



TOWN OF ERIN
Special Council Meeting
AGENDA

August 24, 2021

3:00 PM

Municipal Council Chamber

Pages

1. Call to Order
2. Approval of Agenda
3. Declaration of Pecuniary Interest
4. Reports
 - 4.1. Engineering - Water
 - 4.1.1. Infrastructure Services
 - 4.1.1.1. Tender 2021-04W – Water Resource Recovery Facility 1 - 2
 - 4.1.1.2. Wastewater Agreements 3 - 611
5. By-Law 612
 - Confirming
6. Adjournment



Town of Erin

Corporate Report

Department:	Infrastructure Services	Report Number:	WW2021-06
Business Unit:	Wastewater	Meeting Date:	8/24/2021
Presented/ Prepared By:	Nick Colucci, Director of Infrastructure Services Engineer		

Subject

Tender 2021-04W – Water Resource Recovery Facility

Recommendation

Be it resolved that Council hereby receive report number WW2021-06 “Tender 2021-04W – Water Resource Recovery Facility” for information.

Background

At the March 16, 2021 Council Meeting the following resolution was passed by Council:

“Be it resolved that Council hereby receive report number WW2020-02 “Request for Supplier Prequalification for the Construction of the Erin WWTP” for information; And that Council direct staff to proceed with the list of prequalified contractors including Bennett Mechanical Installations, Kenaidan Contracting Ltd. and Maple Reinders Constructors Ltd.”

The posting for Tender No. 2021-04W – “Water Resource Recovery Facility” was posted electronically on Bids and Tenders on June 16, 2021 2:00 p.m. The bid was made available for the 3 prequalified contractors; Bennett Mechanical Installations, Kenaidan Contracting Ltd. and Maple Reinders Constructors Ltd.

After two extensions the final bid deadline was August 19th, 2021 at 12:00 noon. On the deadline the three pre-qualified contractors did not submit bids. Staff and the consulting team will be arranging meetings with the bidders to establish the reasons for not submitting bids prior to the deadline. Subsequent to these meetings staff and the consulting team will determine the next steps to repost the tender revising the tender documents to incorporate the answers to the 524 questions received during the tender period.

Strategic Pillar

Growth Management

Financial Impact

There are no financial implications.

Conclusion

That Council receive report number WW2021-06 “Tender 2021-04W – Water Resource Recovery Facility” for information.

Attachments

None

Nick Colucci

Director of Infrastructure Services

Nathan Hyde

Chief Administrative Officer



Quinto M. Annibale*
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August 17, 2021

The Town of Erin
 5684 Trafalgar Rd.
 Hillsburgh, Ontario N0B 1Z0

Attention: Mayor Allan Ails and Members of Council for the Town of Erin

Dear Mr. Mayor and Members of Council

**RE: Wastewater Treatment Plant and Transmission Infrastructure Financing
 Update on Allocation Program and Execution of Financial Agreements with
 Landowners**

I am writing to provide an update to Council with respect to the above referenced Early Payment & Allocation Agreements and Front-ending Agreements ("Infrastructure Financing Agreements", or "Agreements"). Negotiations with the participating landowners in the Villages of Erin and Hillsburgh have now concluded and the Infrastructure Financing Agreements necessary to fund the wastewater treatment and conveyance infrastructure have been finalized and executed.

As per the terms of the Infrastructure Financing Agreements, securities totalling \$94,336,529.00 have now been posted with the Town, which is sufficient to allow the Town to proceed with construction of all four segments of the wastewater transportation infrastructure as well as a 75% capacity Wastewater Treatment Plant.

As provided for in the Agreements, the cost estimates and contribution amounts will continue to be updated and indexed over time. The amount of securities will accordingly be updated to reflect current cost estimates and additional securities will be obtained from the participating owners where necessary. We will continue to work with the participating owners to ensure the contributions are current as required.

Copies of the executed Agreements are attached to this report. As the Agreements have now been finalized and negotiations have concluded, the Agreements can now be made public in the interest of transparency and accountability.



Recommendation

My recommendation is as follows:

1. Receive this report for information purposes; and,
2. Receive copies of the final Early Payment & Allocation Agreements and Front Ending Agreements enclosed along with this report.

Should you have any questions I would be happy to address them.

