



**THE CORPORATION OF THE TOWNSHIP OF AUGUSTA
BY-LAW NUMBER 3601-2022**

**BEING A BY-LAW TO AUTHORIZE THE TRANSFER OF PART OF LOT 15 AND 16,
CONCESSION 1, TOWNSHIP OF AUGUSTA BEING PART 4 ON PLAN
15R735 TOWNSHIP OF AUGUSTA, COUNTY OF GRENVILLE AND BEING ALL OF
PINS 68181-0212, 68181-0214 AND 68181-0215 (LT)**

WHEREAS Section 9 of the Municipal Act S.O. 2001 c.25, as amended, the Council of every municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS the Township has agreed to transfer to V6 Agronomy Inc. the land legally described a:

**PART OF LOT 15 AND 16, CONCESSION 1, TOWNSHIP OF AUGUSTA BEING PART 4 ON
PLAN 15R735 TOWNSHIP OF AUGUSTA, COUNTY OF GRENVILLE AND BEING ALL OF PINS
68181-0212, 68181-0214 AND 68181-0215 (LT)**

NOW THEREFORE the Council of the Corporation of the Township of Augusta hereby enacts as follows that:

1. THAT the land described above of this by-law be transferred from The Corporation of the Township of Augusta to V6 Agronomy Inc.
2. THAT the Mayor and the Clerk are hereby authorized to execute any and all documents and to do anything necessary to complete the sale and transfer of property described above at a price of \$273,300.
3. THAT Schedule A attached hereto form part of this by-law.
4. THAT the process for Sale of Surplus Land has been satisfied.
5. THAT this By-law shall come into force and effect upon the date of the final passing thereof.

Read a first, second, and third time and finally passed this 28 day of November, 2022.


MAYOR


CLERK



AUGUSTA TOWNSHIP

**TOWNSHIP OF AUGUSTA
INDUSTRIAL LANDS
AGREEMENT OF PURCHASE AND SALE**

BETWEEN

**V6 AGRONOMY INC.
(the "Purchaser")**

OF THE FIRST PART

AND

**THE CORPORATION OF THE TOWNSHIP OF AUGUSTA
(the "Township")**

OF THE SECOND PART

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1.0 STANDARD FORM AGREEMENT

1.1 The Purchaser acknowledges that this is the Township's standard form of agreement of purchase and sale of industrial land.

2. DEFINITIONS

2.1 In this agreement:

"Business Day" means a day other than a Saturday or Sunday or statutory holiday in the Province of Ontario.

"Closing Day" means the date more particularly described in Schedule "A" on which the purchase and sale of Lands is to be completed.

"Deposit" means the sum more particularly described in Schedule "A" to be tendered with this offer on account of the Purchase Price.

"Irrevocable Date" means the date more particularly described in Schedule "A" until which this offer to purchase is open for acceptance by the Township.

"Lands" means those lands owned by the Township more particularly described in Schedule "A".

"Option to Repurchase Agreement" means the agreement between the Purchaser and Township in the form of agreement more particularly described in Schedule "C".

"Permitted Encumbrances" means those agreements, easements, rights of way, or other restrictions, limitations, conditions or encumbrances described in Schedule "A" that are now or will be at the Closing Date registered against title to the Lands or that this Agreement provides for.

"Purchase Price" means the price to be paid by the Purchaser for the Lands as more particularly described in Schedule "A".

"Purchaser's Conditions" means those conditions as more particularly set out in Schedule "B" inserted in this agreement for the sole benefit of the Purchaser.

"Purchaser's Planned Development" means the Purchaser's intended development on the Lands which shall proceed in Phases, with the first Phase to be commenced after the closing date as outlined in the Table of Critical dates.



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“Schedules” means Schedules “A”, “B” and “C” to this agreement that are to be read with and form a part hereof.

