

THIS DONATION AGREEMENT made as of this day of , 2025

BETWEEN:

The Corporation of the County of Grey

(hereinafter called the “County”)

-And-

The Corporation of the Township of Southgate

(hereinafter called the “Southgate”)

(each being a “Party” and together being the “Parties”)

WHEREAS the County is the registered owner of certain lands situated in the Township of Southgate (geographic township of Proton) in the County of Grey legally described as Part of Lot 221-228 Concession 2 South West of the Toronto Sydenham Road Proton as in R492286; Southgate (the “**County Lands**”);

AND WHEREAS the County Lands comprise a portion of a recreational trail established by the County which is used by the public for many recreational activities including cycling, hiking, walking, ATV and off-road motorcycle use in designated areas, cross country skiing, equestrian, snowshoeing and snowmobiling (the “**Rail Trail**”);

AND WHEREAS the County Lands are in close proximity to two proposed plans of subdivisions within the Township of Southgate known as Glenelg Phases 2 and 3 (respectively the “**Glenelg Phase 2 Development**” and “**Glenelg Phase 3 Development**” being collectively referred to as the “**Glenelg Phases 2 and 3 Developments**”);

AND WHEREAS the Glenelg Phase 3 Development received draft approval on May 23, 2024 and included lands consisting of approximately 8.19 acres which were earmarked for future development of a new school (the “**School Site**”);

AND WHEREAS significant growth in Dundalk has greatly increased the need for additional school space and the Bluewater District School Board (the “**BWDSB**”) intends to address this need through prioritizing construction of the School Site;

AND WHEREAS Southgate has provided conditional approval for severance B8-24, to sever the School Site from the Glenelg Phase 3 Development and intends to permit development of a school on the School Site by the BWDSB in advance of final approval of the Glenelg Phases 2 and 3 Developments;

AND WHEREAS severance B8-24 is conditional on a temporary construction access being developed over a portion of the County Lands to provide access to the School Site (the “**Temporary Construction Access**”) until such time as the future roadways proposed through the Glenelg Phases 2 and 3 Developments have been constructed to a full municipal standard, dedicated to, and assumed by Southgate (the “**Future Public Highway**”);

AND WHEREAS the County hereby agrees to donate a portion of the County Lands to Southgate each being approximately 0.128 acres in size shown as Parts 1 and 2 on the Reference Plan being more particularly described in Schedule “A” hereto (the “**Property**”) in support of its use as a Temporary Construction Access and Future Public Highway to support the development of the School Site;

AND WHEREAS Southgate hereby offers to acquire the Property from the County on the terms and conditions hereinafter set out;

NOW THEREFORE in consideration of the mutual terms and covenants hereinafter set out and other good and valuable consideration (the receipt and sufficiency of which are acknowledged) the Parties agree as follows:

1.0 Definitions

- 1.1 In this agreement, the following terms and expressions have the following meanings:
- a) **"Acceptance Date"** means the date of this Agreement;
 - b) **"Agreement"** means this Donation Agreement and all schedules forming part of the Agreement;
 - c) **"Business Day"** means a day on which the County's administrative office in Owen Sound is open for the conduct of administrative business;
 - d) **"Closing"** or **"Closing Date"** means the date which is the later of: (i) thirty (30) Business Days after the Acceptance Date; or (ii) fifteen (15) Business Days following deposit of the Reference Plan, unless otherwise agreed to in writing between the Parties;
 - e) **"Encumbrances"** means any encumbrance, caveat, lien, charge, hypothec, pledge, mortgage, reservation, easement, privilege or any option, privilege or contract to create any of the foregoing on or in respect of the Property;
 - f) **"Option to Repurchase Property Agreement"** has the meaning ascribed to it in Section 10.1, the form of which is set out in Schedule "C" hereto;
 - g) **"Purchase Price"** means the total consideration as set out in Section 3.1 of this Agreement;
 - h) **"Reference Plan"** means Plan 16R- , agreed to be substantively in the form attached hereto as Schedule "D".
- 1.2 The terms defined in the recitals above have the same meaning as if defined here at length.
- 1.3 The following documents ("Schedules") are appended to this agreement and are incorporated by reference as though contained in the body of this agreement:
- a) Schedule "A" – The Property
 - b) Schedule "B" – Easement Terms
 - c) Schedule "C" – Option to Repurchase Property Agreement
 - d) Schedule "D" – Reference Plan.
- 1.4 Unless expressly stated otherwise in a Schedule, wherever any term or condition, express or implied, of a Schedule conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of the Schedule prevails.

2.0 Purchase and Sale

- 2.1 Subject to the terms of this Agreement, the County agrees to transfer to Southgate the Property subject to an easement as set out herein, and Southgate agrees to accept the same.

3.0 Purchase Price

- 3.1 The Purchase Price payable by Southgate to the County for the Property is Two Dollars (\$2.00) plus HST, if applicable.
- 3.2 The Parties agree that any and all fixtures, improvements, trees or shrubs within the Property are included in the Purchase Price. The Parties agree that there are no items to be excluded from this transaction.
- 3.3 The County acknowledges receipt of the amount of Two Dollars (\$2.00) as a deposit to be credited against the Purchase Price on Closing.
- 3.4 The balance of the Purchase Price, after adjustments, shall be paid prior to 4:00 p.m. on the Closing Date, by Southgate to the County, by way of a cheque made payable to the County's solicitor or as they may direct.

