

Attachment 2  
**PURCHASE AND SALE AGREEMENT**  
**(hereinafter called the “PSA”)**

**THIS AGREEMENT** made as of the 2th day of March, 2022.

**BETWEEN:**

**THE CORPORATION OF THE TOWNSHIP OF SOUTHGATE**

hereinafter called the “Vendor” of the FIRST PART;

and

**FLATO GREENS INCORPORATED**

hereinafter called the “Purchaser” of the SECOND PART;

**WHEREAS** the Vendor is the owner, in fee simple, of lands and premises described in Schedule “A” and specifically as depicted in the aerial photo lot map and/or the reference plan in Schedule “B” (the “Property”), which Property is to be severed as per the terms of this PSA ;

**AND WHEREAS** the Purchaser wishes to purchase the Property from the Vendor and the Vendor desires to sell the Property to the Purchaser;

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

**SECTION I**  
**GENERAL**

1. In consideration of the agreement referred to in the preceding paragraph, the Purchaser shall pay a Purchase Price calculated at Fifty-Five Thousand Dollars (\$55,000.00) per acre to the Vendor, with the size of the Property to be determined by the reference plan to be prepared by the Vendor pursuant to the terms of this PSA. The Purchase Price shall be paid as follows:
  - a) Twenty-Five Thousand Dollars (\$500,000.00) is payable by the Purchaser by certified cheque or bank draft upon execution of this Agreement, to be held on an interest-free basis by the Solicitor for the Vendor as a deposit pending completion of this transaction on account of the Purchase Price on completion, or if this Agreement is not completed through no fault of the Purchaser, the deposit shall be returned to the Purchaser without interest or deduction; and

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- b) The balance of the Purchase Price, subject to adjustments, shall be paid to the Vendor on the Completion Date, by certified cheque or bank draft.
- 2. The Vendor, at its sole expense, shall have a draft reference plan prepared for review by the Vendor depicting the Property and shall arrange for such plan to be deposited against the title of the Property prior to the Closing Date.

## **SECTION II PURCHASE OF PROPERTY**

### 3. Irrevocable Date

This PSA shall be open for acceptance by the Vendor until the 25<sup>th</sup> day of February, 2022, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

### 4. Completion Date

- a) The closing of this transaction be completed no later than 5:00 p.m. on the 25<sup>th</sup> day of May, 2022, (the "Completion Date") or an earlier date if possible, at which time possession of the Property in "as is, where is" condition shall be given to the Purchaser.

### 5. Council Approval

- a) This transaction is subject to compliance with Section 270 of the *Municipal Act, 2001* as amended and is conditional upon the approval of this transaction by the Council of The Corporation of the Township of Southgate in its sole and absolute discretion by by-law. Council approval shall be obtained on or before the Completion Date, or this agreement will be null and void and the deposit returned without interest or deduction.

### 6. Documents, Reports and Information

- a) The Vendor will only produce and deliver to the Purchaser any documents, reports or information in its possession in respect to the Property. The Purchaser agrees to return all of the above documentation to the Vendor if this transaction is not completed. Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller.

## **SECTION III CONDITIONS, REPRESENTATIONS AND WARRANTIES**

### 7. "As Is" Condition

- a) The Purchaser acknowledges that they are acquiring the Property in an "as is" condition and that it must satisfy itself within fifteen (15) days of acceptance as to the Property including, but not limited to, all existing physical conditions of this Property, environmental conditions, fitness for any purpose, suitability for construction, soil

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bearing capacity for any building proposed, and the availability of municipal services and utilities necessary for the Purchaser's proposed use of the Property. It shall be the Purchaser's responsibility to provide, at its own expense, any soil bearing capacity tests, Conservation Authority permits or environmental inspection, as may be required or desired, and the Vendor shall grant the Purchaser access for such testing or inspection at all reasonable times, on reasonable notice, for the purpose of conducting reasonable inspections. The Purchaser acknowledges that the Vendor shall not be responsible for any physical deficiencies of this Property or for any past, present or future environmental liabilities and hereby waives any claims against the Vendor in respect of any environmental liabilities on this Property. The Purchaser agrees that once the above-noted fifteen (15) day period has expired, and so long as no notice is given that the Purchaser will not accept the Property within such time, the Purchase shall be deemed to have released the Vendor on closing with respect to matters set out in this paragraph. If the Purchaser is for any reason whatsoever dissatisfied with the Property, it shall deliver written notice to that effect to the Vendor by no later than the time specified herein, and this Agreement shall be terminated and the deposit shall be returned to the Purchaser without interest or deduction. If the Vendor is notified that the condition of the Property is not satisfactory, then the Purchaser shall, prior to receiving its deposit monies back and prior to being entitled to a full release from the Vendor with respect to this Agreement, restore the Property to its original condition as it existed prior to such testing or inspection by the Purchaser, at the Purchaser's sole expense. If the Purchaser fails to deliver written notice to the Vendor within the time specified herein regarding this condition, this condition shall be deemed to have been waived by the Purchaser.