“Table of Critical Dates” means the following table of dates:

EVENT	TIMING	SECTION
Irrevocable Date	November 30 th , 2022	Section 4.1 and Schedule A
Purchaser waives Purchaser’s Conditions	Maximum one hundred twenty (120) days after acceptance	Schedule B
Township delivers draft reference plan of survey	Maximum thirty (30) days after Purchaser waives all Purchaser’s Conditions	Section 9.1
Purchaser submits Site Plan application	Maximum thirty (30) days after acceptance	Section 7.1
Township and Purchaser execute Site Plan Agreement	Maximum ninety (90) days after acceptance	Section 7.1
Township delivers deposited reference plan of survey	The earlier of thirty (30) days after Purchaser waives all Purchaser’s Conditions or the date for examining title	Section 9.1
Date for examining title	Twenty-one (21) days prior to Closing Date	Section 12.3
Closing Date	Twenty-one (21) days after Site Plan Agreement executed by Purchaser and Township	Schedule A
Occupancy Permit	Maximum thirty-six (36) months after Closing Date	Section 10.1(b)

“Utility Services” means all utility services to the Lands including but not limited to water, sewer, storm water, natural gas, electricity and communications services.

3.0 OFFER TO PURCHASE

3.1 The Purchaser hereby offers to purchaser the Lands from the Township for the Purchase Price (the “Offer”).



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4.0 IRREVOCABLE OFFER

4.1 The Offer shall be irrevocable by the Purchaser and remain open for acceptance by the Township until 4:00 p.m. EST (Eastern Standard Time) on the Irrevocable Date.

4.2 If the Offer is not accepted by the Township on or before 4:00 p.m. EST (Eastern Standard Time) on the Irrevocable Date, it shall immediately terminate, and the Purchaser shall be entitled to the return of the Deposit in full without interest or deduction.

5.0 PAYMENT OF PURCHASE PRICE

5.1 The Purchaser shall pay the Purchase Price as follows:

- a) the Deposit shall be tendered with this offer to purchase to be held by the Township in trust pending completion of the transaction and shall be credited on account of the Purchase Price on the Closing Date, and
- b) the balance of the Purchase Price shall be paid on the Closing Date, subject to all usual and proper adjustments, with the day of closing apportioned to the Purchaser.

5.2 All payments on account of the Purchase Price shall be made in lawful money of Canada, payable to the Township, or as it may otherwise direct in writing, and shall be by bank draft or cheque certified by a chartered bank, trust company, Province of Ontario Savings Office, credit union or caisse populaire.

6.0 HARMONIZED SALES TAX ("HST")

6.1 The Purchaser acknowledges that this transaction is subject to HST and that such tax and any other type of value-added or sales tax payable in connection therewith shall be in addition to the Purchase Price and shall be paid by the Purchaser.

6.2 The Township will not collect HST if the Purchaser provides to the Township on the Closing Date a warranty that the Purchaser is registered under the Excise Tax Act ("ETA"), together with a copy of the Purchaser's ETA registration, a warranty that the Purchaser shall self-assess, remit the HST payable and file the prescribed form, and shall indemnify the Township in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction.

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7.0 CONDITIONAL ON SITE PLAN APPROVAL

7.1 This agreement shall be conditional on the Purchaser filing with the Township, an application for site plan approval for the Purchaser's Planned Development within the time prescribed on the Table of Critical Dates and having filed the application, obtaining site plan approval, free of all rights of appeal:

- a) in respect of a refusal by the Township to grant such approval; or
- b) in respect of any terms of conditions of any site plan approval granted by the Township,

and entering into a site plan agreement as required by the Township pursuant to Section 41(7) of the *Planning Act*, within the time prescribed on the Table of Critical Dates.

7.2 If the aforesaid condition is not satisfied within the prescribed time and if both parties do not agree in writing to an extension, this agreement shall automatically terminate and the Deposit shall be returned to the Purchaser less a deduction for any reasonable survey costs, legal fees, and other out of pocket expenses incurred to date by the Township up to a maximum total of fifteen thousand Canadian Dollars (\$15,000 CAD), and neither party shall have any further obligations under this agreement. This condition cannot be waived by either party.