4.0 Access

- 4.1 Subject to the provisions of section 4.2 below, the County shall permit Southgate and its engineers, consultants, contractors, employees or other authorized representatives, including the applicable electrical authority, as well as those of BWDSB (collectively, the "Southgate Parties") to enter onto the Property at any time to complete such inspections, surveys, or tests required by Southgate. Southgate agrees to defend, indemnify and hold harmless the County for any and all liability arising as a result of the Southgate Parties and any other authorized representatives or invitees, entering onto any portion of the Property.
- 4.2 Southgate acknowledges that the Rail Trail is used by the County, its officers, employees, residents, volunteers, contractors, visitors, residents, and licensees, and agrees that prior to conducting any inspections, surveys, or tests on the Property, it and the Southgate Parties shall consult with the County for such activities to take place on the Property which would interfere with any use of the Rail Trail. Southgate shall consult with the County at least (5) Business Days prior to any construction activities intended to take place on the Property which would interfere with any use of the Rail Trail to ensure that the County may post appropriate notices to trail users of the intended closure. The County agrees that such consent shall not be unreasonably withheld, and Southgate agrees that it shall be reasonable for the County to withhold such consent if it would impair the safe operation of the Rail Trail.

5.0 Title Matters

- 5.1 Southgate acknowledges and agrees that:
 - a) It has satisfied itself with respect to the applicable land use regulations and agrees to accept the Property subject to such existing zoning and other land use policies and regulations.
 - b) It shall not call for the production of any title deed, abstract, survey or other evidence of title to the Property, except those that are in the possession or control of the County.
 - c) It shall accept the Property subject to any and all Encumbrances, all easements, options and notices provided for herein, and agrees not to call into question title to the Property on the basis thereof.
 - d) It shall acquire the Property in an "As Is Where Is" basis, including improvements, structures, trees and shrubs, and as further set out below.

5.2 In agreeing to purchase the Property in an "As Is Where Is" basis, Southgate acknowledges and agrees that:

- a) The County makes no representations to Southgate as to the zoning of the Property or any improvements or structures, whether for the intended use or otherwise.
- b) The County shall have no responsibility whatsoever to remedy any defect, comply with any work order or complete any unfinished work.
- c) The County makes no representations or warranties whatsoever, either expressed or implied, as to the existence or non-existence of any asbestos, PCB's, radioactive substances or any other substances, liquids or materials or contaminants which may be hazardous or toxic or require removal and disposal pursuant to the provisions of any applicable legislation, and that Southgate is relying upon its own investigations, if any, in this regard.
- d) Southgate has inspected the Property prior to the Closing Date and is relying on its own due diligence as to the condition of the Property and improvements.

5.3 Southgate covenants and agrees that, effective as of the Closing Date, Southgate shall forever release, waive, and discharge the County and its successors and assigns from and against all losses, damages, claims, demands, fines, liabilities, actions, suits, in any way arising, directly or indirectly by reason of the presence on the Property of any contaminant, pollutant, dangerous substance wastes (liquid or solid) or toxic substance (collectively the "Substances") or the escape thereof in the air or onto adjacent properties or property including rivers, streams, and ground waters, , whether produced, created or generated before or after the Closing Date and such release, waiver, discharge shall include any order, decree, judgment or demand under law, regulation or order applicable thereto.

5.4 Southgate, its successors and assigns, hereby agree to defend, indemnify and hold harmless the County, its successors and assigns from any and all losses, damages, claims, demands, fines, liabilities, actions, suits arising out of or in any way connected with any state, quality or condition in, or of, the Property, including, but not limited to, the existence of any Substances existing as of, or prior to the Closing Date and thereafter, whether environmental or otherwise, whether imposed by law, equity or any federal, provincial or municipal law, rules or regulations or by any regulatory authority.

5.5 The provisions of this section shall survive closing and any subsequent sale or transfer of Southgate's interest in the Property.

6.0 Representations and Warranties

6.1 The County hereby represents, warrants and agrees to and with Southgate subject to the limitation, if any, expressed below as follows:

- a) The County is now and at the Closing Date will be a municipal corporation existing in good standing under the laws of the Province of Ontario with full corporate power, authority and capacity to accept this Agreement and to carry out the transaction contemplated under this Agreement.
- b) The County will at the Closing Date have full and absolute right and power to convey and transfer to Southgate or cause to be conveyed or transferred to Southgate title to the Property.

- c) That no buildings on the Property, if any, have been or are now insulated in whole or in part with asbestos, urea formaldehyde foam or any similar type substance or insulation.

6.2 Southgate hereby represents, warrants and agrees to and with the County subject to the limitation, if any, expressed below as follows:

- a) Southgate is now and at the Closing Date will be a municipal corporation existing in good standing under the laws of the Province of Ontario with full corporate power, authority and capacity to accept this Agreement and to carry out the transaction contemplated under this Agreement.
- b) Southgate acknowledges having the opportunity to inspect the Property prior to entering into this Agreement and understands that upon approval of this Agreement by County Council, it shall be a binding agreement between the County and Southgate.
- c) That except as set out herein, it shall assume operational, legal, and financial responsibility for the construction, use and maintenance of the Temporary Construction Access over the Property.
- d) It shall be responsible for installing signage and gates at the Property, commiserate with other Rail Trail crossings in the Township of Southgate at its sole and absolute expense.
- e) That any material removed from the Property, whether or not the same may be contaminated, shall be removed and, if necessary, treated, at its sole expense.
- f) That, upon Closing the transfers as set out in section 2.1, it is fully satisfied as to all matters in respect of the suitability of the Property for the development and construction of the proposed Temporary Construction Access and Future Public Highway.
- g) That, it shall not issue an occupancy permit to the BWDSB for buildings or use of the School Site under the Building Code Act until such time as the Future Public Highway has been assumed by Southgate and dedicated as an open public highway which said highway shall provide access to the School Site.

