

**THIS EARLY PAYMENT AND ALLOCATION AGREEMENT is made this 31st day of
October, 2020.**

BETWEEN:

EQUITY VENTURE GROUP CORP. and NATIONAL PROPERTIES INC.
(the “**Owner**”)

OF THE FIRST PART

- and –

THE CORPORATION OF THE TOWN OF ERIN
(the “**Town**”)

OF THE SECOND PART

WHEREAS:

1. Town Council on October 27, 2020 approved the allocation of Wastewater Reserved Capacity with respect to SDE units, by approving this Agreement;
2. The Owner is the owner in fee simple of the Lands described in Schedule “A” and depicted in the sketch attached as Schedule “B”;
3. The continued and orderly development of the Town is dependent on the design, installation, and construction of the Front Ended Services as defined in the Front-Ending Agreement and the early payment of development charges and the allocation of Reserved Capacity in this Agreement;
4. The Town plans to finance such growth-related infrastructure through by-laws and agreements under and in relation to the DCA; and,
5. The Owner, pursuant to section 27 of the DCA, has agreed to make an early payment of the Front Ended Services and of the Wastewater Treatment Plant components of the DC , which amount shall be payable in connection with the development of the Owner’s Lands in order to allow for the design, installation, and construction of the Front Ended Services and the design and construction of the Waste Water Treatment Plant.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of ten dollars (\$10.00) of lawful money of Canada now paid by each party hereto to the other and in consideration of the covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

1 - Definitions and Interpretation

In this Agreement including the Recitals above and the Schedules hereto, unless there is something in the subject matter or context inconsistent therewith, the following terms and expressions shall have the following meanings:

- A. “**Agreement**” means this Agreement entered into between an Owner and the Town;
- B. “**Associated Corporation**” means companies that are associated with one another as determined under section 256 of the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp) or any amendment to or successor of that legislation;
- C. “**BCA**” means the *Building Code Act 1992*, S.O. 1992, c. 23;
- D. “**Business Day**” means a day other than Saturday or Sunday or any day upon which the principal commercial banks in the Town are not open for business during normal banking hours;
- E. “**DC**” means the development charges under the DCB;
- F. “**DCA**” means the *Development Charges Act, 1997*, S.O. 1997, c. 27;

- G. “**DCB**” means By-law No. 19-32, as may be amended from time to time and any successor by-law;
- H. “**DC Early Payment**” means the amount representing the number of SDEs reserved to the Owner under this Agreement multiplied by the Wastewater Services Rate, as shown in Schedule “D” hereto, and includes the Wastewater Collection Overcontribution referred to in Schedule “D”;
- I. “**Default**” means a failure by the Owner to comply with an obligation of the Owner under this Agreement;
- J. “**Defaulting Owner**” means the Owner who is in Default;
- K. “**Dwelling Unit**” has the same meaning as the term “**dwelling unit**” in the DCB;
- L. “**Erin**” means The Corporation of the Town of Erin;
- M. “**Front Ending Agreement**” means the Front Ending Agreement executed by the Owner dated October 31, 2020 and “**Front Ended Services**” shall have the same meaning as thereunder, which services are set out in Schedule “G”;
- N. “**Government Approval**” means any approval, permission, licence, permit or any other approval of any kind whatsoever required from the federal, provincial or municipal government or any agency or board thereof for the construction and operation of the Front Ended Services and the Wastewater Treatment Plant;
- O. “**Holiday**” in this Agreement has the same meaning as the word “holiday” in section 88 of the *Legislation Act, 2006*, S.O. 2006, c. 21, Sch. “F”, as amended or revised from time to time and any successor legislation;
- P. “**Instalment**” means the amounts required to be paid under clause 2 of this Agreement and set out in Schedule “D”;
- Q. “**Judicial and Administrative Proceedings**” means any judicial or administrative applications, actions, proceedings, appeals or reviews of any kind whatsoever that the Town deems in its sole and absolute discretion to be a threat to the construction, completion, scope or viability of the Front Ended Services, either individually or collectively, but does not include an appeal to the LPAT of any planning approvals for the Owner’s Lands which would contribute to and support the Projects;
- R. “**Lands**” means the lands described in Schedule “A” and depicted in the sketch attached as Schedule “B”;
- S. “**Letter of Credit**” means an unconditional and irrevocable standby demand letter of credit in favour of the Town that provides for automatic renewals and partial draws issued by a financial institution in the form set out in Schedule “F” hereto provided both the financial institution and letter of credit are acceptable to the Town;
- T. “**Notice**” means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- U. “**Owner’s Lands**” means the lands of the Owner described in Schedule “A” hereto and depicted on the sketch in Schedule “B” hereto;
- V. “**Planning Act**” means the *Planning Act*, R.S.O. 1990 c. P.13;
- W. “**Projects**” means the Wastewater Treatment Plant described in Schedule “C” and the “**Front Ended Services**” as defined in the Front Ending Agreement (being the Linear Trunk Sewers defined therein) and “**Project**” means each of them;
- X. “**Reserved Capacity**” means Wastewater Services capacity expressed in SDEs, reserved under clause 4;
- Y. “**Revoked SDE**” means a reservation or allocation of Reserved Capacity under this Agreement that is revoked under clauses 4.E., 4.G., 8.B., or 9.B.IV.;
- Z. “**School Board**” means a district school board or a school authority, which meets

the definition of a “**board**” under the *Education Act*, R.S.O. 1990, c. E.2;

- AA. “**SDE**” means a single detached equivalent residential Dwelling Unit and shall include a second dwelling unit in a new residential building, even though the said second unit may be otherwise exempt from the payment of a DC as a result of subsection 2(3.1) of the DCA and subsection 2(3) of O.Reg 82/98 enacted thereunder;
- BB. “**Security**” means a Letter of Credit in the form set out in Schedule “F” to this Agreement, certified cheque, or bank draft;
- CC. “**Site Plan**” means a plan under section 41 of the Planning Act;
- DD. “**Subdivision Agreement**” means an agreement under clause 51(25)(d) of the Planning Act;
- EE. “**Town**” means The Town of Erin;
- FF. “**Wastewater Treatment Plant**” means the Wastewater Treatment Plant approved by the Urban Centre Wastewater Servicing Class EA in 2015;
- GG. “**Treasurer**” means the Town Treasurer, his successor, equivalent or delegate;
- HH. “**Wastewater Services Rate**” means the Wastewater Development Charge Rate payable under this Agreement in accordance with the DCB. This rate is calculated based on the date on which the SDE is reserved. The rate in effect at the time of the execution of this Agreement is provided in Schedule “D” to this Agreement, or as amended;
- II. “**Wastewater Treatment Overcontribution**” means the Wastewater Treatment Overcontribution referred to in Clause 1H and set out in Schedule “D” to this Agreement.

2 – Payments and DC Early Payments

- A. The Owner acknowledges and agrees that this Agreement is an agreement under section 27 of the *Development Charges Act, 1997*. The DC Early Payments required under this Agreement are based on the number of SDEs reserved multiplied by the Wastewater Services Rate identified in Schedule “D” which shall be secured and paid as hereinafter set out.
- B. The Owner shall make payments of the DC Early Payment to the Town, on the Instalment dates set out in Section 2F below, in accordance with this Agreement.
- C. Upon execution of this Agreement, the Owner shall provide to the Town a certified cheque or bank draft for the following amounts:
 - I. the fee described in clause 9.B.II.;
- D. The amount of the DC Early Payment described in clause 2.A. is calculated at the rate of the DC as set out in Schedule “D”, but the credit to the Owner with respect to the DC Early Payment shall be indexed at the rate provided for in the DCB from time to time, as set out in clause 3 of this Agreement, subject to the Town’s sole and absolute discretion to allocate such payment and each Instalment.
- E. The number of SDE reserved to the Owner under this Agreement and the DC Early Payment is set out in Schedule “D” hereto. The Owner accepts and agrees with the figures shown on Schedule “D” for the number of SDE and for its DC Early Payment.
- F. Upon execution of this Agreement, the Owner shall provide Security to the Town for the early payment of the Wastewater Services Rate for every SDE that is reserved in the Agreement to the Owner, as set out in Schedule “D”. The amount of Security to be provided pursuant to the Agreement is calculated by multiplying the number of SDE that is reserved to the Owner by the Wastewater Services Rate less the amount required for the first Instalment payment required at execution of the Agreement, as set out in Schedule “D”. The Owner acknowledges and agrees that failing to provide Security in full as set out in this clause shall constitute a Default under this Agreement. The form of the Security shall be a letter of credit in the form set out in Schedule “F”.
- G. The Security provided to the Town pursuant to this Agreement shall be utilized by the

Town for the purposes of paying for the design and construction of the Wastewater Treatment Plant. At the request of the Owner, the Owner shall be permitted to pay cash to the Town to be used for the purpose of paying for the prepayment of the Wastewater Treatment Plant in lieu of the Security as long as the Town agrees to same.