Yours truly,
LOOPSTRA NIXON LLP

Per: Quinto M. Annibale

THIS FRONT-ENDING AGREEMENT is made this 31st day of October, 2020.

BETWEEN:

EQUITY VENTURE GROUP CORP. and NATIONAL PROPERTIES INC.

(collectively, the “Participating Owners”)

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWN OF ERIN

(the “Town”)

OF THE SECOND PART

WHEREAS:

1. In 2015, the Town completed the Urban Centre Wastewater Servicing Class EA, the purpose of which was to identify the preferred wastewater servicing solution to the existing residents and future development within the communities of Erin Village and Hillsburgh (collectively, the Communities”);
2. The Class EA recommended a wastewater collection system conveying all wastewater flows to a single wastewater treatment plant (“Wastewater Collection System”), to meet the existing Communities wastewater servicing needs and to support future population growth. The preferred solution further presented that the wastewater treatment plant would be located at the intersection of 10th Line and Wellington Road 52 south of Erin village, with treated effluent being discharged to the West Credit River on the west side of the bridge on Winston Churchill Boulevard on Wellington Road 52;
3. The Town has completed a study under the Development Charges Act, 1997, S.O. 1997, c. 27 (the “DCA”), that relates to the provision of services for which there will be an increased need as a result of development within the Communities and the Town proposes to enact a new Development Charge By-law to implement that study’s recommendations;
4. The study under the DCA included the estimated costs of the initial services and studies necessary to be front ended in order to consider the registration of plans of subdivision in that part of the Communities described in Schedule “A”, (the “Benefitting Lands”), the costs of which services and studies include:
 - A. the costs of all necessary studies and engineering design required to commence servicing of the Benefitting Lands, and
 - B. the cost of designing and constructing the Wastewater Collection System which will convey sanitary sewage to the proposed wastewater treatment plant, and which are required to service the Benefitting Lands.

These services and studies are more particularly described in clause 2.C. and Schedule “B” of this Agreement (the “Front Ended Services”);

5. The Director of Infrastructure Services and Engineering (the “Director”) has allocated the estimated costs of the Front Ended Services into the portions necessary to service each of the lands owned by the Front-Ending Owners in accordance with Schedule “C”;
6. The Parties have agreed to enter into this Agreement for the purpose of providing for the

construction, installation and financing of the Front Ended Services and the financing thereof, including the immediate payment of all costs by the Front-Ending Owners before any construction of the Front Ended Services commences and the collection of front ended payments from owners of the Benefitting Lands who may wish to connect to the Front Ended Services and who are not parties to this Agreement;

7. Council of the Town at its meeting of October 27, 2020 authorized the execution of this Agreement;

IN CONSIDERATION of the covenants expressed in this Agreement and other good and valuable consideration, the Parties covenant and agree, one with the other, 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 have the following meanings:

- a. **“Agreement”** means this Agreement and the Schedules hereto;
- b. **“Allocation Agreement”** means the Agreement, and schedules thereto, made under section 27 of the DCA between each Participating Owner and the Town and **“Allocation Agreements”** means all of them;
- c. **“Benefitting Area”** means all land located in the Town;
- d. **“Benefitting Lands”** means benefitting lands as defined in Recital 4.
- e. **“Benefitting Owner”** means an owner of Benefitting Lands intended for development;
- f. **“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;
- g. **“Capacity”** means Wastewater Services capacity expressed in SDEs;
- h. **“Consent Agreement”** means an agreement under subsection 53(12) of the PA;
- i. **“Cost Change”** means the difference between the total costs of the Front Ended Services as per the contracts awarded by the Town, or the updated estimates for the Front Ended Services, and the total estimated costs of the Front Ended Services as shown in Schedule “C” and includes changes resulting from the addition, deletion, deferral, or delay of Front Ended Services;
- j. **“DC”** means the development charges under the DCB;
- k. **“DCA”** means the Development Charges Act, 1997, S.O. 1997, c. 27, as amended or revised from time to time and any successor legislation;
- l. **“DCB”** means By-law No. 19-32, as may be amended from time to time and any successor by-law;
- m. **“Default”** means a failure by a Participating Owner to comply with an obligation of a Participating Owner under this Agreement by the date for complying;