7.0 Easements

- 7.1 From and after the Closing Date, the use of the Property will be shared between the County and Southgate. On Closing, the County shall reserve and register an easement over the Property for vehicular and pedestrian access, access for construction vehicles serving the Rail Trail, and provision of utility and communication services, the particulars of which are set out in Schedule "B" hereto.

8.0 Option to Repurchase

- 8.1 Southgate agrees that, subject to the terms of the Option to Repurchase Property Agreement, if prior to **insert date** it has not dedicated the Property as a public highway under the jurisdiction of Southgate, it shall, upon Notice from the County, transfer ownership of the Property back to the County at the same Purchase Price as agreed to herein in accordance with the terms of the Option to Repurchase Property Agreement. The parties agree to execute the Option to Repurchase Property Agreement in the form attached as Schedule "C" (the "Option to Repurchase Property Agreement") to further establish the terms of such transfer of the Property to the County, prior to or on the Closing Date. Southgate hereby authorizes the County to register the Option to Repurchase

Property Agreement as a Notice on title to the Property, subject to approval of such Notice by Southgate, which approval shall not be unreasonably withheld.

9.0 Closing

9.1 Closing shall take place upon the following terms:

- a) **Covenants** – The County covenants and agrees with Southgate as follows:
 - i) In addition to the documentation referred to in this Agreement, to provide the following documents on the Closing Date:
 - Transfer/Deed of Land;
 - Bill of Sale with respect to all chattels (if any);
 - ii) Subject to the permissions granted to the County through reservation of the easement as set out herein, to provide Southgate with vacant possession of the Property on the Closing Date;
 - iii) To provide Southgate on the Closing Date evidence in a form satisfactory to Southgate that on the Closing Date the County is the beneficial owner of the Property and is a resident of Canada for purposes of determining its liability for tax pursuant to the Income Tax Act;
 - iv) To provide Southgate with satisfactory evidence on the Closing Date that the Seller is in compliance with the provisions of the Family Law Act;
 - v) To discharge at its sole cost and expense, all mortgages, liens and encumbrances registered on title to the Property on or before the Closing Date, save and except the encumbrances and other interests described herein; and
 - vi) To convey to Southgate all fixtures and chattels affixed to, located on and used in conjunction with the Property on the Closing Date, all such fixtures and chattels to be free and clear of all encumbrances.
- b) **Title** - Southgate shall be allowed up to and including the tenth day prior to the Closing Date to examine the title to the Property at its own expense.
- c) **Planning Act** - Provided that this Agreement shall be effective to create an interest in the Property only if the provisions of the *Planning Act* are complied with by the County on or before the Closing Date.
- d) **Damage** - The Property and all other things being purchased shall be and remain until the Closing Date at the risk of the County. The County 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 damage, Southgate may either terminate this Agreement whereupon the Deposit shall be returned forthwith to Southgate or else take the proceeds of any insurance and complete the transaction.
- e) **Risk** - From and including the Closing Date, the Property shall be entirely at the risk of Southgate and Southgate shall accept and assume 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, include any state, nature, quality or

condition in, on under or near the Property existing on Closing, whenever and however arising, whether known or unknown environmental or otherwise, and whether such responsibilities and liabilities are imposed by law, equity or any authority.

- f) **HST** - Southgate agrees that it will be as at the Closing Date a registrant for Harmonized Sales Tax (HST) under the Excise Tax Act, R.S.C. 1985, as amended, and will provide evidence of same in form and substance reasonably satisfactory to the County or its lawyers at the Closing Date, including without limitation, a statutory declaration sworn by a senior officer of Southgate confirming Southgate's HST registration number and that such registration continues to be in full force and effect and an indemnity to the County for any HST claimed from the County in the event Southgate does not pay the HST payable by it in respect of this transaction.
- g) **Electronic Registration** – The Parties acknowledge that the Teraview Electronic Registration System ("TERS") is operative and mandatory in the Land Registry Office for the Land Titles Division of Grey No.16. The Parties shall each retain a lawyer who is an authorized TERS user and who is in good standing with The Law Society of Ontario. The Parties shall each authorize their respective lawyer to enter into a document registration agreement in a form provided for on the website of the Law Society of Ontario as a current form of such agreement. The delivery and exchange of documents and closing funds and the release thereof to Southgate and the County, as the case may be:
 - i) shall not occur contemporaneously with the registration of the transfer/deed of land and other registrable documentation, if any; and
 - ii) shall be governed by the document registration agreement pursuant to which lawyer receiving any documents or funds will be required to hold same in escrow and will not be entitled to release except in strict accordance with provisions of the document registration agreement.

10.0 Financial Arrangements

- 10.1 Southgate shall not be liable or responsible in any way for any agent's or broker's fees in connection with the Agreement which are payable by the County;
- 10.2 Southgate 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.
- 10.3 Southgate shall pay its own legal costs, disbursements, and registration costs. The County is responsible to pay all off its own legal costs and disbursements including those of the County's External legal counsel associated with the transfer and this agreement.
- 10.4 Southgate shall be responsible for all costs associated with the preparation of a legal survey by Schaeffer Dzaldov Purcell Ltd.