- H. The Parties agree that the Town may draw on the Security posted hereunder to pay progress draws for the design and construction of the Wastewater Treatment Plant as such draws are approved, except that immediately upon execution of this Agreement, the Town may draw on the Owner's Security, to reimburse the Town for design fees for the Wastewater Treatment Plant already paid, proportionate to the amount of Reserve Capacity reserved to that Owner.

3 – Owner's DC Credits

- A. The parties acknowledge that the Owner's payment made under clause 2 of this Agreement constitutes an early payment made pursuant to the DCB for the Wastewater Services component of the DC, applicable with respect to the development of the Owner's Lands. The Owner shall not make a complaint under the DCA about such early payment or otherwise challenge or dispute such payment.
- B. The Town shall recognize the Owner's payment made pursuant to clause 2 through the giving of credits pursuant to clause 3.C.
- C. The Owner shall be given a credit, on a per SDE basis, in respect of the development of the Owner's Lands at the time that Wastewater Services Rate of the DC otherwise would be payable. The Town and Owner agree that the credit under this clause shall be equal to, but not exceed, the number of SDEs allocated to the Owner under this Agreement, provided such credit shall be applied against of the DC applicable to the Owner's Lands.
- D. No interest shall be payable on the Owner's payment made under clause 2 but the credit under clause 3.C. shall be provided at the DC rates which are current when such payment is due under the DCB.
- E. The Owner hereby acknowledges and agrees to:
 - I. the development charge policies of the Town set out in the DCB, as may be amended from time to time and any successor by-law. The Owner agrees that it shall not appeal any development charge by-law enacted for the Wastewater Treatment Plant;
 - II. pay or cause to be paid all of the development charges of the Town (other than the Wastewater Services component of the DC which are payable hereunder) in the amount and at the time specified in every development charge and community benefits charge by-law of the Town applicable to the development of the Owner's Lands, provided nothing herein shall preclude the Owner making a complaint about such payment pursuant to the DCA; and
 - III. pay or cause to be paid in full the recoverable amount under the Front-Ending Agreement dated October 31, 2020, as may be amended from time to time.
- F. The Owner acknowledges and agrees that the DC Early Payment:
 - I. are lawfully sought and paid under section 27 of the DCA;
 - II. does not bear interest;
 - III. shall not be the subject of a complaint by the Owner under the DCA or an appeal under the Planning Act; and,
 - IV. is not otherwise recoverable by action or by any other means whatsoever.
- G. The Wastewater Services Rate shown in Schedule "D" is an estimate only and the Town, in its sole and absolute discretion, may adjust the Wastewater Services Rate from time to time. Schedule "D" shows the 2019 estimated amount and the 2020 index adjusted amount. The final Wastewater Services Rate will be based on the actual cost for the design and construction of the Wastewater Treatment Plant and upon determination of such amount, the Town shall provide a revised Schedule "D", as adjusted under this clause, to the Participating Owners and such revised Schedule "D" shall be conclusively deemed to be amended by replacing Schedule "D" with the revised Schedule "D".

4 – Reservation and Allocation of Reserved Capacity

- A.** Where the Owner proposes to develop the Owner's Lands for development, then the Town, once the Owner has satisfied clause 3 and this Agreement has commenced through the execution of the Agreement by the Town, but subject to clause 8.A., shall reserve to the Owner for development the Wastewater Services expressed in SDE on Schedule "D".
- B.** The allocation of the SDE reserved to the Owner under clause 4.A. shall be allocated, subject to clause 8.A., by the Town to the Owner for the Owner's Lands provided:
- I.** the Owner is not in Default;
 - II.** the Town has given Notice to the Owner that the Owner has satisfied all of the requirements of the Town, financial or otherwise, as they relate to prior agreements related to the development of the Owner's Lands that are outstanding on the day before the date on which allocation is granted hereunder; and
 - III.** the Owner has satisfied all of the other requirements financial or otherwise, if any, of the Town, as they relate to the development of the Owner's Lands that are outstanding on the day before the date on which allocation is granted hereunder.
- C.** If the Owner requires additional Reserved Capacity for a draft plan of subdivision or Site Plan, the Town may reserve additional Reserved Capacity of up to such amount as the Town determines in its absolute and sole discretion is in the public interest provided:
- I.** the Owner is not a Defaulting Owner;
 - II.** the Town is satisfied Reserved Capacity exists to service the additional SDE;
 - III.** the Owner satisfies all of the financial requirements for the additional SDEs by providing to the Town all payments for each additional SDE reserved under this clause; and,
 - IV.** the Owner enters into an amendment to this Agreement to reflect the additional Reserved Capacity.
- D.** The Owner acknowledges and agrees that the SDE reserved to the Owner under clause 4.A. shall not be allocated to the Owner and the Owner shall not request or enforce the issuance of any building permit for construction on the Owner's Lands until the Town's Director of Infrastructure Services, his successor, equivalent or delegate from time to time has given written Notice to the Owner, for all or part of the Owner's Lands, that development of the Owner's Lands, or such part thereof as may be specified in the Notice, is permitted to proceed through the issuance of a building permit based on the availability of Wastewater Service Reserved Capacity, provided, however, that all of the Front Ended Services set out in Schedule "G" will be operational with respect to the Owner's Lands within 3 months of the giving of such Notice.
- E.** The Town shall process expeditiously applications for approval of a draft plan of subdivision of the Owner's Lands as and when such application is complete within the meaning of that term under the Planning Act and/or any requirements by the Town as to completeness of an application and shall recommend draft plan approval of all or part of the Owner's Lands for no more than the total number of SDE reserved to the Owner's Lands under this Agreement, provided:
- I.** the Owner has made the payments required under clause 2;
 - II.** the Owner is not a Defaulting Owner;
 - III.** until Notice has been given to the Owner pursuant to clause 4.D. of this Agreement the Owner:
 - i.** shall not sell or offer for sale any lot or block or any part thereof within a draft plan of subdivision of the Owner's Lands if such sale obligates the Owner or permits the purchaser to construct a residential building on such lot or block prior to the issuance of the said notice;

