by entry pursuant to subsections (i) and (ii) of this Section shall be repaired by the Municipality forthwith at the expense of the Municipality. This obligation of the Municipality shall survive Closing or other termination of this Agreement.

No inspections, investigations, or surveys by or on behalf of the Municipality shall have the effect of waiving, reducing the scope of, or otherwise affecting any representation or warranty made by the Vendor.

b) The Vendor agrees to execute any required consent or waiver to permit the Municipality to conduct the access, entry, and other activities permitted by and as set out in this Section.

7. WARRANTIES AND REPRESENTATIONS OF VENDOR

- (a) The Vendor represents and warrants to the Municipality that:
 - (i) The Vendor has the necessary authority, power and capacity to enter into this Agreement and to complete the transaction in accordance with the terms and conditions of this Agreement.
 - (ii) The Vendor has had no actual notice and is not aware of any actual, pending, or threatened actions or proceedings relating to the Required Land or to the violation, actual or alleged, of any environmental statutes or regulations;
- (iii) The Vendor, to the best of its knowledge and belief, and without enquiry, is not aware of any adverse environmental circumstances now affecting the Required Land which it has not disclosed in writing to the Municipality.
- (iv) There is no litigation or proceeding in progress, or to the best of the Vendor's knowledge and belief threatened against the Vendor or any other party in relation to the Vendor's Land before any court, commission, board, bureau, agency or arbitration panel which does or may adversely affect the Required Land or the use or occupancy thereof, and there is not an injunction, or order of any court, commission, governmental agency or arbitrator which adversely affects the Required Land or the use or occupancy thereof.
- (v) No third party consents are necessary for the Vendor to enter into this Agreement;
- (vi) The Vendor's Land have never been used as a waste disposal site to the best of the Vendor's knowledge and belief;
- (vii) No contaminants, pollutants, dangerous substances, liquid waste, or hazardous materials exist or have been stored in or on the Required Land, to the best of the Vendor's knowledge and belief;

- (viii) If the Vendor is a corporation that it is subsisting under the laws of the Province of Ontario or Canada, as the case may be;
 - (ix) To the best of the Vendor's knowledge and believe no underground storage tanks or surface impoundments have been or are in or on the Required Land; and
 - (x) At no time since the Vendor acquired the Required Land has any part thereof ever been occupied by the Vendor or if the Vendor is a corporation, by any of the officers, directors, or shareholders of the Vendor as their family residence or matrimonial home within the meaning of the *Family Law Act*, R.S.O. 1990, c. F.3, as amended.
- (b) On Closing, the Vendor shall deliver to the Municipality a certificate that the said representations and warranties were true and correct at the time they were made and remain true and correct as at the date of Closing and such representations and warranties shall survive Closing for a period of twelve (12) months.

8. PURCHASER'S CLOSING CONDITION

It is a condition of Closing for the sole benefit of the Municipality that the representations and warranties be true and correct as at the date of Closing, and if in default thereof the Municipality shall be at liberty to elect not to close the transaction in which case this Agreement shall thereupon become null and void and all monies heretofore paid shall be returned without interest or deduction and the Vendor shall not be liable for any costs or damages and the Vendor and Municipality shall be released from all obligations hereunder save and except those covenants expressly stated to survive Closing or other termination of this Agreement. Alternatively, the Municipality may close the transaction regardless, at the option of the Municipality, and if the Municipality does close the transaction, the right of the Municipality to make a claim against the Vendor on account of the breach or inaccuracy of any of the said representations and warranties shall survive the Closing and shall not merge on Closing.

9. PURCHASER'S DUE DILIGENCE CONDITION

This Agreement is conditional until the seventh (7th) day before Closing (the "**Due Diligence Date**") upon the Municipality being satisfied in its sole, subjective, absolute, and unfettered discretion, with its due diligence with respect to the Required Land including, without limitation, with respect to the results of its inspections, surveys, investigations, and determinations with respect to the Required Land, and with respect to the Deliveries. This condition precedent is for the benefit of the Municipality, and may be waived in whole or in part by the Municipality by notice to the Vendor prior to the Due Diligence Date, failing which this Agreement shall be null and void and all monies heretofore paid shall be returned without interest or deduction and the Vendor shall not be liable for any costs or damages and the Vendor and Municipality shall be released from all obligations hereunder save and except those covenants expressly stated to survive Closing or other termination of this Agreement.

10. PURCHASER'S MUNICIPAL COUNCIL APPROVAL CONDITION

This Agreement is conditional until the Closing Date upon the Municipal Council's approval by way of passing an appropriate by-law. This condition precedent is for the benefit of the Municipality, and may not be waived in whole or in part by the Municipality.