11.0 Time

- 11.1 Time shall be in all respects of the essence hereof provided that the time for doing or completing any matter herein may be extended or abridged by an

agreement in writing signed by the Parties or by their respective solicitors who are hereby expressly appointed in this regard.

12.0 Covenants to Survive Closing

12.1 Notwithstanding any presumption to the contrary, all covenants, conditions, warranties and representations contained in this Agreement which by their nature either impliedly or expressly involve performance in any particular after the Closing Date or which cannot be ascertained to have been fully performed until after the Closing Date shall survive Closing.

12.2 Without limiting the generality of Section 12.1, the following provisions of this Agreement are expressly agreed to survive Closing:

Articles 1.0, 4.0 to 16.0 inclusive, all in their entirety.

13.0 Notice

13.1 Any notice required to be given, served or delivered must be in writing and sent to the other Party at the address indicated below, or to such other address as may be designated by notice provided by either Party to the other.

For Southgate:

Township Clerk
Township of Southgate
185667 Grey County Road 9
Dundalk, ON N0C 1B0
Fax: 519-923-9262
Email: lgreen@southgate.ca

For the County:

County Clerk
County of Grey Administration Building
595 9th Avenue East
Owen Sound, ON N4K 3E3
Fax Number: 519-376-8998
E-mail: countyclerk@grey.ca

13.2 Any notice to be given by either Party to the other shall, in the absence of proof to the contrary, be deemed to have been received by the addressee:

- a) if delivered personally on a business day, then on the day of delivery;
- b) if sent by prepaid registered post, then on the second day following the registration thereof;
- c) if sent by ordinary mail, then on the fifth business day following the date on which it was mailed; or
- d) if transmitted by facsimile or email on a Business Day, then on the day of sending, and if sent on a day other than a Business Day, then on the first Business Day following the day of sending, provided that if the sender knows or ought to have known that such transmission was not received or would not be received by its intended recipient, then it shall be deemed not to have been given.

14.0 Dispute Resolution

- 14.1 A dispute between the Parties relating to the interpretation or implementation of this Agreement will be addressed through good faith negotiation, with or without the assistance of a mediator. The Parties agree that in the event that they are not able to reach a resolution of all the matters in dispute after mediation, then the matters remaining in dispute will be finally determined by arbitration in accordance with the provisions of the Ontario Arbitrations Act.
- 14.2 The location for any such arbitration hearing will be within the County of Grey at a location to be determined by the County.

15.0 Interpretation

- 15.1 Any reference in this agreement to gender includes all genders, and words importing the singular include the plural and vice versa.
- 15.2 The division of this agreement Sections and the insertion of headings are for convenient reference only and are not to affect or otherwise be used in the construction or interpretation of this agreement.
- 15.3 All monetary amounts in this agreement, unless otherwise specifically indicated, are stated in Canadian currency.
- 15.4 Unless otherwise specifically indicated, any reference to a statute in this agreement refers to that statute and to the regulations made under that statute as at the date of this agreement and the closing date, as the same may, from time to time, be amended, re-enacted or replaced.

16.0 General

- 16.1 The determination by an arbitrator or court as to invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof and any such invalid or unenforceable provision shall be deemed to be severable.
- 16.2 This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario and shall be treated in all respects as an Ontario contract.
- 16.3 None of the terms, conditions or provisions of this Agreement shall be held to have been changed, waived, varied, modified or altered by any act or statement of either Party, its respective agents, servants or employees unless done so in writing signed by the Parties.
- 16.4 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors, successors in title, and permitted assigns.
- 16.5 Neither Party may assign all or any part of this Agreement without the written approval of the other Party.
- 16.6 The failure or delay by a Party in enforcing, or insisting upon strict performance of, any provision of this agreement does not constitute a waiver of such provision or in any way affect the enforceability of this agreement (or any of its provisions) or deprive a Party of the right, at any time or from time to time, to enforce or insist upon strict performance of that provision or any other provision of this agreement. No term, agreement, provision, obligation or condition of this Agreement shall be deemed to have been waived by any Party, unless such waiver is in writing and signed by an authorized representative of such Party.

- 16.7 No waiver of any provision of the Agreement shall be deemed to or shall constitute a waiver of any other provisions, whether or not similar, nor shall such waiver constitute a continuing waiver unless expressly provided.
- 16.8 Each Party will, at the request of the other Party, execute and deliver such additional documents and other assurances and perform or cause to be performed such further and other acts or things as may be reasonably required to give effect to and carry out the intent of this agreement.
- 16.9 When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next Business Day.
- 16.10 This agreement constitutes the entire agreement between the Parties regarding the transfer of the Property from the County to Southgate and supersedes all prior agreements, understandings, negotiations and discussions relating to the subject matter thereof, whether oral or written. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties relating to the subject matter hereof except as specifically set forth in this agreement.
- 16.11 The Parties have participated jointly in the negotiation and drafting of this agreement. If an ambiguity or a question of intent or interpretation arises, this agreement is to be construed as if drafted jointly by the Parties. No presumption or burden of proof should arise in respect of any Party by virtue of the drafting or inclusion of any provision of this agreement.
- 16.12 This agreement may be executed in any number of counterparts, each of which is an original and all such executed counterparts taken together constitute a single document. Counterparts may be transmitted by fax or in electronically scanned form. Parties transmitting by fax or electronically will also deliver the original counterpart to the other Party, but failure to do so does not invalidate this Agreement.