8.0 PURCHASER'S CONDITIONS

8.1 This agreement shall be conditional on the Purchaser's Conditions being satisfied within the time and in the manner described therein. The Purchaser's Conditions are inserted for the sole benefit of the Purchaser and may be waived by the Purchaser in writing at any time. If the Purchaser fails or refuses to waive the Purchaser's Conditions approval within the time prescribed on the Table of Critical Dates, this agreement shall be at an end and the Purchaser shall be entitled to the return of the Deposit less a deduction for any reasonable survey costs, legal fees, and other out of pocket expenses incurred to date by the Township up to a maximum total of fifteen thousand Canadian Dollars (\$15,000 CAD) and neither the Purchaser nor the Township shall have any further obligation under this agreement.

8.2 The Purchaser shall have the right at any time and from time to time prior to the Closing Date to enter on the lands, by itself or with its contractors or agents, to conduct at its own expense and risk such further investigations or assessments of the Lands as the Purchaser deems necessary in connection with the Purchaser's Conditions or for the purpose of completing the site plan approval process,


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provided the Purchaser restores the Lands to their original condition upon completion of such investigations.

9.0 TOWNSHIP'S REPRESENTATIONS AND WARRANTIES

9.1 The Township represents and warrants to the Purchaser as follows:

- a) the Township has the lawful authority to sell the Lands and all Council approvals have been given and all corporate authority exists for the Township to complete the transaction in accordance with its terms;
- b) the Township shall, if required, at its expense, provide the Purchaser,
 - i. a draft reference plan of survey illustrating the proposed dimensions of the Lands for the Purchaser's review and approval, and
 - ii. A deposited reference plan of survey of Lands;within the times prescribed on the Table of Critical Dates;
- c) the Township will deliver the land free of any encumbrances without any third-party rights such as right of way.
 - i. the Township agrees to remove/delete an Easement being PR46107,  on the subject lands in favour of Part 4 on Plan 15R735.
- d) that to the best of the Township's knowledge and belief, during the period of its ownership of the Lands, all environmental laws and regulations have been complied with, no hazardous conditions or substances exist on the Lands, no limitations or restrictions affecting the continued use of the Lands exist, other than those specifically provided for herein, no pending litigation respecting environmental matters, no outstanding Ministry of Environment and Energy Orders, investigations, charges or prosecutions regarding environmental matters exist, and there has been no prior use of the Lands as a waste disposal site; and
- e) the Township shall provide to the Purchaser upon request, all documents, records, and reports relating to the environmental matters that are in the possession of the Township, and the Township shall provide such further authorizations as the Purchaser may reasonably require for the Ministry of the Environment to release to the Purchaser, its agent or solicitor, any and all information that may be on record in the Ministry office with respect to the Lands.

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9.2 All of the Township's representations and warranties shall survive closing.

9.3 The Township shall provide any consents and authorizations within its jurisdiction, or in its capacity as owner, that may be required for any licenses, permits, approvals or consents required to be obtained by the Purchaser in connection to any of the Purchaser's Conditions.

10.0 PURCHASER'S REPRESENTATIONS AND WARRANTIES

10.1 The Purchaser represents and warrants to the Township as follows:

- a) it is duly incorporated and has the necessary corporate power, authority and capacity to enter into this Agreement and to carry out the transaction contemplated herein;
- b) that if the site plan is approved and the purchase and sale of the Lands is completed in accordance with this Agreement, the Purchaser shall substantially complete construction of the Purchaser's Planned Development as approved in the site plan and obtain an occupancy permit therefore within thirty-six (36) months of the date of registration of the Transfer/Deed for the Lands to the Purchaser;
- c) that the Purchaser shall not transfer any portion of the Lands unencumbered by a building to any third person prior to the ten (10) year anniversary of the date of the registration of the Transfer/Deed for the Lands without the prior written consent of the Township, which consent may be arbitrarily refused, provided that the prior written consent of the Township shall not be required if such transfer is to an affiliate of the Purchaser, to the buyer of a substantial portion of the Purchaser's assets, or for the purpose of securing the Lands in favour of a *bona fide* commercial lender in connection with a builder's mortgage;
 - i. For clarification purposes, it is acknowledged that V6 Agronomy Inc is purchasing the subject lands on behalf of Vanguard Crop Nutrition Inc., an affiliate of V6 Agronomy Inc., and a transfer of title is anticipated.
- d) that prior to obtaining an occupancy permit for the building or buildings, the Purchaser shall not transfer the Lands or any part thereof to any third person without the prior written consent of the Township, which consent may be arbitrarily refused, provided that the prior written consent of the Township shall not be required if such transfer is to an affiliate of the Purchaser, to the buyer of a substantial portion of the Purchaser's assets,