11. TITLE

Title to the Required Land shall be good and free from all registered restrictions, charges, liens and encumbrances save and except for those encumbrances set out in Schedule "D" hereto (hereinafter referred to as the "Permitted Encumbrances"). The Municipality shall not call for the production of any title, deed, abstract, survey or other evidence of title to the Required Land except such as are in the possession or control of the Vendor. The Municipality shall be allowed until Closing to examine the title to the Required Land at its own expense to ensure the title is good and marketable, and to satisfy itself that there are no outstanding municipal work orders or deficiency notices affecting the Required Land and the Vendor agrees that the Municipality may deliver a copy of this Agreement as authorization in this regard. If before Closing any valid objection to the title or to any outstanding municipal work order or deficiency notice is made in writing to the Vendor, and if the Vendor is unwilling or unable to remove, remedy or satisfy such objection, and if the Municipality will not waive such objection, this Agreement, notwithstanding any intermediate acts or negotiations in respect of any such objections, shall be at and end and all monies theretofore paid shall be returned without interest or deduction and the Vendor shall not be liable for any costs or damages and the Vendor and Municipality shall be released from all obligations hereunder save and except those covenants expressly stated to survive Closing or other termination of this Agreement.

12. DISCHARGE OF MORTGAGES

If a discharge of any charge/mortgage against the Required Land (hereinafter "**partial discharge**") (i.e. a full discharge against the Required Land only) held by a corporation incorporated pursuant to the Trust and Loan Companies Act (Canada), chartered bank, trust company, credit union, caisse populaire or insurance company is not available in registrable form on Closing, the Municipality agrees to accept Vendor's solicitor's personal undertaking to obtain, out of the closing funds, the partial discharge in registrable form and to register same on title within a reasonable period of time after Closing, provided that on or before Closing Vendor shall provide to the Municipality a mortgage statement prepared by the mortgagee setting out the balance required to obtain the partial discharge, together with a direction executed by the Vendor directing payment to the mortgagee of the amount required to obtain the partial discharge out of the balance due on closing.

13. PLANNING ACT

This Agreement shall be effective to create an interest in the Required Land only if the subdivision control provisions of the Planning Act, R.S.O. 1990, c. P. 13, as amended, are complied with by the Vendor on or before closing.

14. CLOSING ARRANGEMENTS

Each of the Vendor and the Municipality shall be represented by a solicitor in connection with the completion of this Agreement and shall cause their respective solicitors to enter into a document registration agreement (the "**DRA**") to govern the electronic submission of the transfer/deed for the Required Land. The DRA shall outline or establish the procedures and timing for completing all registrations electronically and provide for all closing documents and closing funds to be held in escrow pending the submission of the transfer/deed to the land registry office and their acceptance by virtue of each registration document being assigned a registration number. The DRA shall also provide that if there is a problem with the Teraview electronic registration system which does not allow the parties to electronically register all registration documents on Closing, the Closing Date shall be deemed to be extended until the next day when the said system is accessible and operating.

15. TRANSFER OF TITLE

The Vendor shall deliver to the Municipality, on Closing:

- (i) an effective electronic transfer of the Required Land in favour of the Municipality (except for the Land Transfer Tax Act affidavit);
- (ii) a statutory declaration that the Vendor is not a non-resident of Canada within the meaning of section 116 of the *Income Tax Act* or the prescribed certificate referred to in Section 22 of this Agreement; and
- (iii) the certificate referred to in Section 8(b) of this Agreement;
- (iv) an undertaking to readjust;
- (v) an indemnity in respect of Section 3 of this Agreement, if required;
- (vi) such other documents as the Municipality or its solicitor may reasonably require in order to complete the transaction contemplated by this Agreement.

16. PURCHASER'S COVENANTS

The Municipality shall deliver to the Vendor, on closing:

- (a) the confirmation, registration number, and indemnity in respect of HST as required by Section 23 of this Agreement;
- (b) the Purchase Price;
- (c) an undertaking to readjust; and
- (d) such other documents as the Vendor or its solicitor may reasonably require in order to complete the transaction contemplated by this Agreement.

17. INSURANCE

Except as otherwise provided in this Agreement, until completion of this transaction, liability of any kind for occurrences on or from the Required Land shall be and remain at the risk of the Vendor and the Vendor will hold all policies of insurance covering the Required Land and the proceeds thereof in trust for the parties hereto, as their interests appear.