IN WITNESS WHEREOF THE PARTIES hereunto attested by the hands of the proper officers duly authorized in that behalf as of the day and year first written above.

The Corporation of the County of Grey

Andrea Matrosov, Warden

Tara Warder, Clerk

I/We have the authority to bind the Corporation

The Corporation of the Township of Southgate

Brian Milne, Mayor

Lindsay Green, Clerk

I/We have the authority to bind the Corporation

SCHEDULE "A"

LEGAL DESCRIPTION OF LANDS

All those lands comprising of Part of Lots 225 and 226 Concession 2 South West of the Toronto Sydenham Road, geographic township of Proton, Township of Southgate being Parts 1 and 2 on the Reference Plan, being part of the lands presently bearing PIN 37267-0062 (LT)

SCHEDULE "B"

EASEMENT TERMS

RESERVATION OF EASEMENT IN GROSS

The Transferor reserves a permanent, free and unobstructed right, licence, privilege and easement in perpetuity for ingress to and egress by all persons, animals and vehicles in common with the Transferee and all others entitled thereto, through, over, along and upon the lands legally described as: all those lands comprising of Part of Lots 225 and 226 Concession 2 South West of the Toronto Sydenham Road, geographic township of Proton, Township of Southgate being Parts 1 and 2 on the Reference Plan, being part of the lands presently bearing PIN 37267-0062 (LT) (the "Servient Tenement") to allow (1) the installation of all manner of utility and communication facilities by any person authorized by the Transferor and either below the surface or above the surface on utility or communication poles and allowing the Transferor, its employees, invitees and contractors access for themselves and all machinery and equipment necessary or advisable for the purpose of installing and maintaining such utility or communication facilities; and (2) to the extent that the Servient Tenement are not dedicated as a public highway by the Transferee, any person to enter and use the Servient Tenement as part of the recreational trail on the Dominant lands.

The Transferor shall, at its own expense as soon as reasonably possible after the construction of its communication or utility services or other exercise of its rights, restore the Servient Tenement to its former state so far as is reasonably practicable.

The rights, licence, privilege and easement hereby granted shall extend to and be binding upon, and enure to the benefit of the heirs, personal representatives, transferees, successors and assigns of the Transferor, Transferee and all other owners of the Servient Tenement and whenever the plural or masculine is used, it shall be construed as if the singular, feminine or neuter as the case may be, has been used, where the context or the party or parties hereto so require and the rest of the sentence shall be construed as if the grammatical or terminological changes thereby rendered necessary have been made.

This easement shall be registered on the Servient Tenement and is an easement in gross authorized by the *Ontario Trails Act*, 2016.

SCHEDULE “C”

OPTION TO REPURCHASE PROPERTY AGREEMENT

THIS AGREEMENT made this ____ day of _____, 2025.

BETWEEN:

The Corporation of the County of Grey

(hereinafter called the “**County**”)

-and-

The Corporation of the Township of Southgate

(hereinafter called “**Southgate**”)

(each being a “Party” and together being the “Parties”)

WHEREAS the Parties entered into an agreement dated the ____ day of _____, 2025 (the “**Donation Agreement**”) by which the County agreed to transfer certain lands and premises owned by the County in the Township of Southgate in the County of Grey more particularly described in Appendix “1” attached hereto (hereinafter, the “**Property**”);

AND WHEREAS Southgate intends to develop, construct and open a public highway upon the Property;

AND WHEREAS it is a condition of the Donation Agreement that Southgate grant to the County an option to repurchase the Property from Southgate at the price of TWO DOLLARS (\$2.00), such option being exercisable by the County under the circumstances set out herein;

AND WHEREAS Southgate has agreed to grant an option to the County to repurchase the Property on the terms and conditions hereinafter set forth;

NOW THEREFORE in consideration of the premises herein, the entry of the Parties into the agreements contemplated by the Donation Agreement, the conclusion of the transaction contemplated by the Donation Agreement, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Parties agree as follows:

1.0 Interpretation

- 1.1 In this Agreement, the following terms and expressions have the following meanings:
 - a) “**Business Day**” means a day on which the County’s administrative office in Owen Sound is open for the conduct of administrative business;
 - b) “**Reference Plan**” means Reference Plan 16R-_____;and
 - c) the terms defined in the recitals above shall have the same meaning as if defined here at length.

2.0 Option

- 2.1 Southgate hereby grants to the County the exclusive right and option to purchase all or part of the Property (the “Option”) for the purchase price of TWO

DOLLARS (\$2.00) (herein referred to as the "Purchase Price"), subject to the terms and conditions set out herein.

3.0 Term and Exercise

- 3.1 Subject to section 3.2 herein, the Option may be exercised by the County on or before **insert date** by notice in writing from the County to Southgate advising Southgate that the County intends to purchase the Property and such notice shall be accompanied by a deposit payable to Southgate in the amount of TWO DOLLARS (\$2.00) which deposit shall be held by Southgate in trust pending completion or other termination of this Agreement and to be credited towards the Purchase Price on completion as hereinafter set out. In the event this option is not exercised in accordance with the provisions of this Section, this option shall terminate, any rights under this Agreement shall become null and void and all liabilities of the Parties pursuant to this Agreement shall be released and forever discharged.
- 3.2 Notwithstanding Section 3.1 above, the County agrees that it shall not exercise the Option unless:
- a) The County has the right to provide the Notice in accordance with the terms of this Agreement and the Donation Agreement;
 - b) any person who is not subject to the terms of the Donation Agreement obtains ownership of the Property, whether beneficial, legal or otherwise; or
 - c) any person who is not subject to the terms of the Donation Agreement comes to own, possess, or have the benefit of, any interest in the Property that may have the effect of preventing the construction or operation of the Property as an open and public highway as contemplated in the Donation Agreement.
- 3.3 Pursuant to Section 8.1 of the Donation Agreement, if prior to **insert date** Southgate has not dedicated the Property as a public highway under the jurisdiction of Southgate, it shall, upon Notice from the County, transfer ownership of the Property back to the County at the same Purchase Price as agreed to herein.
- 3.4 The Option shall terminate upon Southgate passing the necessary by-laws to dedicate the Property as public highway which shall form part of the public highways proposed in the Glenelg Phases 2 and 3 Developments on the abutting lands.