- ii. shall ask and consent to the Town, as applicable, as approval authority, imposing the restrictions contained in clause 4.E.III.iii. as a condition of draft approval of a plan of subdivision of the Owner's Lands securing such restrictions in an agreement made under subsection 51(26) of the Planning Act;
 - iii. shall ask and consent to the Town, as applicable, inserting in any by-law enacted under section 34 of the Planning Act in respect of a draft plan of subdivision of the Owner's Lands a holding provision under section 36 of the Planning Act to be lifted only upon receipt by the Local Municipality, as applicable, of a copy of the Notice issued under clauses 4.E.I. and 4.E.II.;
 - iv. shall not seek final approval for registration of such lots or blocks or any part thereof within the draft plan of subdivision of the Owner's Lands; and
 - v. shall not seek a building permit for the construction of any residential building, except one (1) model home or sales pavilion; and,
 - vi. The Owner acknowledges and agrees that this clause 4.E.III. shall be conclusively deemed to be other applicable law for the purposes of subsection 8(1) of the BCA;
- IV.** If the Owner breaches clause 4.E.III., then the provisions of clause 9 shall apply to such breach with all necessary changes and if the breach is not remedied within the time set out in the Notice under clause 9.B.III., the following shall apply, in addition to any other remedies the Town may have:
- i. the Owner acknowledges and agrees that a breach of clause 4.E.III. would result in an indeterminate amount of damage to the Town, and the Owner shall be liable for and pay to the Town as partial liquidated damages the amount of \$100,000.00 for each lot sold or offered for sale in violation of the provisions of clause 4.E.III., plus the Town's costs of collecting such damages. However, the obligation of the Owner to pay such damages to the Town shall not prejudice the right of the Town to obtain injunctive relief. The Owner recognizes the inadequacy of a money payment as a remedy for the breach of clause 4.E.III.;
 - ii. the Town may seek injunctive relief and the Owner agrees not to seek in any way whatsoever an undertaking as to damages from the Town or similar relief; and/or
 - iii. the Town may revoke any SDE reserved or allocated to the Owner under this Agreement and upon such revocation the Town may transfer such Revoked SDE. The amount paid and contributed by the Owner for the Revoked SDE, revoked hereunder, shall be refunded by the Town to the Owner without interest within 12 months of the Town transferring the Revoked SDE and the transferee executing an allocation agreement, or amending allocation agreement, as applicable, and making the payments and early payments required thereunder; and the provisions of this clause are for the sole benefit of the Town and may be waived in whole or in part or may be modified from time to time by the Town in its sole and absolute discretion.
- F.** Notwithstanding clause 4.E., the Town agrees that draft plan approval may be granted where an Owner cannot confirm that all land within the draft plan area will receive sufficient SDE to develop the whole draft plan, provided that at a minimum, forty percent (40%) of the lots and blocks in the draft plan must have secured allocation in order to receive draft plan approval. The Owner further acknowledges and agrees that sufficient SDE may not be available in the future to develop the whole draft plan and that, in obtaining draft approval, the Owner is proceeding at its sole risk.
- G.** The Owner agrees that, if the Owner has not taken up all of the SDE shown in Schedule "D" hereto by the execution of a Subdivision Agreement, by final approval of a Site Plan or where Plan of Subdivision and Site Plan Approval are not applicable, by the issuance of building permits, within 10 years of the commencement of this Agreement, then any SDEs that are not taken-up are subject to being revoked as hereinafter provided. The Town shall give written Notice to the Owner at least 6 months before the expiry of the time limit in this clause of the impending expiry of the time limit. Upon the expiry of the

time limit, subject to clause 4.I., the Town may revoke the allocation of the SDE that are not taken-up. The amount paid and contributed by the Owner for the Revoked SDE pursuant to clause 2 shall be refunded by the Town to the Owner without interest within 3 months of the Town transferring the Revoked SDE and receiving executed agreements and all payments for such Revoked SDE calculated at the then Current Wastewater Services Rate.

- H. Each Owner shall have the ability to seek the extension of the draft plan approval, having regard for ongoing efforts to pursue the development of the subject land.
- I. If the Town, acting reasonably, has determined that the Owner is making substantial progress toward the registration of a plan of subdivision, approval of a plan under Section 41 of the Planning Act or where plans of subdivision are not applicable, towards obtaining building permits or such registration, approval or permits are being delayed by circumstances beyond the control of the Owner, the Town by written Notice to the Owner and the Local Municipality may extend at any time and from time to time the time limit set out in clause 4.G. above.
- J. The development of the Owner's Lands is subject to all necessary and applicable reviews, considerations and approvals by the Town. This Agreement shall not fetter, detract from or limit the right or ability of the Town to exercise any of its powers under the PA or any other legislation, including, but not limited to, its power to recommend refusal or approval of Site Plans, building permits or draft plans of subdivision or conditions of approval to be imposed (except the payment of the Wastewater Services component of the DC) including conditions requiring phasing of such development.
- K. Subject to clause 4.G., which addresses revocation of SDE, prior to the date of registration of the final plan of subdivision, or where plans of subdivision are not applicable, the issuance of the final building permit, whichever is latest, upon receiving notification from the Owner, satisfactory to the Town, or upon the Town determining in its discretion that final reconciliation ought to take place, the Town shall undertake a final reconciliation setting out any Wastewater Service components of the DC owing or refunds payable for the actual number of SDE to be registered or constructed. Prior to the registration of such plan or the issuance of such building permit, the Owner agrees to pay or cause to be paid any additional payments under this Agreement as a result of the increase of actual SDEs included in the Owner's Lands. Such payment shall be made by the Owner prior to registration of such final plan or issuance of such final building permit, in accordance with the DCB for the Wastewater Service Rates in effect at the time that the additional SDE are allocated to the Owner. The Owner agrees that the Town shall be entitled to withhold approval of registration of such plan or issuance of such building permit if the Owner owes monies to the Town as a result of the adjustment herein. Any SDE allocated that remains unused shall revert to the Town. Any refunds shall be payable, at a time determined in the discretion of the Chief Planning Official or delegate, at the rates set out herein without interest.
- L. The basis for calculating the additional payments or refunds under clause 4.K. shall be the difference between the total number of SDE allocated under this Agreement and actual total number of SDE within all of the plans of subdivision and, where plans of subdivision are not applicable, for which building permits have been issued that use such allocation or both. At the request of the Owner made prior to the time of the reconciliation set out in clause 4.K., the Town may, in its sole and absolute discretion, permit a transfer of the SDE allocated under this Agreement to other lands included in the same community (all SDEs in Erin Village may only be transferred to Lands within Erin Village and all SDEs in Hillsburgh may only be transferred to Lands within Hillsburgh), provided that the Owner and the transferee owner enter into an agreement with the Town to assume all of the original obligations of the Owner under this Agreement in respect of the transferred SDE, including without limiting the generality of the foregoing the timeline under this clause.

5 – Transfers

- A. The reservation of SDE under this Agreement shall be made to the Owner's Lands as quantified in Schedule "G".
- B. The SDE reserved hereunder to the Owner's Lands may be transferred without increasing the cost of SDE's, to other lands located in the Town subject to the following terms being met:
 - I. the Owner makes a request to the Town, identifying in writing the lands from

which the transfer will be made and the lands to which the transfer will be made;

- II. Reserved Capacity expressed in SDE shall be transferred in equal amounts;
- III. the SDE remaining on the Owner's Lands after the transfer shall not be less than forty (40) percent of the SDE originally reserved on the lands from which the transfer is made and the transfer is made only to lands within the same community (i.e.: all SDE's in Erin Village are only transferred to lands within Erin Village and all SDE's in Hillsburgh may only be transferred to lands within Hillsburgh);
- IV. at no time shall the SDE allocated to an approved draft plan following a transfer be less than forty (40) percent;
- V. prior to any transfer the Town shall consult with such owners of land in the Town as determined by the Town's Director of Planning/Chief Planning Official, in his or her sole discretion, or his or her designate, in his sole discretion, for the purpose of being satisfied that all appropriate services will be available to service the Lands;
- VI. the Council of the Town consents to the transfer by resolution or through its delegate for such decisions;
- VII. the Owner delivers to the Town a written Notice directing the Town to transfer the SDE to the Lands of the transferee; and,
- VIII. where the transferee:
 - I. is the Owner or an Associated Corporation of the Owner:
 - i. an amendment shall be made to this Agreement to recognize the transfer; and
 - ii. the transferee shall amend its own Allocation Agreement to recognize the transfer, if applicable, or shall enter into its own Allocation Agreement with respect to the transfer.
 - II. is not the Owner or an Associated Corporation of the Owner:
 - i. an amendment to this Agreement shall be made to recognize the transfer; and
 - ii. the transferee shall amend its own Allocation Agreement to recognize the transfer, if applicable, or shall enter into its own Allocation Agreement with respect to the transfer.

The Town shall provide a response to the Owner's request under clause 5.A.I. as soon as practicable after the preconditions in clauses 5.B.II. to 5.B.VIII. have been satisfied.