### 8. Future Use

- a) The Parties acknowledge that the zoning bylaw allows industrial uses for the Property subject to the requirements of the Township of Southgate Zoning By-law, and other municipal by-laws and codes including but not limited to the Township's Site Plan Control By-law. It is the Purchaser's responsibility to confirm the Purchaser's use is compliant or if rezoning is necessary and other compliance requirements.

### 9. Development Covenants and Restrictions

- a) The Property shall be subject to the development covenants and restrictions more particularly set out in Schedule "C" attached to this PSA, which shall survive the completion of this transaction and run with the Property. which covenants and restrictions may be registered on title by the Vendor and the cost of registration shall be at the expense of the Purchaser. In the event that the said covenants and restrictions are not registered on title to the Property on or before closing, the Purchaser covenants and agrees to consent to the registration of the covenants and restrictions forthwith after closing. The Purchaser agrees that they shall not transfer, assign its rights, interests, liabilities and obligations under this Agreement without obtaining the consent of the Vendor, and the Vendor may require that the proposed assignee or transferee enter into an assumption agreement in a form satisfactory to the Vendor, acting reasonably, requiring the assignee or transferee to be bound by all of the terms and conditions of this Agreement prior to the giving of any consent. In the event of such assignment or upon the Purchaser's transfer of the Property, the

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Purchaser's rights, interests, liabilities and obligations hereunder is released and discharged from any and all liabilities and obligations arising under and pursuant to this Agreement.

### 10. Property Not for Resale

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

## **SECTION IV PRIOR TO COMPLETION DATE**

### 11. Purchaser May Inspect the Property

- a) Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller.
- b) The Buyer shall have the right to inspect the property one further time prior to completion, at a mutually agreed upon time, provided that written notice is given to the Seller. The Seller agrees to provide access to the property for the purpose of this inspection.

### 12. Insurance

All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Vendor. Pending completion, Vendor shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Purchaser may either terminate this Agreement and have its deposit returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion.

## **SECTION V COMPLETING THE TRANSACTION**

The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller.

### 13. Electronic Registration

- a) The parties agree that the transaction shall be completed by electronic registration pursuant to Part III of the *Land Registration Reform Act* as amended. The parties acknowledge and agree that the delivery and release of documents may, at the discretion of the lawyer: a) not occur contemporaneously with the registration of the transfer/deed and other registerable documentation, and b) be subject to conditions whereby the lawyer receiving documents and/or money will be required to hold them in trust and not release them

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except in accordance with the terms of a document registration agreement between the respective lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada.

### 14. Survey or Reference Plan

- a) Prior to closing, the Vendor shall deposit a Reference Plan on title of the Property at its expense to provide a registerable description of the Property in accordance with the terms of this Agreement.

### 15. Examination of Title

Purchaser shall be allowed until 6:00 p.m. on the 25<sup>th</sup> day of March, 2022 (Requisition Date) to examine the title to the property at his own expense and to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, and that its intended use will be lawful. Vendor hereby consents to the municipality or other governmental agencies releasing to Purchaser details of all outstanding work orders and deficiency notices affecting the property, and Vendor agrees to execute and deliver such further authorizations in this regard as Purchaser may reasonably require.

Provided that the title to the Property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this PSA and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in this paragraph 16 any valid objection to title or to any outstanding work order or deficiency notice is made in writing to Vendor and which Vendor is unable or unwilling to remove, remedy or satisfy or obtain insurance (Title Insurance) in favour of the Purchaser and any mortgagee, (with all related costs at the expense of the Vendor), and which Purchaser will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Purchaser shall be conclusively deemed to have accepted Seller's title to the property.