4.0 Notices

- 4.1 Any notice required to be given, served or delivered must be in writing and deemed delivered or sent or transmitted to its recipient by prepaid mail, ordinary mail, fax, or email to the other Party at the address indicated below, or to such other address as may be designated by notice provided by either Party to the other:

For the County:

County Clerk
County of Grey Administration Building
595 9th Ave E
Owen Sound, ON N4K 3E3
Fax Number: 519-376-8998
Email: countyclerk@grey.ca

For Southgate:

Township Clerk
Township of Southgate
185667 Grey County Road 9
Dundalk, ON N0C 1B0
Fax: 519-923-9262
Email: lgreen@southgate.ca

- 4.2 Any notice given by either Party to the other shall, in the absence of proof to the contrary, be deemed to have been received by the addressee:
- a) if delivered personally on a Business Day, then on the day of delivery, and if delivered personally on a day other than a Business Day, then on the first Business Day following the day of delivery;
 - b) if sent by prepaid registered mail, then on the second Business Day following the mailing thereof;
 - c) if sent by ordinary mail, then on the fifth Business Day following the mailing thereof; and
 - d) if transmitted by facsimile or email on a Business Day, then on the day of sending, and if sent on a day other than a Business Day, then on the first Business Day following the day of sending, provided that if the sender knows or ought to have known that such transmission was not received or would not be received by its intended recipient, then it shall be deemed not to have been given.

5.0 **Miscellaneous**

- 5.1 **Right to Inspect:** From and after giving notice of its intention to exercise the Option in accordance with section 3.1 the County and all persons authorized by it shall have the right at all reasonable times upon notice to Southgate to enter on the Property for the purposes of inspection, conducting soil tests and preparing surveys and plans. The County agrees to defend, indemnify and hold harmless Southgate for any and all liability arising as a result of its engineers, consultants, contractors, employees, and any other authorized representatives or invitees, entering onto any portion of the Property. In the event the agreement of purchase and sale is not completed (other than as a result of Southgate's breach) the County shall at its sole cost and expense restore the Property to the same condition existing prior to such inspection or soil tests being carried out.
- 5.2 **Authorizations:** Southgate covenants to provide the County and execute without charge to the County such authorizations, directions and other documents as may be required by the County to bring an application for any permits or permissions it may require in respect of the Property, provided that all costs thereof and liabilities in relation thereto shall be the sole responsibility of the County.
- 5.3 **Binding on Successors:** This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors, successors in title, and permitted assigns.
- 5.4 **Assignment:** The County shall not transfer or assign its rights under this Option except to a successor provincial or municipal government body with the same role and responsibilities as the County ("Successor Municipality") without the prior written consent of Southgate, which consent Southgate may withhold in its sole and absolute discretion. In the event Southgate consents to such transfer or assignment or there is a transfer or assignment to a Successor

Municipality, it shall be a condition of such transfer or assignment that the assignee or transferee execute an agreement with Southgate to: (i) assume the County's obligations hereunder; and (ii) stand in the place of the County as if the assignee or transferee was the County at the time of signing this agreement.

- 5.5 Planning Act: Provided that this Option shall be effective to create an interest in the Property only if the provisions of the Planning Act (Ontario) are complied with on or before the Closing Date (as hereinafter defined).
- 5.6 Registered Notice: The County reserves the right to register notice of this Agreement on title to the Property, subject to the approval of such notice by Southgate, which approval shall not be unreasonably withheld. Subject to the approval of such notice by Southgate, Southgate agrees to execute such documents as may be reasonably required to permit the registration of such notice. If the County exercises its right under this Section, it shall prepare all documents required to do so. Each Party shall bear its own costs incurred in respect of the provisions of this Section.
- 5.7 References to Legislation: Unless otherwise specifically indicated, any reference to a statute in this agreement refers to that statute and to the regulations made under that statute as at the date of this Agreement, as the same may, from time to time, be amended, re-enacted or replaced.

6.0 Agreement of Purchase and Sale

6.1 The County acknowledges and agrees that:

- a) It has satisfied itself with respect to the applicable land use regulations and agrees to accept the Property subject to such existing zoning and other land use policies and regulations.
- b) It shall not call for the production of any title deed, abstract, survey or other evidence of title to the Property, except those that are in the possession or control of Southgate.
- c) It shall accept the Property subject to any and all Encumbrances, all easements, options and notices provided for herein, and agrees not to call into question title to the Property on the basis thereof.
- d) It shall acquire the Property in an "As Is Where Is" basis, including improvements, structures, trees and shrubs, and as further set out below.