- C. The Owner and its heirs, administrators, successors and permitted assigns shall not transfer title to all or any part of the Owner's Lands unless the transferee of such lands agrees in writing to unconditionally assume the rights and obligations of the Owner pursuant to this Agreement and such agreement is delivered to the Town, whereupon the transferring Owner shall be automatically released and relieved from any further obligation under this Agreement. The rights and obligations of the Owner including, without limitation, all rights to credits under this Agreement, may only be assigned by the Owner to a successor in title to all or a portion of the Owner's Lands and no such assignment to any person is valid unless such successor in title first has entered into an agreement with the Town agreeing to be bound by the provisions of this Agreement as if such successor in title was an original party to this Agreement.

6 – Limitations and Conditions

- A. Despite anything in this Agreement to the contrary, the Town's obligations in respect of the Front Ended Services are subject to the Town obtaining all Government Approvals for such Front Ended Services and such approvals remaining in full force and effect, provided that the Town shall use reasonable efforts to obtain such approvals and have such approvals remain in full force and effect. If any Government Approval for the Front Ended Services is subject to a condition that the Town, acting reasonably, is unable or unwilling to satisfy, the Town shall not be obliged to continue with such Front Ended Service, in

which event the Town shall notify the Owner in writing that the Town has elected not to proceed with the Front Ended Services, in which case clauses 4.B. to 4.E. of the Front-Ending Agreement shall apply to this Agreement with all necessary modifications.

- B. The Owner acknowledges and agrees that this Agreement and the Front-Ending Agreement are in addition to any other agreement that it may be required to enter into by the Town, provided that there shall be no further requirements (financial or otherwise) related to the Front Ended Services other than required by this Agreement and the Front-Ending Agreement.

7 – Representations and Warranties

- A. The Owner represents and warrants as of the date above first written as follows and acknowledges that the Town is relying on such representations and warranties in connection with this Agreement that:
- I. the Owner is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II. the Owner has all necessary capacity, power and authority to enter into and to carry out the provisions of this Agreement and all other documents which may be necessary to give effect to this Agreement;
 - III. this Agreement has been duly authorized by the Owner and constitutes a valid and binding obligation of the Owner, enforceable against the Owner in accordance with its terms;
 - IV. neither the execution and delivery of this Agreement nor the fulfilment of or compliance with the terms and conditions hereof conflicts with or will conflict with or result in a breach of any of the terms, conditions or provisions of or constitute a Default under the constating documentation of the Owner; and,
 - V. the Owner is the registered owner of the Owner's Lands in fee simple.
- B. The Town represents and warrants as of the date above first written as follows and acknowledges that the Participating Owner is relying on such representations and warranties in connection with this Agreement that:
- I. the Town is a municipal corporation duly established, organized and continued under the laws of the Province of Ontario;
 - II. the Town has all necessary capacity, power and authority to enter into and to carry out the provisions of this Agreement and all other documents which may be necessary to give effect to this Agreement;
 - III. execution of this Agreement has been duly authorized by a by-law duly enacted by Town Council;
 - IV. neither the execution and delivery of this Agreement nor the fulfilment of or compliance with the terms and conditions hereof:
 - V. conflicts with or will conflict with or result in a breach of any of the terms, conditions or provisions of or constitute a Default under the constating documentation of the Town; or
 - VI. conflicts in any material respect with or will conflict in any material respect with or result in a material breach of any of the terms, conditions or provisions of or constitute material Default under any material agreement, licence or other instrument to which the Town is a party or by which it is bound.
 - VII. Each Owner acknowledges that it has read, understood and obtained independent legal advice respecting Part II of the DCA, other applicable provisions of the DCA and the provisions of this Agreement, and that the Participating Owner understands that this Agreement is intended to be an agreement referred to in and permitted under Part II of the DCA.

8 – Execution by the Town

- A. The Town shall execute this Agreement provided there are no Judicial and Administrative Proceedings outstanding on the date the Town intends to execute this Agreement.

- B.** The parties hereto acknowledge and agree that, in the event that any Judicial and Administrative Proceedings are outstanding on the date of execution of this Agreement or any Judicial and Administrative Proceedings are commenced following that date of execution:
- I.** in the case of a proceeding which was commenced by or on behalf of, or which is being advanced by or on behalf of the Owner or a related entity, the Town shall revoke all of the SDE allocated to the Owner under this Agreement; and
 - II.** in the case of any other Judicial and Administrative Proceedings, the Town shall consider whether to modify or substitute Front Ended Services, and if the Town determines, in its sole and absolute discretion, that a modification or substitution is not reasonable, the Town shall revoke all of the SDE allocated to the Owner under this Agreement, unless the Owner consents to and the Town imposes a holding provision under section 36 of the Planning Act with respect to the Lands to be lifted only upon receipt of notification from the Town that the Judicial and Administrative Proceedings do not constitute a threat to the construction, completion, scope or viability of the Front Ended Services. The parties hereto acknowledge and agree that nothing in this clause shall be deemed to extend the time period in clause 4.G. of this Agreement.

9 – Term, Termination, and Default

- A.** This Agreement shall commence on the date the Town executes this Agreement and shall terminate upon completion of the final reconciliation under clause 4.K.
- B.** The Owners and the Town agree that this Agreement shall be of no force and effect until the following conditions are satisfied:
- I.** All of the Owners shall first execute this Agreement and the Front Ending Agreement;
 - II.** Each Owner shall provide the Town with a payment in accordance with Fee By-law No. 19-60 to reimburse the Town for the administrative fees, legal fees, design fees, and consultant costs it incurred in connection with this Agreement and any amendments thereto:
 - i.** If there are no Judicial or Administrative Proceedings as of the date upon which the Owners execute the Agreement, the Town shall execute this Agreement within 1 Business Day of the Owners execution of the Front Ending Agreement.
 - III.** If the Owner is a Defaulting Owner, the Town shall give to such owner a written Notice specifying the nature of the Default, the actions required to cure the Default and the time for curing the Default provided the time for curing the Default shall not be less than ten Business Days after the date of the giving of Notice hereunder. If the Default is a failure to pay or contribute an amount hereunder and the Defaulting Owner cures the Default within the time provided for in the Notice hereunder, the Town shall not charge interest to the Owner. The Town in its sole and absolute discretion may extend at any time and from time to time the time for curing the Default.
 - IV.** If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 9.B.III. or any extension thereof, then:
 - i.** the Town shall give Notice in writing to the Defaulting Owner and all other Owners that the Owner is a Defaulting Owner; and,
 - ii.** an Owner shall be deemed conclusively to also be in Default of the Front-Ending Agreement and the Town shall have available to it all remedies available pursuant to this Agreement as well as the Front-Ending Agreement in order to remedy the Default;
 - iii.** the Town shall revoke the SDE reserved or allocated to the Defaulting Owner under this Agreement that is not taken-up by registration of plans of subdivision, or where plans of subdivision are not applicable, by the issuance of building permits and the Town may transfer the Revoked SDE by offering it first to other owners and if none or only some of the Revoked

SDE is acquired by an owner, the Town shall offer all or part of the Revoked SDE to other persons owning land in the Town, provided that:

1. the person who acquires the Revoked SDE shall cure the Default; and,
 2. an Owner acquiring the Revoked SDE shall enter into a front-ending agreement or allocation agreement, as applicable, with the Town.
- iv. if the Default occurs after a plan of subdivision is registered for development of the Defaulting Owner's Land, the Town may not grant any other approvals or permits, including, but not limited to, lifting any Holding provision in a zoning by-law applicable to such plan, until the Default has been cured;
 - v. if the Town enters into an allocation agreement with another person with respect to the SDE that are revoked under clause 9.B.IV.iii., the amount paid and contributed by the Owner for the Revoked SDE shall be refunded by the Town to the Owner without interest within 3 months of the Town transferring the Revoked SDE and receiving an executed agreement and all payments for such Revoked SDE calculated at the then Wastewater Services Rate; and,
 - vi. despite the foregoing, the Town shall be entitled to seek any further or other remedy to recover the monetary amount claimed from a Defaulting Owner plus interest, its legal costs on a substantial indemnity basis and disbursements.