18. PURCHASER'S POST-CLOSING COVENANTS

The Municipality covenants with the Vendor that as and from the Closing:

- (a) until such time as the Required Land becomes a public highway, there shall continue to be lawful pedestrian and vehicular ingress to and egress from the remainder of Vendor's Land across the Required Land from and to the public highway currently known as Ontario Street North, and the Municipality hereby grants a temporary easement over the Required Land for such purposes, for the benefit of the remainder of Vendor's Land; and
- (b) during any and all construction on the Required Land, neither the Municipality nor any of its agents, employees or contractors shall park or store any truck, vehicle, equipment or construction materials on the remainder of the Vendor's Lands.

19. STATEMENT OF ADJUSTMENTS

Adjustments shall be made as of the day of Closing with respect to realty taxes, local improvement charges and any other amounts as customary and applicable. Insurance premiums shall not be adjusted on Closing, and insurance shall not be transferred on Closing. At the option of the Municipality the adjustment for Required Land taxes may be estimated or, alternatively, the statement of adjustments may simply say Required Land taxes to be readjusted, if necessary. The Required Land tax adjustment shall be apportioned and allowed to the Closing (the day itself to be apportioned to the Municipality).

20. READJUSTMENTS

Each party hereto will deliver to the other at Closing its undertaking to readjust any errors in

or omissions from the statement of adjustments.

21. LAND TRANSFER TAX

The affidavit required under the Land Transfer Tax Act shall be prepared by the Municipality and the Municipality shall be responsible for the land transfer tax applicable on this transaction.

22. RESIDENCY

- (a) Subject to (b) below, the Vendor represents and warrants that the Vendor is not and on Closing will not be a non-resident of Canada within the meaning and intended purpose of Section 116 of the Income Tax Act (Canada), which representation and warranty shall survive and not merge upon the closing of this transaction.
- (b) Provided that if the Vendor is a non-resident of Canada within the meaning and intended purpose of Section 116 of the Income Tax Act (Canada) the Municipality shall be credited towards the purchase price for the amount, if any, necessary for the Municipality to pay to the Minister of National Revenue to satisfy the Municipality's liability in respect of tax payable by the Vendor under the non-residency provisions of the Income Tax Act (Canada) by reason of this sale. The Municipality shall not claim such credit if the Vendor delivers on Closing a prescribed certificate from the Minister of National Revenue satisfactory to the Municipality or its solicitor herein.

23. HARMONIZED SALES TAX

If the sale of the Required Land is subject to HST, then such tax will be in addition to the Purchase Price. The Vendor will not collect HST if the Municipality provides to the Vendor confirmation in writing from the Municipality that the Municipality is registered under the Excise Tax Act ("ETA") for the collection and remittance of the HST and its registration number, and that the Municipality shall remit directly to the Receiver General of Canada the HST payable pursuant to the ETA in connection with the sale and conveyance of the Required Land, and that the Municipality shall indemnify and save harmless the Vendor from any HST, penalty, interest or other amounts which may be payable by or assessed against the Vendor under the ETA as a result of or in connection with the Municipality's failure to collect and remit any HST applicable on the sale and conveyance of the Required Land to the Municipality.

24. GENERAL

- (a) Time shall be of the essence.
- (b) This Agreement, including any attached schedules, constitutes the entire agreement between the parties, and there is no representation, warranty, collateral agreement, or condition affecting this Agreement or the Required Land.
- (c) The provisions of this Agreement shall extend to, bind and enure to, the benefit of the heirs, executors, administrators, successors, and assigns, as the case may be, of each of the parties.
- (d) Each of the parties shall promptly do, make, execute, deliver or cause to be done, made, executed or delivered all such further acts, documents, and things as the other party may reasonably require for the purpose of giving effect to this Agreement whether before or after the Closing Date.

- (e) This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts shall be accepted in original, electronic, or facsimile form, and the parties to this Agreement adopt any signatures received by receiving facsimile or electronic form as original signatures of the parties.
- (f) This Agreement shall be read and construed with all changes of gender or number required by the context.
- (g) Schedules "A", "B", "C", and "D", form an integral part of this Agreement. In case of any conflict or inconsistency between the body of this Agreement and any schedule to this Agreement, the schedule shall supercede the body of this Agreement to the extent of such conflict or inconsistency.
- (h) The headings in this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.
- (i) The Municipality hereby designates Carlyle Peterson Lawyers LLP as agents for the purpose of giving and receiving notices pursuant to this Agreement. The Vendor shall advise the Municipality forthwith of the name of its solicitor and hereby appoint such solicitor as agent for the purpose of giving and receiving notices pursuant to this agreement. Any notice relating hereto or provided for herein shall be in writing. This offer, notice of acceptance thereof, or any notice shall be deemed given and received, when delivered personally or sent by prepaid courier or facsimile or email:

If to the Municipality:

The Corporation of the Municipality of Lambton Shores Contact Information Attention: Susan Carlyle Telephone: 519.432.0632 Fax: 519.432.0634 Email:scarlyle@cplaw.com

and if to the Vendor:

at the Vendor's Land Attention: JosePH Hough, Lisa Hough Telephone: 579-537-9350 Fax: Email: Joe@zorrahettubs.com

or to its solicitor at the contact particulars advised to or otherwise known to the Municipality.