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or for the purpose of securing the Lands in favour of a *bona fide* commercial lender in connection with a builder's mortgage; and

- e) that this Agreement shall not fetter the discretion of the Township of Augusta in its role as approval authority under applicable legislation including but not limited to the *Planning Act* related to any planning applications submitted for the Lands or the proposed development and the *Building Code Act*.

10.2 All the Purchaser's representations and warranties shall survive closing.

11.0 OPTION TO REPURCHASE AGREEMENT

11.1 This agreement shall be conditional on the Purchaser and Township entering into the Option to Repurchase Agreement prior to the Closing Date and the Option to Repurchase Agreement being registered against title to the Lands immediately following registration of the Transfer/Deed for the Lands from the Township to the Purchaser with no intervening registrations or the creation of any intervening rights in the Lands as set out in Schedule C. This condition is inserted for the sole benefit of the Township and may be waived by it in writing at any time prior to the Closing Date.

12. TITLE TO THE LANDS

12.1 Title of the Lands as at the Closing Date shall be good and marketable and free from encumbrances of every nature or kind, except for:

- a) any restrictions, limitations or conditions contained in the original grant from the Crown which do not interfere with the Purchaser's Planned Development and as further set out in the Site Plan Agreement;
- b) any restrictions, limitations or conditions imposed by any applicable building and zoning By-Laws which do not interfere with the Purchaser's Planned Development and as further set out in the Site Plan Agreement;
- c) any minor easements for hydro, gas, telephone or like services to the Lands which do not interfere with the Purchaser's Planned Development and as further set out in the Site Plan Agreement; and
- d) the Permitted Encumbrances.

12.2 The Purchaser shall have until 4:00 p.m. EST (Eastern Standard Time) on the date for examining title to the Lands as prescribed on the Table of Critical Dates



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within which to examine the title of the Lands and to submit requisitions regarding valid objections. If the Township is unable or unwilling to remove or remedy any requisition, and if the Purchaser will not waive the requisition, then this Agreement, despite any intermediate acts or negotiations in respect of any such objections, shall be at an end and the Deposit shall be returned to the Purchaser without interest or deduction and neither the Township nor the Purchaser shall be liable to the other for any matter in connection with this Agreement. Save as to any valid objection made within the times above limited, and except for any objection going to the root of the title of the Township, the Purchaser shall be conclusively deemed to have accepted the Township's title to the Lands.

12.4 The Purchaser shall not call for the production of any title deed, abstract of title, proof or evidence of title, or survey, except as may be expressly permitted or required under the terms of this agreement.

13.0 CLOSING

13.1 This transaction shall be completed no later than 4:30 p.m. EST (Eastern Standard Time) on the Closing Date, provided that if on such day the Registry or Land Titles Office is not open, closing shall occur on the next day thereafter on which such office is open. Upon completion, vacant possession of the Lands shall be given to the Purchaser unless otherwise provided in this agreement.

14.0 TENDER

14.1 Any tender of documents or money required by this agreement may be made upon either of the parties or their respective solicitors on the Closing Date.

15.0 DOCUMENT PREPARATION

15.1 The transfer/deed shall be prepared in registerable form by and at the expense of the Township. The Purchaser at the Purchaser's expense shall prepare the land transfer tax affidavit.

16. NOTICE

16.1 Any notice required or permitted to be given by the Agreement shall be in writing. Any notice to the Purchaser shall be given to the Purchaser and the Purchaser's solicitor at the address or facsimile number hereafter set forth, and any notice to the Township shall be given to the Township's solicitor at the address or facsimile number hereafter set forth.