10 – Enurement, Assignment, Registration, and Release

- A. The parties agree that this Agreement shall be enforceable by and against the parties and their heirs, administrators, successors and permitted assigns.
- B. Where the Lands that are subject to this Agreement are owned by more than one person, each of those persons shall execute this Agreement and agree to be jointly and severally responsible for all of the terms and conditions of this Agreement.
- C. The Owner shall register Notice of this Agreement on the title to the Owner's Lands with the intention that the provisions of this Agreement shall bind and run with title to the Owner's Lands. Such registration shall be at the sole cost and expense of the Owner. Subject to clause 10.D, failure by the Owner to register such Notice shall be considered an event of Default under this Agreement and clause 9 shall apply to same.
- D. If this Agreement cannot be registered on the title to the Owner's Lands, the Owner shall, prior to any conveyance of the Lands or any portion thereof obtain from the prospective purchaser an assumption agreement with respect to all of the terms of this Agreement, to the satisfaction of the Town in its sole and absolute discretion. The Owner covenants and agrees that any such conveyance of the Lands or any portion thereof without such assumption agreement shall be considered an event of Default under this Agreement.
- E. Any amending agreements or any related amending letter(s) or documents or Notice thereof that are executed subsequent to this Agreement shall not necessarily be required to be registered on the title to the Owner's Lands if this Agreement is registered on the title to the Owner's Lands.
- F. If the Agreement has been registered on title, the Owner shall be entitled to have this Agreement released from title to:
 - I. all or such part of the Owner's Lands where the Owner is not a Defaulting Owner or, if the Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 9.B.III.; and
 - II. all of the Owner's Land following the final reconciliation and adjustments under clause 4.K. provided the Owner is not a Defaulting Owner or, if the Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 9.B.III.,

provided the Owner and the Town deliver to each other a satisfaction piece and full and final release of the Town's obligations under this Agreement in respect of the Lands to be released in the form and having the substance of the satisfaction piece and full and final release described in Schedule "E" hereto. Any such release from title shall be at the Owner's sole cost and expense.

- G. In addition to the foregoing, the Owner shall be entitled to have this Agreement released from title to any part of such Owner's Lands which are to be transferred to the Town, Town, School Board, utility, or any other applicable authority. Any such release from title shall be at the Owner's sole cost and expense.
- H. Where the Owner is entitled to a Release of this Agreement from title under clause 10.F., the Town shall deliver to the Owner, within thirty (30) Business Days of a written request from the Owner, an executed release in registrable form discharging the Owner from its obligations under this Agreement.

11 – Release, Indemnity, Estoppel, Costs and Unjust Enrichment

- A. The Owner hereby releases and forever discharges the Town and its employees, elected officials, officers, contractors, sub-contractors, servants and agents from and against all costs, actions, suits and liabilities whatsoever the Owner has had, has or may in future have directly or indirectly arising from or in any way connected with:
 - I. a delay, deferral, change, amendment or cancellation of the Front Ended Services pursuant to the provisions of the Front-Ending Agreement;
 - II. a revocation of SDE under clauses 4.E.IV, 4.G, or 11.A.IV.;
 - III. the Town not providing the Notice contemplated in clause 4.D.; and
 - IV. the failure to make a full refund under clauses clause 4.G. or 4.K.
- B. If the Town, by virtue of having entered into this Agreement or of carrying out any actions contemplated hereunder, is made a party to any litigation commenced by or against the Owner, the Owner shall protect, indemnify and hold the Town completely harmless in connection with such litigation.
- C. If this Agreement or any provision of this Agreement or any amendment of or waiver under it is not enforceable for any reason whatsoever against the Town, the Owner or any other person, the Owner acknowledges and agrees that the Town shall have no liability directly or indirectly arising from or in any way connected with such unenforceability and hereby releases and forever discharges the Town from any such liability.
- D. If a court of competent jurisdiction or an administrative tribunal determines that all or part of this Agreement is illegal or beyond the authority of the Town, the Owner acknowledges and agrees that:
 - I. the Owner voluntarily entered into this Agreement;
 - II. on the basis of this Agreement and the terms and conditions herein, the Town entered into contracts for the construction of the Front Ended Services, incurred debt to fund part of the cost of the Front Ended Services and advised the Local Municipality, as the case may be, that they could approve development of the Owner's Lands based on the services provided or to be provided to the Owner's Lands by the Front Ended Services;
 - III. the Owner's Lands benefited from the Front Ended Services; and
 - IV. it would be unjust and inequitable for the Owner to demand or receive repayment of any monies paid or contributed under this Agreement other than through a further agreement or other arrangements entered into pursuant to the DCA.
- E. The parties agree that they shall not question capacity of any party to enter into this Agreement or question the legality of any provision of this Agreement, nor question the legality of any obligation created hereunder and the parties, their heirs, successors and permitted assigns are and shall be estopped from contending otherwise in any proceeding before a court of competent jurisdiction or any administrative tribunal.
- F. Any party may plead and rely upon this Agreement in any Judicial or Administrative applications, actions, proceedings, appeals or reviews of any kind whatsoever, including

without limiting the generality of the foregoing, an appeal to the Local Planning Appeal Tribunal or successor thereof.

- G. The Owner shall reimburse the Town for all of its legal and consulting costs incurred, either directly or indirectly, for the negotiation, drafting, registration and administration of this Agreement.

12 – General

- A. The Parties agree that the recitals herein are true and accurate and form part of this Agreement.
- B. The Owner agrees that the whole of this Agreement is within the class of agreement contemplated by clause 1.4.1.3(1)(b)(ii) of O. Reg. 332/12, as amended.
- C. Words importing the singular include the plural and vice versa. Words importing gender include all genders.
- D. The headings contained herein are for reference only and in no way affect this Agreement or its interpretation.
- E. Each agreement and obligation of each party in this Agreement, even though not expressed as a covenant, shall be considered for all purposes to be a covenant.
- F. This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable thereto and shall be treated in all respects as an Ontario contract.
- G. All references to currency in this Agreement shall be deemed conclusively to be references to Canadian dollars.
- H. Where:
 - I. there is reference in this Agreement to a number of days between two events, the days shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, even if the words “at least” are used; and
 - II. the date or time for doing an act or giving a Notice under this Agreement expires on a Holiday, the act may be done or the Notice given on the next day that is not a Holiday.
- I. This Agreement, including the Schedules hereto, constitute the entire agreement between the Parties hereto with respect to the subject matter hereof and supersede all prior agreements, representations, recommendations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter of this Agreement. None of the Parties shall be bound or charged with any oral or written agreements, representations, recommendations, warranties, statements, promises, information, arrangements or understandings not specifically set forth in this Agreement, including the Schedules, documents and instruments to be delivered on or before the execution of this Agreement. The Parties hereto further acknowledge and agree that, in entering into this Agreement and any documents or agreements contemplated by it and in delivering documents and instruments to be delivered on or before the execution of this Agreement, they have not in any way relied, and shall not in any way rely, on any oral or written agreements, representation, recommendations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth in this Agreement, including the Schedules, documents or instruments.
- J. No modifications or amendments to this Agreement may be made unless agreed to by the Parties hereto in writing, except as deemed hereunder.
- K. The Parties covenant and agree that at all times and from time to time hereafter upon every reasonable written request to do so, they shall make, execute, deliver or cause to be made, done, executed and delivered, all such further acts, deeds, assurances and things as may be reasonably required to implement and carry out the true intent and meaning of this Agreement.

L. Time shall be of the essence in this Agreement.

13 - Notice

A. Notice shall be given in writing and shall be given by personal delivery, regular mail, courier or email transmittal and addressed:

I. to the Owner as follows:

Equity Venture Group Corp. and National Properties Inc.
c/oDavies Howe LLP
10 – 425 Adelaide Street West
Toronto, Ontario M5V 3C1

Attention: Michael Melling / Daniel Steinberg / Jamie Cole

or such change of address and other particulars as the Owner has by Notice given to the Town;

II. and to the Town as follows:

Town of Erin
5684 Trafalgar Road
Hillsburgh, Ontario
N0B 1Z0
Attention: Nathan Hyde, CAO

or such change of address and other particulars as the Town has by Notice given to the Owner; and

III. with copies to:

Loopstra Nixon LLP
135 Queens Plate Drive
Suite 600
Toronto, Ontario
M9W 6V7
Attention: Quinto M. Annibale

B. Any Notice shall be conclusively deemed to have been given to and received by the party to which it is addressed:

I. if personally delivered, on the date of delivery;

II. if by regular mail, on a date that is five (5) Business Days following the date of mailing;

III. if by courier, on the date shown for delivery on the courier's delivery slip or other record; or

IV. electronically, on the date it is sent

provided that if delivery occurs after 5:00 p.m., Erin time, on a Business Day or any day which is not a Business Day, delivery shall be deemed conclusively to have been given on the next Business Day.