### 16. Purchaser to Accept Easements

- a) The parties agree that after closing and during the road design and construction by the Township, additional easements and lot re-configuration may be required to address site specific conditions and such easements and re-configuration to be mutually agreed to by the parties with the cost of a final reference plan provided by the Vendor

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at its sole cost. The Purchaser agrees that the Vendor shall be granted and shall be able to obtain such easements or lot re-configuration at a nominal charge.

### 17. Adjustments

- a) The Vendor agrees that the deposit, held by the Vendor shall be credited to the Purchaser in the Statement of Adjustments prepared for the Completion Date.
- b) Any rents, mortgage, interest, taxes, local improvements, water and assessment rates shall be apportioned and allowed to the Completion Date, the day itself to be apportioned to the Purchaser.

### 18. Harmonized Sales Tax

If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, If applicable, is not included in the Purchase Price.

## **SECTION VI MISCELLANEOUS**

### 19. Entire Agreement

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

### 20. Tender

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

### 21. Time of Essence

- b) Time shall be of the essence of this Agreement.

### 22. Planning Act

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

## 23. Notices

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

Solicitors for the Vendor:

Stutz Brown Self Professional Corporation  
269 Broadway  
Orangeville, ON  
L9W 1K8  
Contact: Stephen Christie  
Email: [schristie@sbslaw.ca](mailto:schristie@sbslaw.ca)  
Phone #: 519-941-7500  
Fax #: 519-941-8381

Solicitor for the Purchaser:

Garfinkle Biderman LP  
Dynamic Funds Tower  
Suite 801 – 1 Adelaide Street East  
Toronto, Ontario  
M5C 2V9

Contact: Michelle R. Frost  
Emails: [mfrost@garfinkle.com](mailto:mfrost@garfinkle.com)  
Phone: 416-869-7605  
Fax #: 416-890-0547.

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

## 24. Successors and Assigns

- a) This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

## 25. Schedules

- a) The following Schedules shall form an integral part of this Agreement:
- Schedule “A” Description of Property
  - Schedule “B” Aerial Lot Photo and/or Registered Plan
  - Schedule “C” Development Covenants

## 26. Counterparts

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

27. Severability

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

IN WITNESS WHEREOF the parties have executed this Agreement.

**FLATO GREEN INCORPORATED**

Per: \_\_\_\_\_  
Name    Shakir Rematullah  
Title:    President  
I have the authority to bind the  
Corporation

**THE CORPORATION OF THE  
TOWNSHIP OF SOUTHGATE**

Per: \_\_\_\_\_  
Name    John Woodbury  
Title:    Mayor

Per: \_\_\_\_\_  
Name    Lindsey Green  
Title:    Clerk

We have the authority to bind The  
Corporation of the Township of Southgate.



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**Schedule “A” to  
Description of Property  
Proposed to be Sold to  
FLATO Green Inc.**

All and singular that certain parcel of land located within the Province of Ontario, County of Grey, Township of Southgate described as 90 acres of the 140 acre plus or minus property described as the following:

- Township of Southgate, Former Proton, Conc. 1, SWSTR Lot 239, 240 and Pt Lot 238