- n. **"Defaulting Owner"** means the Participating Owner who is in Default;
- o. **"Director"** means the director as defined in Recital 5;
- p. **"Engineer"** means the engineer as defined in clause 5.D.;
- q. **"Front Ender"** means the front ender as defined in clause 5.C.;
- r. **"Front Ended Payment"** means front ended payments as defined in clause 2.C.;
- s. **"Front Ended Services"** means the front ended services as described in Recital 4;
- t. **"Government Approval"** means any approval, permission, licence, permit or any other approval of any kind whatsoever required from the federal or provincial government or any agency or board thereof or a conservation authority for the construction and operation of the Projects;
- u. **"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;
- v. **"Judicial and/or Administrative Proceedings"** means any judicial or administrative applications, actions, proceedings, appeals or reviews of any kind whatsoever related indirectly or directly to the subject matter of this Agreement;
- w. **"Letter of Credit"** means an unconditional and irrevocable 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 "D" hereto provided both the financial institution and letter of credit are acceptable to the Town;
- x. **"Notice"** means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- y. **"Planning Act"** means the Planning Act, R.S.O. 1990, c.P.13 as amended or revised from time to time and any successor legislation;
- z. **"Participating Owner"** means an owner of land in the Benefitting Area who has entered into this Agreement;
- aa. **"Participating Owner Lands"** means the lands of each of the Participating Owners described in Schedule "A" hereto and depicted in the sketch attached hereto as Schedule "A" hereto;
- bb. **"Parties"** means all of the Participating Owners and the Town;
- cc. **"Proportionate Share"** means the ratio obtained when the number of SDE reserved to a Participating Owner as shown in Schedule "B" hereto is divided by the total number of SDE available;
- dd. **"Recoverable Amount"** means the costs described in Schedule "B" per SDE and as may be adjusted from time to time and at any time, and which Recoverable Amount does not include any component of the costs of Front Ended Services that benefit the land of a Participating Owner;

- ee. **"Refunded Share"** means the refunded share as defined in clause 10.F.;
- ff. **"Town"** means The Corporation of the Town of Erin;
- gg. **"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;
- hh. **"Security"** means one or more Letter(s) of Credit in the form attached as Schedule "D" to this Agreement;
- ii. **"Site Plan"** means a plan under section 41 of the Planning Act;
- jj. **"Site Plan Agreement"** means an agreement under section 41(7) of the Planning Act;
- kk. **"Subdivision Agreement"** means an agreement under clause 51(25)(d) of the Planning Act;
- ll. **"Substantial Completion"** means a Front Ended Service is ready for use or is being used for purposes intended as certified in writing by the Town Director, his or her successor, equivalent or delegate;
- mm. **"Wastewater Collection Overcontribution"** means the Wastewater Collection Overcontribution referred to in Clause 2.C.IV. and as set out in Schedule "C";
- nn. **"Wastewater Collection System"** means the Linear Trunk Sewers which will convey sanitary sewage to the proposed wastewater treatment plant.

2 – Front Ending Agreement

- A. Participating Owners acknowledge and agree that the Town has the statutory authority to enter into this Agreement and the Participating Owners agree that they shall not challenge the validity of this Agreement before a court of law or the Local Planning Appeal Tribunal.
- B. The Parties agree that the Front Ended Services are not local services as defined in s. 2(5) of the DCA, and are services which are:
 - I. required to enable the Participating Owners' Lands and the balance of the lands within the Benefitting Area to be developed;
 - II. services for which development charges are payable under the development charge by-law; and,
 - III. eligible for inclusion in a front-ending agreement under the DCA.
- C. The Parties agree that all costs of design, construction and installation of the Front Ended Services used for the purpose of calculating the Front Ended Payments by the Participating and the Benefitting Owners shall be the reasonable costs of such construction and installation incurred by the Town or the Front-Ending Owners, as the case may be. For greater certainty such costs shall include the following:
 - I. all payments on contracts entered into for such design, construction or installation, as certified and accepted by the Director;
 - II. the cost of all acquisition of land or rights in land required to be acquired from owners

not front-ending;

- III. all engineering and other consulting fees, and all legal fees, whether paid to consultants or to the Town; and,
- IV. the payment of part of the cost of any studies and design required by this Agreement. Such costs shall not include:
 - i. any indirect overhead expense of a Participating Owner;
 - ii. any financing cost of a Participating Owner;
 - iii. the cost of any Security required by this Agreement; and
 - iv. the Wastewater Collection Overcontribution.