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16.2 Any notice forwarded by mail shall, if posted in Ontario, be deemed to have been received on the fourth (4th) Business Day after its post mark and any notice forwarded by facsimile shall be subject to actual receipt by the party to whom it is directed, with evidence of receipt by the party to whom it is addressed. If transmission is completed on a day which is not a Business Day, or after 5:00 p.m. EST (Eastern Standard Time) on a Business Day, it shall be deemed to have been received on the next Business Day.

17.0 TIME OF THE ESSENCE

17.1 Time shall be of the essence of the Agreement.

18.0 PLANNING ACT

18.1 This Agreement shall be effective to create an interest in the property only if the Township complies with the subdivision control provisions of the *Planning Act* (Ontario) by completion and the Township covenants to proceed diligently at its expense to obtain any necessary consent by completion.

19.0 ENTIRE AGREEMENT

19.1 The parties agree that there is no representation, warranty, collateral agreement or condition affecting this agreement or the Lands or other assets referred to herein nor is there any such representation, warranty, collateral agreement or condition which induced the Purchaser to enter into this Agreement, other than those agreements expressly set forth herein to be entered into by the parties.

20.0 WAIVER

20.1 The failure of the Township to enforce at any time any of the provisions of this Agreement or any of its rights in respect thereto or to insist upon strict adherence to any term of this agreement shall not be considered to be a waiver of such provision, right or term or in any way to affect the validity of this agreement or deprive the Township of the right thereafter to insist upon strict adherence to that term or any other term of this agreement. The exercise of any right under this agreement shall not preclude or prejudice the Township from exercising any other right if may have under this Agreement, irrespective of any previous action or proceeding taken by it hereunder.

21.0 ASSIGNMENT AND ENUREMENT

AUGUSTA TOWNSHIP

21.1 The Purchaser shall not be entitled to assign its rights and obligations under this Agreement except with the prior written consent of the Township, which consent may be arbitrarily refused, provided that the prior written consent of the Township shall not be required if such assignment is to an affiliate of the Purchaser or to the buyer of a substantial portion of the Purchaser's assets.

21.2 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective personal representatives, successors and assigns.

22.0 GOVERNING LAW

22.1 The parties agree that all matters relating to this Agreement shall be governed by and construed in accordance with the laws of Ontario and federal laws of Canada applicable therein. All actions and proceedings arising out of or relating directly or indirectly to this agreement will be commenced and litigated exclusively in an Ontario Court of competent jurisdiction.

23.0 NON-BUSINESS DAYS

23.1 If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed or by which the closing must be held on a day which is not a Business Day, then such time period shall be automatically extended to the next Business Day.

24.0 COUNTERPARTS

24.1 This Agreement and any document delivered by the Purchaser or the Township pursuant to 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. This Agreement may be delivered either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties.

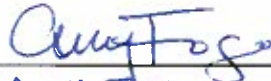
AUGUSTA TOWNSHIP

Executed under seal by the Purchaser at NORTH AUGUSTA on the 26th
day of OCTOBER, 20 22.

V6 AGRONOMY INC.



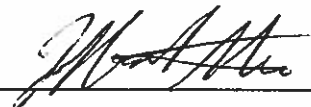
Name: RYAN M BROPHY
Officer: MANAGING DIRECTOR



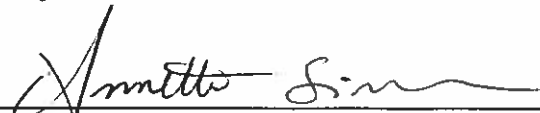
Name: AMY FOGAO
Officer: VICE PRESIDENT
We have authority to bind the corporation.

The Township accepts this offer by executing the same under seal at Maynard, Ontario
on the on the 28 day of November, 20 22.

**THE CORPORATION OF THE TOWNSHIP OF
AUGUSTA**



Name:
Officer: Mayor



Name: Annette Simonian



AUGUSTA TOWNSHIP

Officer: Clerk
We have authority to bind the corporation.