C. The Owner and the Town shall promptly give Notice as hereinbefore provided of any change in name, address or other particulars.

14 – List of Schedules

A. The following Schedules are attached to and form part of this Agreement:

Schedule "A"	Legal Description of the Owner's Lands
Schedule "B"	Sketch of the Owner's Lands
Schedule "C"	Wastewater Treatment Plant Description

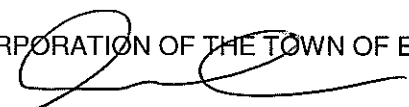
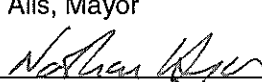
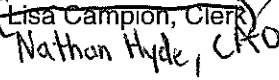
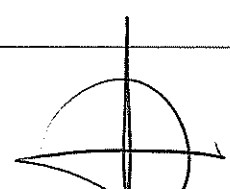
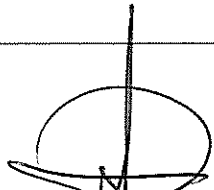
Schedule "D"	Reservation of SDEs, DC Early Payment Instalments
Schedule "E"	Satisfaction Piece and Full and Final Release
Schedule "F"	Letter of Credit
Schedule "G"	Front Ended Services Required to service the lands

15 – Counterparts

A. This Agreement may be executed in counterparts with the same effect as if the Parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same letter of intent. Counterparts may be executed either in original, faxed or electronic form and the Parties shall adopt any signatures received by a receiving fax machine or electronically as original signatures of the Parties.

IN WITNESS WHEREOF, the parties hereunto have affixed their Corporate Seals as attested by the signatures of their duly appointed signing officers.

SIGNED, SEALED AND DELIVERED
In the presence of

) THE CORPORATION OF THE TOWN OF ERIN
)
) Per: 
) _____
) Allan Ails, Mayor
)
) Per: 
) _____
) Lisa Campion, Clerk
) 
) _____
) Nathan Hyde, CFO
)
) EQUITY VENTURE GROUP CORP.
)
) Per: _____
) Name: _____
) Title: _____
)
) Per: 
) _____
) Name: Benny Marotta
) Title: President
)
) I/We have authority to bind the corporation.
)
) NATIONAL PROPERTIES INC.
)
) Per: _____
) Name: _____
) Title: _____
)
) Per: 
) _____
) Name: Benny Marotta
) Title: President
)
) I/We have authority to bind the corporation.

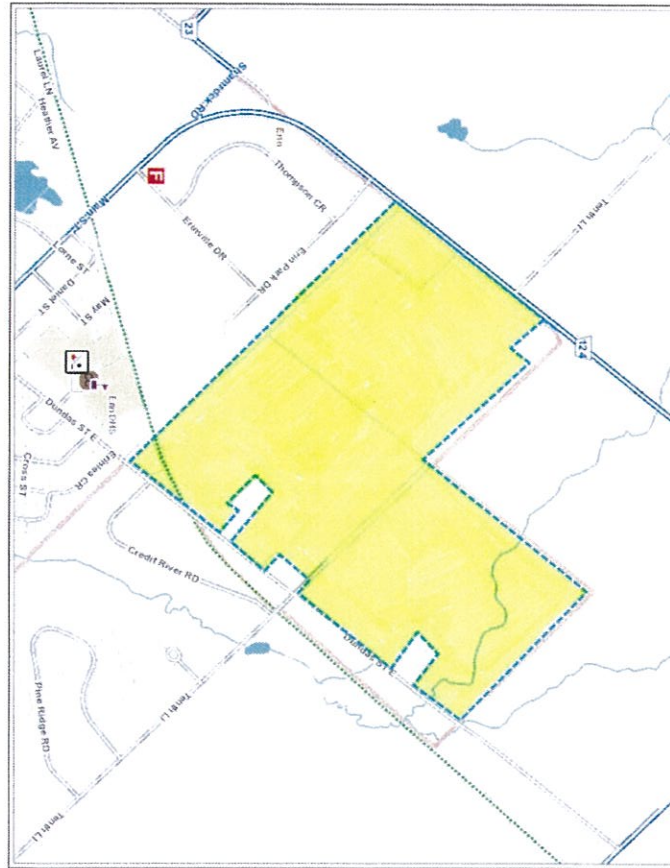
Schedule "A"

Legal Description of Owner's Lands

1. National Properties Inc.
PT LT 17 CON 10 ERIN BEING PT 1 ON 61R11979; T/W EASE OVER PT LT 17 CON 10 ERIN BEING PARTS 2 & 3 ON 61R11979 AS WC121523; TOWN OF ERIN (PIN: 71153-0402 (LT)).
2. National Properties Inc.
PT LT 16 CON 10 TOWNSHIP OF ERIN BEING PART 1, 61R11999; TOWN OF ERIN (PIN: 71153-0403 (LT)).
3. National Properties Inc.
PT LT 16 CON 11 ERIN PT 1, 61R20082; TOWN OF ERIN
71153 - 0404 LT
4. Equity Venture Group Corp.
PART LOT 17 CONCESSION 10, ERIN, PART 1 PLAN 61R21253 TOGETHER WITH AN EASEMENT OVER PART LOT 17 CONCESSION 10, ERIN, PART 2 PLAN 61R21253 AS IN WC121523; TOWN OF ERIN (71153-0409 (LT)).

Schedule "B"

Sketch of The Owner's Lands



Schedule "C"

Wastewater Treatment Plant (the "Project")

Phasing	Phase 1	Phase 2	Phase 3	Phase 4
Phase Capacity	1,800 m3/d	1,800 m3/d	1,800 m3/d	1,800 m3/d
Capacity%	25%	25%	25%	25%
Process Trains	Two each 900 m3/d	One 1,800 m3/d	One 1,800 m3/d	One 1,800 m3/d
Total Plant Capacity	1,800 m3/d	3,600 m3/d	5,400 m3/d	7,200 m3/d
Expansion Service Area	Development	Development	Existing Community & Infil/Intensification	Existing Community & Infil/Intensification
SDEs Serviced	1,685	1,685	1,685	1,685
Cumulative SDEs	1,685	3,370	5,055	6,740
Cost Component	Phase 1 Capital Cost	Phase 2 Capital Cost	Phase 3 Capital Cost	Phase 4 Capital Cost
Total Wastewater Treatment Plant Costs	\$22,940,869	\$9,644,346	\$20,185,892	\$14,884,257
Total Outfall	\$1,016,194	\$0	\$754,794	\$0
Total Treatment Plant and Outfall	\$ 23,957,063	\$ 9,644,346	\$ 20,940,686	\$ 14,884,257
Cumulative Expenditure	\$ 23,957,063	\$ 33,601,409	\$ 54,542,095	\$ 69,426,352

Costs are presented in 2020 \$

Schedule "D"