6.2 In agreeing to purchase the Property in an "As Is Where Is" basis, the County acknowledges and agrees that:

- a) Southgate makes no representations to the County as to the zoning of the Property or any improvements or structures, whether for the intended use or otherwise.
- b) Southgate shall have no responsibility whatsoever to remedy any defect, comply with any work order or complete any unfinished work.
- c) Southgate makes no representations or warranties whatsoever, either expressed or implied, as to the existence or non-existence of any asbestos, PCB's, radioactive substances or any other substances, liquids or materials or contaminants which may be hazardous or toxic or require removal and disposal pursuant to the provisions of any applicable legislation, and that the County is relying upon its own investigations, if any, in this regard.

- d) The County has inspected the Property prior to the Closing Date and is relying on its own due diligence as to the condition of the Property and improvements.
- 6.3 The County covenants and agrees that, effective as of the Closing Date, the County shall forever release, waive, and discharge Southgate and its successors and assigns from and against all losses, damages, claims, demands, fines, liabilities, actions, suits, in any way arising, directly or indirectly by reason of the presence on the Property of any contaminant, pollutant, dangerous substance wastes (liquid or solid) or toxic substance (collectively the "Substances") or the escape thereof in the air or onto adjacent properties or property including rivers, streams, and ground waters, , whether produced, created or generated before or after the Closing Date and such release, waiver, discharge shall include any order, decree, judgment or demand under law, regulation or order applicable thereto.
- 6.4 The County, its successors and assigns, hereby agree to defend, indemnify and hold harmless Southgate, its successors and assigns from any and all losses, damages, claims, demands, fines, liabilities, actions, suits arising out of or in any way connected with any state, quality or condition in, or of, the Property, including, but not limited to, the existence of any Substances existing as of, or prior to the Closing Date and thereafter, whether environmental or otherwise, whether imposed by law, equity or any federal, provincial or municipal law, rules or regulations or by any regulatory authority.
- 6.5 The provisions of this section shall survive closing and any subsequent sale or transfer of the County's interest in the Property.
- 6.6 In the event of and upon the exercise of the Option by the County pursuant to the provisions of Section 3.1 herein, this Agreement shall then become a binding agreement of purchase and sale between the Parties hereto, upon the following terms:
- a) **Purchase Price** - The Purchase Price of \$2.00 shall be payable as follows:
 - i) By the County paying the deposit pursuant to Section 3.1 above (herein referred to as the "**Deposit**") which shall be credited on account of the Purchase Price on the Closing Date (as hereinafter defined); and
 - ii) By the County paying any remaining amount owing on account of the adjustments as set out in Section 6.1(g) by way of certified cheque or bank draft drawn on the trust account of the County's lawyers, upon delivery of a valid and registrable transfer/deed to the Property as herein set forth, or if the County may be credited with a payment pursuant to those adjustments, then the same shall be paid to the County by way of certified cheque or bank draft drawn on the trust account of the seller's lawyers, forthwith after delivery of such transfer/deed.
 - b) **Closing Date** - This Agreement shall be completed on the sixtieth (60th) day next following the giving of the notice of exercise of the Option pursuant to Section 3.1 above. In the event the sixtieth day shall fall on a day that is a Saturday, Sunday or other day on which the applicable Land Registry Office shall not be open, then this Agreement shall be completed on the day next following when the applicable Land Registry Office shall be open. Such day of completion shall be referred to herein as the "Closing Date".

- c) **Warranties and Representations** – Southgate hereby represents and warrants to the County subject to the limitations, if any, expressed hereby as follows:
- i) Southgate is now and at the Closing Date will be a municipal corporation existing in good standing under the laws of the Province of Ontario with full corporate power, authority and capacity to accept this Agreement and to carry out the transaction contemplated hereby;
 - ii) Southgate will at the Closing Date have full and absolute right and power to convey and transfer to the County or cause to be conveyed or transferred to the County title to the Property;
 - iii) That no buildings on the Property have been or are now insulated in whole or in part with asbestos, urea formaldehyde foam or any similar type substance or insulation.
- d) **Covenants** – Southgate covenants and agrees with the County as follows:
- i) In addition to the documentation referred to in this Agreement, to provide the following documents on the Closing Date:
 - Transfer/Deed of Land;
 - Declaration of Southgate, or an officer of Southgate in the case of a corporation, declaring unequivocally that Southgate's ownership of the Property has not been challenged by anyone during its ownership and possession of the Property;
 - Bill of Sale with respect to all chattels (if any);
 - ii) That the County shall not be liable or responsible in any way for any agent's or broker's or lawyer's fees in connection with the agreement which are payable by Southgate;
 - iii) To provide the County with vacant possession of the Property on the Closing Date;
 - iv) To provide the County on the Closing Date evidence in a form satisfactory to the County that on the Closing Date Southgate is the beneficial owner of the Property and is a resident of Canada for purposes of determining its liability for tax pursuant to the Income Tax Act;
 - v) To provide the County with satisfactory evidence on the Closing Date that the Seller is in compliance with the provisions of the Family Law Act;
 - vi) To discharge at its sole cost and expense, all mortgages, liens and encumbrances registered on title to the Property on or before the Closing date; and
 - vii) To convey to the County all fixtures and chattels affixed to, located on and used in conjunction with the Property on the Closing Date, all such fixtures and chattels to be free and clear of all encumbrances.