ADDRESSES FOR NOTICES

PURCHASER

V6 Agronomy Inc.
9236 Branch Rd.
North Augusta, ON K0G 1R0

Telephone No: (613) 802-2559

Purchaser's Solicitor: *PAUL JANSEN
KEMPVILLE, ON*

TOWNSHIP

Mr. Steve McDonald, CAO
The Corporation of the Township of Augusta
3560 County Road 26
Prescott, Ontario K0E 1T0

Telephone No: (613) 925-4231 x 102
Facsimile No: (613) 925-3499

Township Solicitor:
John D. Simpson
Stewart Corbett
21 Court House Avenue
PO Box 187
Brockville, ON K6V 5V2
Phone: (613)342-4491
Fax: (613) 342-8570

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SCHEDULE "A"

Lands:

Part of Lot 15 and 16, Concession 1, Township of Augusta being Part 4 on Plan 15R735 Township of Augusta, County of Grenville and being all of PINS 68181-0212, 68181-0214 and 68181-0215 (LT)

All of the foregoing as shown outlined in green on the sketch attached and marked Schedule A-1.

Purchase Price:

Two Hundred Seventy-Three Thousand Three Hundred Canadian Dollars (\$273,300 CAD) calculated at the rate of fifteen thousand Canadian Dollars (\$15,000 CAD) per acre based on an estimated area of 18.22 acres. The actual area is to be determined by a surveyor's certificate provided by the Township.

Deposit:

Twenty-Five Thousand Dollars Canadian Dollars (\$25,000 CAD)



Irrevocable Date:

Fourteen (14) days after the date on which the Purchaser signs this Agreement.

Closing Date:

Twenty-one (21) days after the Purchaser executes a site plan agreement with the Township for the Lands, but if this date falls on a Saturday, Sunday or statutory holiday, the Closing Date shall be on the next Business Day but in no case shall the closing date be any later than <insert date>

Permitted Encumbrances:

1. Option to Repurchase Agreement





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2. Any municipal utility easements required as a condition of site plan approval

SCHEDULE "A-1"

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SCHEDULE "B"

Purchaser's Conditions

This Agreement is conditional on the following:

1. The Purchaser shall have conducted whatever searches, inspections or investigations that the Purchaser, in its sole, absolute and unfettered discretion, deems advisable with respect to the Lands including without limitation the environmental and geotechnical condition of the Lands, and shall have been satisfied with the results of such searches, inspections and investigations;
2. The Purchaser being satisfied that the Lands have sufficient Utility Services for the Purchaser's Planned Development;
3. The Purchaser being satisfied that there are no restrictive covenants or other encumbrances that restrict, and the zoning and permitted uses of the Lands will permit, the Purchaser's Planned Development;
4. The Purchaser being satisfied that it has all required approvals for the Purchaser's Planned Development;
5. The Purchaser being satisfied that the Lands are supplied with water from a source which is compliant with applicable law (including the *Ontario Fire Code* and *Ontario Building Code*) for the purposes of sprinklering, and that such source is sufficient in flow to sprinkler the Purchaser's Planned Development and any other buildings which it may subsequently wish to build on the Lands without the need for holding tanks.

These conditions are inserted for the sole benefit of the Purchaser and the Purchaser's satisfaction with any of them shall be in their sole, and absolute unfettered discretion (which may be exercised unreasonably or arbitrarily). These conditions may be waived by the Purchaser at any time.

If the Purchaser fails or refuses to waive the Purchaser's Conditions within the time prescribed on the Table of Critical Dates, this Agreement shall be at an end and the





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Purchaser shall be entitled to the return of the Deposit without interest or deduction and neither the Purchaser nor the Township shall have any further obligations under it.