Reservation of SDEs and DC Early Payment Instalments

Reference Number to Ownership Map	Owner	Development Charge (D.C.) Payable	Unit Interest by Landowner (SDE) *	Wastewater Treatment D.C. Per SDE (2020\$) ^	Total Wastewater Treatment D.C. Payable (2020\$)
17	Homes in the Hill Inc. Equity Venture Group Corp. / National Properties Inc. (Solmar)	-	-	\$ 10,311	\$ -
7, 8, 9	Logell's Auto Parts Ltd.	1,338	-	\$ 10,311	\$ 13,796,118
10	Town of Erin	-	-	\$ 10,311	\$ -
11	2779181 Ontario Ltd.	365	245	\$ 10,311	\$ 3,763,515
5	2779176 Ontario Ltd.	245	250	\$ 10,311	\$ 2,526,195
6	Derrydale Golf (Erin Heights Golf Course)	250	700	\$ 10,311	\$ 2,577,750
12	Dominion Packers & Realities	700	213	\$ 10,311	\$ 7,217,700
4	Thomasfield Homes Ltd.	213	182	\$ 10,311	\$ 2,196,243
16	Carson Reid Homes Ltd.	182	320	\$ 10,311	\$ 2,165,310
3	D'Angelo	320	51	\$ 10,311	\$ 1,876,602
2	2584343 Ontario Inc. (Kensington Square)	51	-	\$ 10,311	\$ 3,299,520
1					\$ 525,861
14					\$ -
Subtotal		3,874			39,944,814

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Wastewater Treatment D.C. of \$9,982 have been indexed from 2019 to 2020 at 3.3%

Overcontribution Payable		Overcontributions Per SDE (2020\$) / a ⁺	Total Overcontribution Payable (2020\$)
Reference Number to Ownership Map	Owner	Unit Interest by Landowner (SDE) *	
17	Homes in the Hill Inc.	-	\$ 5,906 \$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar)	1,338	\$ 5,906 \$ 7,901,891
10	Logel's Auto Parts Ltd.	-	\$ 5,906 \$ -
11	Town of Erin	-	\$ 5,906 \$ -
5	2779181 Ontario Ltd.	365	\$ 5,906 \$ 2,155,598
6	2779176 Ontario Ltd.	245	\$ 5,906 \$ 1,446,908
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 5,906 \$ 1,476,437
4	Dominion Packers & Realties	700	\$ 5,906 \$ 4,134,024
16	Chantler	213	\$ 5,906 \$ 1,257,924
3	Thomasfield Homes Ltd.	210	\$ 5,906 \$ 1,240,207
2	Carson Reid Homes Ltd.	182	\$ 5,906 \$ 1,074,846
1	D'Angelo	320	\$ 5,906 \$ 1,889,839
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 5,906 \$ 301,193
Subtotal		3,874	\$ 22,878,869

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2020 at 3.3%

†Note 3: The Overcontribution amounts for the Wastewater Treatment Plant represents 82% of the total overcontributions per SDE

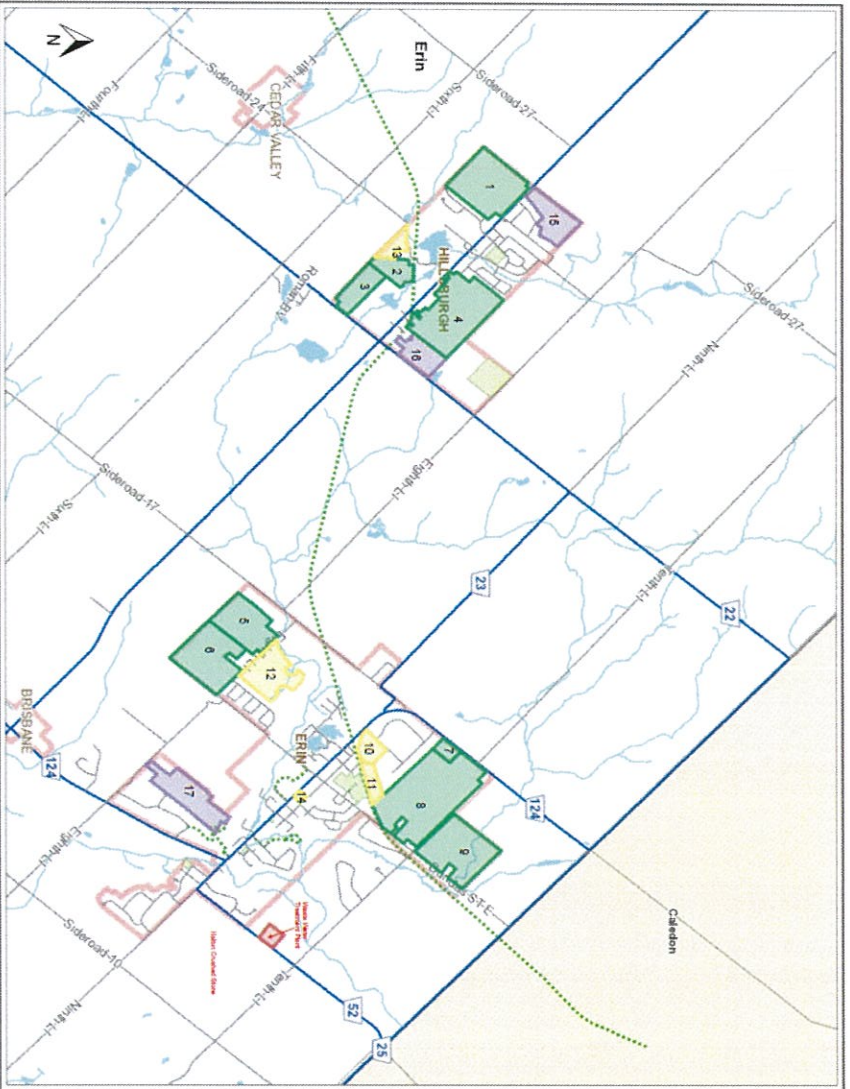
Reference Number to Ownership Map		Owner	Unit Interest by Landowner (SDE) *	Wastewater Treatment Plant D.C. and Overcontributions Per SDE (2020\$) v*	Total Payable (2020\$)
17	Homes in the Hill Inc.	-	\$ 16,217	\$ -	-
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar)	1,338	\$ 16,217	\$ 21,698,009	
10	Logel's Auto Parts Ltd.	-	\$ 16,217	\$ -	
11	Town of Erin	-	\$ 16,217	\$ -	
5	2779181 Ontario Ltd.	365	\$ 16,217	\$ 5,919,113	
6	2779176 Ontario Ltd.	245	\$ 16,217	\$ 3,973,103	
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 16,217	\$ 4,054,187	
4	Dominion Packers & Realties	700	\$ 16,217	\$ 11,351,724	
16	Chantler	213	\$ 16,217	\$ 3,454,167	
3	Thomasfield Homes Ltd.	210	\$ 16,217	\$ 3,405,517	
2	Carson Reid Homes Ltd.	182	\$ 16,217	\$ 2,951,448	
1	D'Angelo	320	\$ 16,217	\$ 5,189,359	
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 16,217	\$ 827,054	
Subtotal		3,874			62,823,683

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Wastewater Treatment D.C. and Overcontributions amounts have been indexed from 2019 to 2020 at 3.3%

*Note 3: The Overcontribution amounts for the Wastewater Treatment Plant represents 82% of the total overcontributions per SDE

The payments set out in this Schedule shall be secured by a Letter of Credit as required by Clause 2F in the form attached as Schedule "F" immediately upon execution of this Agreement. The Letter of Credit shall be utilized by the Town to pay progress payments for the design and construction of the Wastewater Treatment Plant as required by Clause 2G.