- (j) The Municipality's Solicitor is hereby authorized to extend or abridge the time for closing this transaction and/or any other time periods in this Agreement without further authorization by Municipality Council, providing time to remain of the essence. Any such extension or abridgement shall only be made with both parties' consent.
- (k) It is understood and agreed by the Municipality and the Vendor that an effective tender shall have be deemed to have been validly made when the solicitor for the party wishing to tender has faxed or emailed a letter to the other party's solicitor on the Closing Date stating that:

- (i) If to the Vendor, all closing documents required under this Agreement have been prepared and signed and that a certified cheque or bank draft for the closing funds has been drawn, or the closing funds have been electronically transmitted to the trust account of the Vendor's solicitor, (with copies of the aforementioned documents being attached to the letter being faxed or sent by email);
- (ii) If to the Municipality, all closing documents required under this Agreement have been prepared and signed (with copies of the aforementioned documents attached to the letter being faxed or emailed);
- (iii) The tendering solicitor's client is ready, willing and able to complete the transaction in accordance with the terms of this Agreement;
- (iv) All steps required by the Teraview Electronic Registration System that can be performed or undertaken without the cooperation of the solicitor for the party on whom tender is being made, have been completed by the solicitor for the party carrying out the tender, including signing of the transfer for completeness electronically by the solicitor for the tendering party,

without the necessity of personally attending upon the other party or its solicitor with the aforementioned documents and funds, and without any requirement to have an independent witness to evidence the foregoing.

- Except to the extent required to complete this transaction contemplated herein, the Vendor hereby covenants and agrees that it shall, keep confidential, and not disclose to the public, the existence or provisions of this Agreement except to its professional advisors, or as required by law.
- (m) The parties agree that the provisions hereof shall be construed in accordance with the laws of the Province of Ontario, and that if any provision of this Agreement is invalid or unenforceable by rule of law or public policy, that provision shall be severed from and be deemed never to have formed part of this Agreement, and all other provisions hereof shall not be affected thereby but shall remain in full force and effect.
- (n) Whenever any calculation or payment to be made or action to be taken under this Agreement as required to be made or taken on a day other than a Business Day, the calculation or payment is to be made or action is to be taken, on the next Business Day. In this Agreement "Business Day" means a day in which the electronic registration system in Ontario is operating for purposes of registration of electronic documents pertaining to the Required Land.
- (o) No amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any section of this agreement is binding unless it is in writing and executed by the parties to be bound. No waiver of, failure to exercise, or delay in exercising, any section of this Agreement constitutes a waiver of any other section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.
- (p) The Vendor acknowledges that it has had sufficient opportunity to seek independent legal advice before executing this Agreement.

25. IRREVOCABLE DATE

This offer shall be irrevocable by the Vendor until 11:59 p.m. on the 19th day of December, 2023 after which time, if not accepted, this offer shall be null and void. **EXECUTED BY THE VENDOR ON**

Name JOSEPH DAVID HOUGH Name: LISA MARIE HOUGH

EXECUTED BY THE PURCHASER ON

THE CORPORATION OF THE MUNICIPALITY OF LAMBTON SHORES

Name: Title:

Name:

Title:

I/We have the authority to bind the corporation

SCHEDULE "A"

OWNER

LISA MARIE HOUGH and JOSEPH DAVID HOUGH

MUNICIPAL ADDRESS OF VENDOR'S LAND

12 Ontario St. S., Grand Bend, ON N0M 1T0

LEGAL DESCRIPTION OF VENDOR'S LAND

LT 34 PL 540; MUNICIPALITY OF LAMBTON SHORES, being all of PIN 43444-0609 (LT)

SCHEDULE "B"

LEGAL DESCRIPTION OF REQUIRED LAND TO BE CONVEYED TO THE MUNICIPALITY

LEGAL DESCRIPTION—

Part of Lot 34, Plan 540, MUNICIPALITY OF LAMBTON SHORES being Part 1 Plan 25R11323 (being part of PIN 43444-0609)