SCHEDULE "C"

Option to Repurchase

THIS OPTION TO REPURCHASE AGREEMENT made this 28 day of
November, 2022

BETWEEN:

V6 AGRONOMY INC.
(the "Optionor")

AND:

THE CORPORATION OF THE TOWNSHIP OF AUGUSTA
(the "Township")

AUGUSTA TOWNSHIP

Recitals:

1. The Optionor purchased from the Township those industrial lands more particularly described in Schedule "A" to this Agreement (the "Lands") pursuant to an agreement of purchase and sale between the Optionor and the Township dated November 28, 2022 (the "Agreement");
2. For the purpose of selling the Lands, the Township relied on representations made by the Optionor that:
 - a) if the site plan agreement is approved with respect to development of the Lands as anticipated in the Agreement (the "Site Plan Agreement") and the purchase and sale of the Lands is completed in accordance with the Agreement, the Optionor shall substantially complete construction of the Purchaser's Planned Development (as such term is defined in the Agreement) as approved in the Site Plan Agreement and obtain an occupancy permit therefore within thirty-six (36) months of the date of registration of the Transfer/Deed for the Lands to the Optionor;
 - b) prior to obtaining an occupancy permit for the building or buildings, the Optionor shall not transfer the Lands or any part thereof to any third person without the prior written consent of the Township, which consent maybe arbitrarily refused, provided that the prior written consent of the Township shall not be required if such transfer is to an affiliate of the Optionor, to the buyer of a substantial portion of the Optionor's assets, or for the purpose of securing the Lands in favour of a bona fide commercial lender in connection with a builder's mortgage and provided that the Transferee agrees to be bound by the Site Plan Agreement or agrees to enter into a Site Plan Agreement with respect to the creation of a new vacant parcel.
3. For the purpose of securing its representations under 2. above, the Optionor has agreed to grant an option to repurchase the Lands to the Township in accordance with the terms of this Agreement.

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NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the parties agree each with the other as follows:

In this agreement,

1. The Optionor hereby grants to the Township an option to repurchase the Lands (the "Option").
2. The Township may exercise the Option if:
 - a. the Optionor fails to substantially complete construction of the Purchaser's Planned Development as approved in the Site Plan Agreement and obtain an occupancy permit therefore within thirty-six (36) months of the date of registration of the Transfer/Deed for the Lands to the Optionor; or
 - b. the Purchaser transfers any portion of the Lands unencumbered by a building to any third person prior to the ten (10) year anniversary of the date of registration of the Transfer/Deed for the Lands without the prior written consent of the Township, which consent may be arbitrarily refused, provided that the prior written consent of the Township shall not be required if such transfer is to an affiliate of the Optionor, to the buyer of a substantial portion of the Optionor's assets, or for the purpose of securing the Lands in favour of a bona fide commercial lender in connection with a builder's mortgage and provided that the Site Plan Agreement shall run with the Lands;
 - c. prior to obtaining an occupancy permit for the building or buildings, the Optionor shall not transfer the Lands or any part thereof to any third person without prior written consent of the Township, which consent may be arbitrarily refused, provided that the prior written consent of the Township shall not be required if such transfer is to an affiliate of the Optionor, to the buyer of a substantial portion of the Optionor's assets, or for the purpose of securing the Lands in favour of a bona fide commercial lender in connection with a builder's mortgage and provided that the Site Plan Agreement shall run with the Lands.
3. The Township may exercise the Option by written notice simply stating an intention to exercise its Option pursuant to this Option to Re-Purchase Agreement and delivered to the Optionor and any other person who may appear from the abstract of title for the Lands to have an interest in the Lands in accordance with the notice terms set out in Section 16 of the Agreement, *mutatis mutandis*,