Ownership Information for Development Properties Identified in the GMS

Number	Property Owner	GMS Area
Legend		
Preferred Growth Properties		
1	D'Angelo	G
2	Carson Reid Homes Ltd.	E
3	Thornfield Homes Ltd.	E
4	Dominion Builders & Realties	F
5	Gary Langrin	C
6	1096288 Ontario Ltd. (Langen)	C
7	Security Venture Group Corp.	D
8	National Properties Inc.	D
9	National Properties Inc. (Somerby)	D
Intermediate Properties		
10	Lageth Auto Parts Ltd.	A
11	Town of Erin	A
12	Orrville Golf (Erin Heights Golf Course)	B
13	Nestle Canada Inc.	D
14	250443 Ontario Inc (Kensington Square)	C
Properties not identified as Preferred Options		
15	1542824 Ontario Ltd.	H
16	Chandler	F
17	Homes in the Hills Inc.	A

August 31, 2020

Schedule "E"

Form of Satisfaction Piece and Full And Final Release

Full And Final Mutual Release

IN CONSIDERATION of the payment by [x] and The Corporation of the Town of Erin each to the other of the sum of ten (\$10.00) (CAD), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged,

[x], for itself, its partners, affiliates, associated and related corporations, associated and related partnerships and their successors, and assigns (collectively the "Owner"),

and

THE CORPORATION OF TOWN OF ERIN, for itself, its successors, and assigns (collectively the "**Town**")

(the Owner and the Town are, collectively, the "**Parties**")

do hereby mutually release and forever discharge each other from any and all actions, causes of action, applications, debts, dues, accounts, bonds, covenants, contracts, complaints, obligations, duties, breaches of contract, breaches of duty or any relationship, acts, omissions, compensations, promises, damages, costs, losses, expenses, claims for interest or disbursements, remedies for losses, choses in action, entitlements, liabilities, demands, rights of indemnity and all other claims and rights including any claim for costs, interest or disbursements (the "**Claims**"), whether or not known or anticipated, which the Parties ever had, now have or may in the future have against each other arising in respect of any fact, matter or circumstance existing on or before the date of this Release in connection with, arising out of or related to an agreement made [x] between the Owner and the Town.

THE PARTIES agree to bear their own costs incurred in relation to any of the matters to which this release applies or in relation to any of the matters with respect to which the Parties agree herein not to make any claim or take any proceedings.

IT IS UNDERSTOOD AND AGREED that for the aforesaid consideration, each Party undertakes and agrees not to make any claim or take any proceedings against any person, partnership, corporation, or other such entity which might be entitled to claim contribution, indemnity, or other relief over against any other Party under the provisions of any statute or otherwise with respect to any of the matters to which this release applies.

AND IT IS UNDERSTOOD AND AGREED that in the event that any Party should hereafter commence any proceedings involving any Claims relating to the matters dealt with in this release against any other Party, this document may be raised as an estoppel to any such Claims in the proceedings. In the event that a Party commences any such proceedings, the Party commencing the proceedings undertakes and agrees to indemnify the Party against whom the proceedings are commenced, on a solicitor and client basis, in respect of any legal fees incurred in relation to any such Claims.

AND IT IS UNDERSTOOD AND AGREED that for the aforesaid consideration, the Parties represent and warrant that they have not assigned or transferred, or purported to assign or transfer, to any person, partnership, corporation, or other such entity any of the Claims released above, nor any of the matters about which they agree herein not to make any claim or take any proceedings.

AND IT IS UNDERSTOOD AND AGREED that for the aforesaid consideration, the Parties represent and warrant that no consent, approval, waiver or other intervention or involvement of any kind by any other party is required for the effective release of the Claims or the effective execution of this release.

AND IT IS UNDERSTOOD AND AGREED that the aforesaid consideration is deemed to be no admission whatsoever of liability on the part of the Parties and that such liability is denied.

AND FOR THE AFORESAID CONSIDERATION the Parties acknowledge, declare and agree that they have had sufficient time and opportunity to seek independent legal and other professional advice with respect to the terms of this settlement and this release, that they understand the terms of this release and voluntarily accept the consideration referred to

above for the purpose of making full and final compromise, adjustment and settlement of all Claims as aforesaid, and represent and warrant that they have not been induced to enter into this release by reason of any representation or warranty of any kind whatsoever and that there is no condition, express or implied, or collateral agreement affecting the said settlement.

THIS RELEASE SHALL BE BINDING upon and shall enure to the benefit of the respective successors and assigns of the Parties.

THIS RELEASE is to be governed by and interpreted in accordance with the laws of Ontario and the Parties submit to the exclusive jurisdiction of the courts of Ontario in connection with any dispute or interpretation regarding this release.

THIS RELEASE may be executed by the Parties in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

THIS RELEASE may be signed in whole or in part by way of facsimile transmission and the Parties agree to accept and rely upon such facsimile as if it contained original signatures and such facsimile release shall have the same force and effect as an original document.

Schedule "F"

Letter of Credit

BANK NAME
BANK ADDRESS
DATE OF ISSUE:
DATE OF EXPIRY:
LETTER OF CREDIT #:
AMOUNT: \$

CUSTOMER NAME:
CUSTOMER ADDRESS:
BENEFICIARY: MUNICIPALITY
MUNICIPAL ADDRESS
UNCONDITIONAL IRREVOCABLE STANDBY LETTER OF CREDIT

We hereby authorize The Town of Erin to draw on BANK NAME, for the account of our customer, CUSTOMER NAME, up to an aggregate amount of _____ Canadian dollars (\$) available on written demand as follows:

Pursuant to the request of our customer, the said CUSTOMER NAME, we, the BANK NAME, hereby establish and give to you an unconditional, irrevocable standby letter of credit in your favour in the total amount of \$_____, which may be drawn on by you at any time and from time to time upon written demand for payment made upon BANK NAME, LOCATION OF BRANCH by you, which demand we shall honour without enquiring whether you have a right as between yourself and our said customer to make such demand, and without recognizing any claim of our said customer, or objection by it to payment by us.

Provided, however, that you are to deliver to the BANK NAME, LOCATION OF BRANCH at such time as a written demand for payment is made upon us, a certificate signed by the Town's Commissioner of Finance and Townal Treasurer or the Director of Capital Development Financing agreeing and/or confirming that monies drawn pursuant to this Letter of Credit are to be used to perform any outstanding obligations of our said customer to you as set out in the Townal Early Payment and Allocation Agreement dated the _____ day of ____, 2____ (Legal file no.- _____).

It is understood and agreed that the obligation of the undersigned under this Letter of Credit is an obligation to pay money only and that in no circumstances shall the undersigned be obliged to perform or cause to perform any of our customer's actual obligations to you.

The amount of this Letter of Credit shall be reduced from time to time as advised by notice in writing given to us from time to time by you.

This Letter of Credit will continue up to DATE OF EXPIRY and will expire at the close of business on that date and you may call for payment of the full amount outstanding under this Letter of Credit at any time prior to the close of business on that date should this Letter of Credit not be renewed.

This Letter of Credit shall be deemed to be automatically extended for one year from the present or any future expiration date hereof, unless 30 days prior to any such date we shall notify you in writing by registered mail or courier that we elect not to consider this Letter of Credit renewed for any such additional period. Upon receipt by you of such notice, you may draw hereunder by means of your demand accompanied by your written certification that the amounts drawn will be retained and used by you to meet obligations incurred or to be incurred in connection with the above identified matter; further, that you will release any amount(s) not required by you to our customer.

Partial drawings are permitted.

We hereby agree that drawings under this Letter of Credit will be duly honoured upon presentation, and shall state that they are drawn under BANK NAME, Letter of Credit #

_____ dated _____.

Schedule "G"

Front Ended Services required to Service the Lands

Segment No. 1

- Erin Sewage Pumping Station 1 (E-SPS 1) with a pumping capacity of 228 L/s located in the existing park at the intersection of Hillview Avenue and Lions Park Avenue.
- 1,950m of twin 300mm diameter forcemains from E-SPS 1, south along Main Street and east along Wellington Road 52 to the Wastewater Treatment Plant.

Segment No. 2

- 1,260m of 600mm diameter Sanitary Sewer from E-SPS 1 under the West Credit River to Daniel Street, Spring Street and Main Street to the intersection of Main Street & Dundas Street.
- Service Connections to existing properties along the trunk sanitary sewer.

Segment No. 3

- Hillsburgh Sewage Pumping Station 1 (H-SPS 1) with a pumping capacity of 90 L/s, located on the east side of Trafalgar Road, at the junction of the Elora-Cataract Trail and Trafalgar Road.
- 5,250m of twin 200mm diameter forcemains from H-SPS 1 along the Elora-Cataract Trail to Main Street in Erin and south on Main Street to Dundas Street.

Segment No. 4

- 900 m of 450mm diameter Sanitary Sewer from H-SPS 1 north along Trafalgar Road North to the intersection of Mill Street.
- 400 m of 250mm diameter Sanitary Sewer on Trafalgar Road North from Mill Street to the intersection Queen Street.
- Service Connections to existing properties along the trunk sanitary sewer.