SCHEDULE "C"

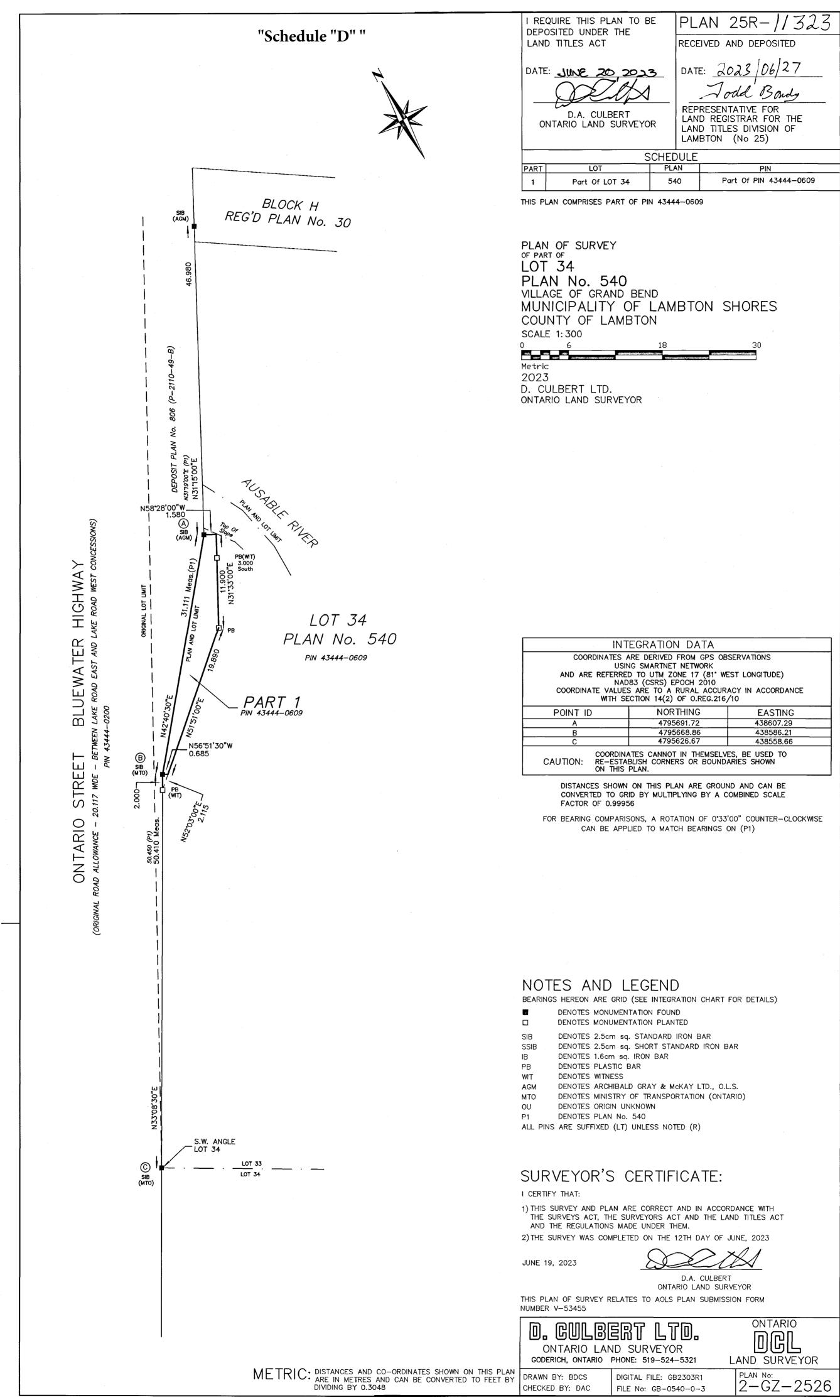
PERMITTED ENCUMBRANCES

<u>General</u>

- 1. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown.
- 2. Any liens for realty taxes accrued but not yet due.
- 3. Any registered municipal or regional easements or agreements providing such have been complied with, or security has been posted to ensure compliance.

Specific Permitted Encumbrances (if any)

NONE



	D. CULBERT LTD. ONTARIO LAND SURVEYOR GODERICH, ONTARIO PHONE: 519-524-5321		ONTARIO
AND CO-ORDINATES SHOWN ON THIS PLAN TRES AND CAN BE CONVERTED TO FEET BY (0.3048	DRAWN BY: BDCS CHECKED BY: DAC	DIGITAL FILE: GB2303R1 FILE No: GB-0540-0-3	PLAN NO: 2-GZ-2526