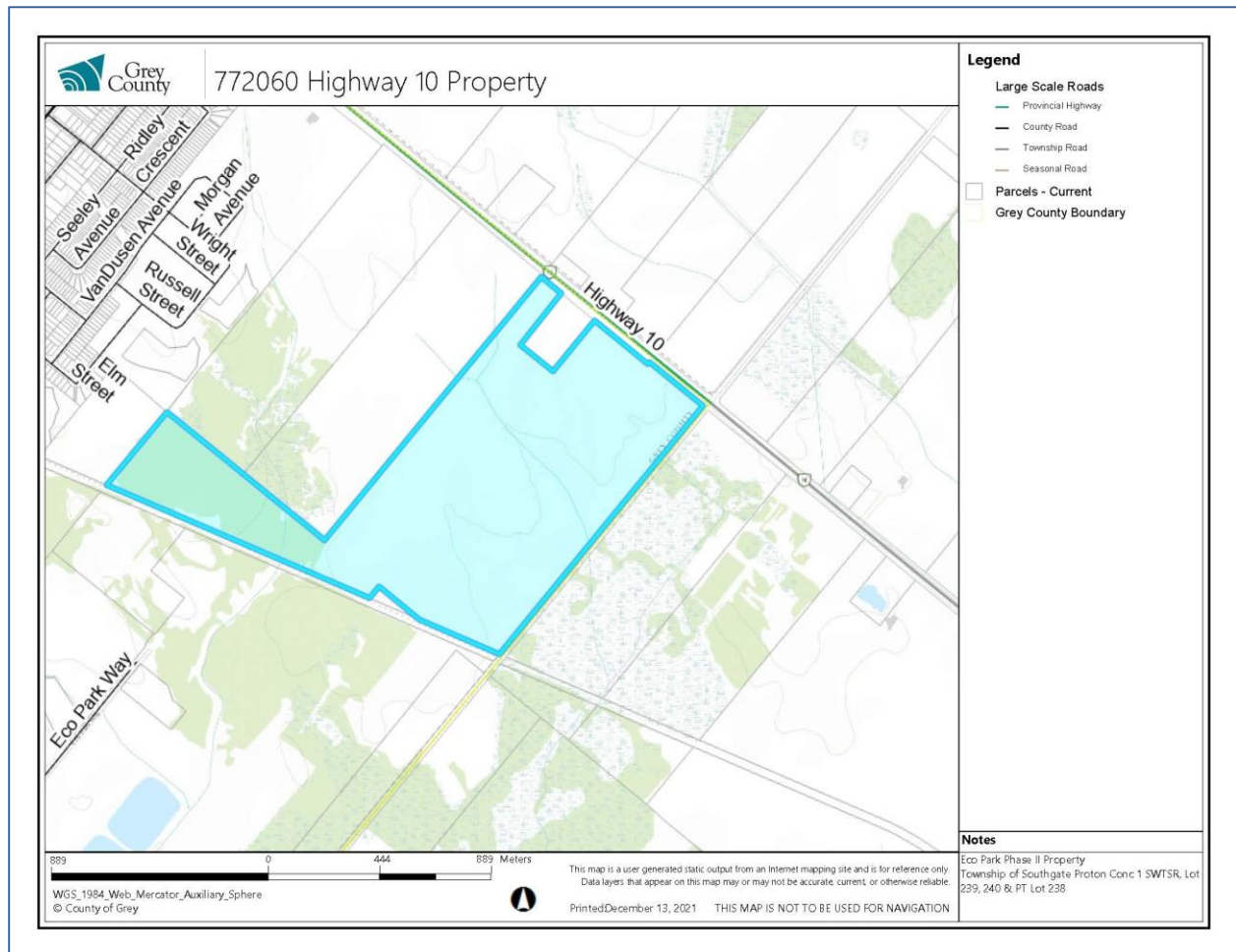
Amount of the lands described above being:

- 90 acres being part of the land in the Southgate Eco Park Phase II which is identified in the development map in Schedule B of this Purchase & Sale Agreement document. Prior to closing a legal survey Plan will be deposited with the Registry Office to define the legal description for closing this property sale.

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**SCHEDULE “B”**

**Aerial Lot Photo Mapping and/or Registered Plan**

90 Acre Parcel for this Property Sale



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**SCHEDULE “C”**

**DEVELOPMENT COVENANTS**

1. Title Control

- a) The Purchaser covenants and agrees to commence construction of a permanent building on the Property which complies with the permitted uses of the Property’s zoning within one (1) years of the registration of the Purchaser’s ownership of the Property and to substantially complete the construction of the said building in conformity with an approved site plan within two (2) years from the registration of the Purchaser’s ownership of the Property.
- b) In the event that the Purchaser has not obtained a building permit in accordance with the provisions of subclause 1.a) above, the Purchaser may request from the Vendor, in writing, an extension of the time specified in subclause 1.a) above up to a maximum extension period of one (1) year, as the case may be (such extension, the “Extended Time”) upon payment by the Purchaser to the Vendor of a performance deposit equal to ten (10%) percent of the purchase price of the Property (the “Performance Deposit”). The Performance Deposit shall be refunded to the Purchaser, without interest, upon the Purchaser’s compliance with and completion of the provisions of subclause 1.a) above within the Extended Time. In the event that the Purchaser fails to complete construction within the Extended Time, then the Vendor shall, in addition to its other rights and remedies as set out herein or otherwise, be entitled to retain the Performance Deposit as liquidated damages and not as a penalty, in partial or full satisfaction of the Vendor’s damages, as the case may be.
- c) If the Purchaser does not comply with the provisions of subclause 1.a) above within the periods therein specifically set out or within the Extended Time, the Purchaser, will, at the option of the Vendor by notice in writing to the Purchaser, re-convey good title to the Property to the Vendor, free and clear of all encumbrances, in consideration for payment by the Vendor to the Purchaser of 80% of the purchase price paid by the Purchaser to the Vendor for the conveyance of the Property in the first instance (the “Discounted Consideration”). The Vendor shall be allowed to deduct from the Discounted Consideration all of its reasonable costs, realty commission and legal fees incurred with respect to the original conveyance of the Property by the Vendor to the Purchaser, as well as the costs of the Vendor in re-acquiring the Property, including without limitation, realty commission, registration costs, land transfer tax, legal fees and such other costs as reasonably incurred by the Vendor therefor. The Vendor shall not be required to pay for any improvements that may have been made, constructed, installed or performed by the Purchaser on the Property.
- d) Subject to subclause 1.c) above, the Purchaser covenants that it will not sell the Property or any part thereof to any person, firm or corporation without first offering, in writing, to sell the Property to the Vendor for consideration equal to or less than the Discounted Consideration, less all of its reasonable costs, realty commission and legal fees incurred with respect to the original conveyance of the Property by the Vendor to the Purchaser, as well as the costs of the Vendor in re-acquiring the Property, including without limitation, realty commission, registration costs, land transfer tax, legal fees and such other costs as