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- a. in the case of the Optionor's failure to substantially complete construction of a building as required in sub clause 2(a) above, at any time prior to the earlier of (i) the date on which an occupancy permit for the building or buildings is issued; and (ii) the ten (10) year anniversary of the date of registration of the Transfer/Deed for the Lands to the Optionor;
 - b. in the case of any sale, transfer or other disposition of the Lands by the Optionor contrary to the provisions of sub clause 2(b) above, at any time within sixty (60) days from the date on which the Township is notified in writing that the Optionor has sold, transferred or otherwise disposed of all or any part of the Lands; or
 - c. in the case of any sale, transfer or other disposition of any part of the Lands that is unencumbered by a building contrary to the provisions of sub clause 2(c) above, at any time within sixty (60) days from the date on which the Township is notified in writing that the Optionor has sold, transferred or otherwise disposed of such part of the Lands.
4. The purchase price to be paid by the Township if it exercises the Option shall be,
- a. in the case of the Township exercising the Option in accordance with either sub clause 3(a) or (b) of this Agreement, an amount equal to ninety-five percent (95%) of the purchase price paid by the Optionor to originally acquire the Lands from the Township, plus ninety-five percent (95%) of the increase in the fair market value to the Lands as a result of any improvements made to or work done on or to the Lands or less ninety-five percent (95%) of the decrease in the fair market value of the Lands as a result of any improvements made to or work done on or to the Lands; or
 - b. in the case of the Township exercising the Option in accordance with sub section 3(c) of this Agreement, an amount equal to ninety-five percent (95%) of the purchase price paid by the Optionor to originally acquire the Lands prorated based on the percentage that the area of land sold by the Optionor is to the total area of the Lands.
5. The purchase transaction shall close sixty (60) days following the date the Township delivers notice exercising the Option (the "Closing Date").
6. The Township shall have the right, subsequent to delivery of notice exercising the Option to enter only the Lands, by itself or by its agents or contractors, to conduct such environmental assessment of the Lands as the Township may, at its cost, determine necessary or prudent and, if dissatisfied with the results of such



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- assessment, the Township shall have the right to not proceed with the purchase of the Lands.
7. The Optionor shall indemnify and save harmless the Township from any and all claims of every nature and kind which may be made against the Township whether for damages or otherwise as a result of the Lands containing as at the Closing Date any contaminant or pollutant within the meaning of the *Environmental Protection Act* (Ontario), or any other substances which may be considered hazardous or dangerous to the health of persons or to the environment under any other legislation of the Province of Ontario or Canada applicable therein. Without limiting the obligation of the Optionor aforesaid, such obligation to indemnify shall exist with respect to claims against the Township for damages to persons or property or for the costs of complying with any orders for cleanup of the Lands which may be issued under any legislation or by any Court of competent jurisdiction in respect of any contamination existing at the Closing Date. This obligation of the Optionor to indemnify the Township shall survive the Closing Date.
 8. The terms of OREA Form 500 attached hereto shall apply *mutatis mutandis* to the re-purchase by the Township except where in conflict with this Option to Purchase Agreement, this Option to Purchase Agreement shall prevail.
 9. If the Township tenders the Option Price on the Closing Date and the Optionor fails or refuses for any reason to deliver to the Township a deed to the Lands in registrable form, the Township may deposit the Option Price with the solicitors for the Township for and on behalf of and in the name of the Optionor. Upon the deposit being made, the Township shall be deemed conclusively to be the owner of the land, and the Optionor hereby irrevocably constitutes the Chief Administrative Office/Clerk of the Township its lawful attorney to execute all deeds and other documents necessary to complete the purchase and sale of the Lands.
 10. It is the intention of the parties that the foregoing rights to re-purchase in favour of the Township shall create an interest in the Lands and, despite any decision by the Township to not exercise its right at a particular time, shall continue and be binding on all subsequent owners of the land until the rights expire at the prescribed time.
 11. Upon the Optionor obtaining an occupancy permit for the building or buildings, the Township shall forthwith delete and vacate any registration of the Optionor's interest provided for herein from title to the Lands.





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12. This Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective personal representatives, successors and assigns.

{Remainder of page intentionally left blank. Signature page follows}

IN WITNESS WHEREOF the parties hereto have entered into this Agreement as at the date first set out above.

SIGNED, SEALED AND DELIVERED

In the presence of:

V6 AGRONOMY INC.

Per:

Name: RYAN M BROPHY
Officer: MANAGING DIRECTOR

Name: AMY FOGIO
Officer: VICE PRESIDENT

THE CORPORATION OF THE TOWNSHIP OF AUGUSTA

Per:

Name: _____
Officer: Mayor



AUGUSTA TOWNSHIP

Name: Annette Simonian
Officer: Clerk