- e) **Purchase Price Allocation** – [not applicable]
- f) **Income Tax Act** – The County shall be credited towards the Purchase Price with the amount, if any, which it shall be necessary for the County to pay to the Receiver General of Canada in order to satisfy the County's liability in respect of tax payable by Southgate under the non-residency provisions of the *Income Tax Act* by reason of the sale, and the same shall be provided for as an adjustment pursuant to Section 6.1(g) below. The County shall not claim such credit if Southgate delivers on the Closing Date, the prescribed certificate or a statutory declaration from an officer of Southgate that it is not, as of the Closing Date, a non-resident of Canada.
- g) **Adjustments** - Real property taxes on the basis of the calendar year for which assessed, water and utilities (unless metered) shall be apportioned and allowed to the Closing Date, it being agreed that the expenses and revenues of the Closing Date shall be allocated to the County.
- h) **Title** - The County shall be allowed up to and including the tenth day prior to the Closing Date to examine the title to the Property at its own expense.
- i) **Planning Act** - Provided that this Agreement shall be effective to create an interest in the Property only if the provisions of the *Planning Act* are complied with by Southgate on or before the Closing Date and Southgate covenants to proceed diligently at its expense to obtain any necessary consents and approvals on or before the Closing Date.
- j) **Damage** - The Property and all other things being purchased shall be and remain until the Closing Date at the risk of Southgate. Southgate 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 damage, the County may either terminate this Agreement whereupon the Deposit shall be returned forthwith to the County or else take the proceeds of any insurance and complete the transaction.
- k) **Risk** - From and including the Closing Date, the Property shall be entirely at the risk of County and the County shall accept and assume 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, include any state, nature, quality or condition in, on under or near the Property existing on Closing, whenever and however arising, whether known or unknown environmental or otherwise, and whether such responsibilities and liabilities are imposed by law, equity or any authority.
- l) **HST** - The County agrees that it will be as at the Closing Date a registrant for Harmonized Sales Tax (HST) under the *Excise Tax Act*, R.S.C. 1985, as amended, and will provide evidence of same in form and substance reasonably satisfactory to Southgate or its lawyers at the Closing Date, including without limitation, a statutory declaration sworn by a senior officer of the County confirming the County's HST registration number and that such registration continues to be in full force and effect and an indemnity to Southgate for any HST claimed from Southgate in the event the County does not pay the HST payable by it in respect of this transaction.
- m) **Electronic Registration** – The Parties acknowledge that the Teraview Electronic Registration System (“**TERS**”) is operative and mandatory in the Land Registry Office for the Land Titles Division of Grey No.16. The Parties shall each retain a lawyer who is an authorized TERS user and who is in good standing with The Law Society of Ontario. The Parties shall each

authorize their respective lawyer to enter into a document registration agreement in a form provided for on the website of the Law Society of Ontario as a current form of such agreement. The delivery and exchange of documents and closing funds and the release thereof to Southgate and the County, as the case may be:

- i) shall not occur contemporaneously with the registration of the transfer/deed of land and other registrable documentation, if any; and
 - ii) shall be governed by the document registration agreement pursuant to which lawyer receiving any documents or funds will be required to hold same in escrow and will not be entitled to release except in strict accordance with provisions of the document registration agreement.
- n) The County 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.
- o) Southgate shall pay its own legal costs, disbursements, and registration costs. The County is responsible for paying all of its legal costs and disbursements.

7.0 Entire Agreement

- 7.1 This is the entire agreement between the Parties in respect of the option to purchase granted hereby, and there are no other terms, obligations, covenants, representations, warranties, statements or conditions oral or otherwise of any kind whatsoever except as may be set out in the provisions of the Donation Agreement.
- 7.2 No amendment or modification to this Agreement shall be effective except as set out in writing and signed by the Parties.
- 7.3 This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario and shall be treated in all respects as an Ontario contract.

8.0 Survive Closing

- 8.1 Notwithstanding any presumption to the contrary, all covenants, conditions, warranties and representations contained in this Agreement which by their nature either impliedly or expressly involve performance in any particular after the Closing Date or which cannot be ascertained to have been fully performed until after the Closing Date shall survive the Closing Date.

9.0 Time

- 9.1 Time shall in all respects be of the essence of this Agreement provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties or by their respective solicitors who may be specifically authorized in that regard.

10.0 General

- 10.1 This Agreement shall be binding upon and enure to the benefit of Southgate and the County and their respective successors and assigns.
- 10.2 Any tender of documents or money hereunder may be made upon Southgate or the County or their respective lawyers on the Closing Date.

11.0 Headings & Counterparts

- 11.1 All captions and headings herein are intended only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the intent of any provisions hereof.
- 11.2 This agreement may be executed in any number of counterparts, each of which is an original and all such executed counterparts taken together constitute a single document. Counterparts may be transmitted by fax or in electronically scanned form. Parties transmitting by fax or electronically will also deliver the original counterpart to the other Party, but failure to do so does not invalidate this Agreement.

IN WITNESS WHEREOF Southgate and the County have executed this Agreement on the day and date first above written.

The Corporation of the County of Grey

Andrea Matrosovs, Warden

Tara Warder, Clerk

I/We have the authority to bind the Corporation

The Corporation of the Township of Southgate

Brian Milne, Mayor

Lindsay Green, Clerk

I/We have the authority to bind the Corporation

APPENDIX "1" to Option to Repurchase Property Agreement

LEGAL DESCRIPTION OF LANDS

All those lands comprising of Part of Lots 225 and 226 Concession 2 South West of the Toronto Sydenham Road, geographic township of Proton, Township of Southgate being Parts 1 and 2 on the Reference Plan, being part of the lands presently bearing PIN 37267-0062 (LT)