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reasonably incurred by the Vendor therefor. The Vendor shall not be required to pay for any improvements that may have been made, constructed, installed or performed by the Purchaser on the Property. The Vendor shall have ninety (90) days from the receipt of an offer made by the Purchaser under this subclause, to accept such offer which acceptance shall be in writing. If the Vendor does not accept an offer to sell made by the Purchaser under the provisions of this subclause, the Purchaser shall have the right to transfer the Property to a third party so long as it does so within sixty (60) days from the date of the expiration of the Vendor's right to repurchase as set out herein. If the Property is not transferred within the said sixty (60) day period, no transfer of the Property will be made without again first offering to sell the Property to the Vendor on the terms as set out above. The limitation contained in this subclause, will expire upon the Purchaser fulfilling all of the building requirements as set out in subclauses 1.a) and 1.b) above.

### 2. Occupation of Building

- a) If the Purchaser or a lessee thereof fails to occupy the building within six (6) months after satisfying the provisions of subclauses 1.a) and 1.b) above with respect to the completion of the building, and for so long as the building remains unoccupied, beginning on the first day following the six (6) month period after satisfying the provisions of subclauses 1.a) and 1.b) above, the Purchaser shall pay to the Vendor as liquidated damages, quarterly amounts equal to the difference in Property tax between what is being paid by the Purchaser as Property tax for the Property when deemed vacant land and what would be paid as Property tax by the Purchaser for the Property if the building was occupied. If any such payment is not duly remitted by the Purchaser, interest shall be calculated on the balance owing in the same manner and shall be paid at the same rate to the Vendor as interest is calculated and paid to the Vendor on unpaid taxes.
- b) In the event that the Purchaser or the Purchaser's lessee has not occupied the building in accordance with the provisions of subclause 2.a) above, the Purchaser may request, in writing, that the Vendor extend the time for occupation of the building for a maximum period of 6 months, which request the Vendor shall review and may approve in its sole and unfettered discretion. Additional Extensions can be granted at the option of the Vendor, upon written request from the Purchaser prior to the expiry of any prior extensions granted by the Vendor.

### 3. Assignment of Covenants

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

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4. Force Majeure

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

5. Right to Waive

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

6. Sanitary Sewer and Water Services

- a) The Vendor shall supply access to a sewer connection for the Purchaser's property in the road allowance as part of the road and servicing design. Additional service connection can be provided to make connections in the roadway at the Purchaser expense as required.
- b) The Vendor shall supply access to a water service lateral connection for this property in the road allowance as part of the road and servicing design to the identified lot lines with shut off valve. Service connections for water greater than a one (1) inch standard service connection can be provided and will be at the expense of the Purchaser. Additional service connection can be provided to make connections in the roadway at the Purchaser expense as required.

7. Other Property Sale Site Specific Conditions

- i. The purchaser will seek zoning to build some residential units along Ida Street subject to compliance with Provincial D6 guidelines and Southgate Planning approval related to setback from new and existing industrial developments and municipal wastewater infrastructure.
- ii. \_\_\_\_\_  
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- iii. \_\_\_\_\_  
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- iv. \_\_\_\_\_  
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