These costs shall form the basis of the payments which the Participating Owners and Benefitting Owners shall pay to the Town in accordance with clause 8 and clause 9 of this Agreement (the "Front Ended Payment").

3 – Allocation Agreement

- A. Participating Owners shall execute an Allocation Agreement for all of the Participating Owner's Lands at the same time as the Participating Owner executes this Agreement. It shall be a condition precedent to the validity of this Agreement that the Participating Owner has also executed an Allocation Agreement to the satisfaction of the Town.
- B. In order to be in good standing pursuant to this Agreement, each Participating Owner must not be in Default under:
 - I. this Agreement; or
 - II. the Allocation Agreement.

4 – Timing and Construction of the Front Ended Services

- A. Despite any payments by the Front-Ending Owners under this Agreement pursuant to clause 8., and subject to clause 10., the Town shall:
 - I. be responsible for the design, engineering, tender, construction, installation, operation and maintenance of the Front Ended Services;
 - II. own the Front Ended Services; and,
 - III. be entitled to impose, from time to time and at any time, such fees and charges directly and indirectly related to the collection, transmission, treatment and disposal of wastewater as the Town considers necessary or desirable under Part XII (Fees and Charges) of the MA, 2001, or any other user fee or charge permitted by statute.
- B. The Town may delay, defer, or cancel one or more of the Front Ended Services, in its sole and absolute discretion, and in whole or in part, if one or more of the Participating Owners fails to:
 - I. execute this Agreement;

- II. execute the Allocation Agreement;
- III. subscribe to all of the available SDE units, in whole or in part.

The Town and the Participating Owners agree to undertake best efforts to work together to address any shortfall respecting subscription to available SDE units.

- C. The Participating Owners agree and acknowledge that the deferral, delay, or cancellation of one or more Front Ended Services under clause 4.B. may delay the completion of one or more Front Ended Services, which, in turn, may delay development of the Participating Owner's Lands and lands within the Benefitting Area.
- D. If the Town exercises its rights of deferral, delay, or cancellation under clause 4.B., the Town shall give 30 Business Days of Notice to each Participating Owner of the Front Ended Services it intends to delay, defer, or cancel, and the length of the delay, if known at the time the Notice is given.
- E. The Town and the Participating Owners agree and acknowledge that clauses 4.B. is for the sole benefit of the Town, and the Town may waive such clause, in whole or in part, or be modified from time to time and at any time by the Town in its sole and absolute discretion.
- F. Despite clause 4.A., the Town may, in its sole and absolute discretion, permit one or more of the Front Ended Services to be designed or constructed or both by one or more of the Participating Owners pursuant to the requirements outlined in clause 5.
- G. Despite clause 4.F., and despite the contents of Schedule "B", the Town may, in its sole and absolute discretion, change or delete Front Ended Services contained on Schedule "B". Schedule "B" is deemed conclusively to be amended without formal amendment to this Agreement. If the Town changes any of the Front Ended Services on Schedule "B", the Town shall give Notice to the Owner within 30 Business Days of making such change.

5 – Election by Front-Ending Owners to Construct Services

- A. The Participating Owners may elect to construct and install a part or the whole of the Front Ended Services in accordance with clause 5 of this Agreement through strict compliance with the requirements of clause 5.B. After such compliance and obtaining all necessary Government Approvals, subject to the terms of this Agreement, construction and installation of the Front Ended Services may be commenced. In the case of that part of the Front Ended Services which services only one Participating Owner, the election may be submitted by that Participating Owner alone. In the case of that part of the Front Ended Services which services more than one Participating Owner, the election shall only be considered by the Town if it is submitted by all Participating Owners serviced by those portions of the Front Ended Services.
- B. If any one or all of the Participating Owner(s) desire to construct all or any portion of the Front Ended Services as described in Schedule "B", they shall first apply to the Director for the following:
 - I. approval of the choice of the Engineer for the Participating Owner;
 - II. an up-to-date estimate of the cost of the portion to be installed and constructed, together with any additional requirements of the Director not provided for in this Agreement; and
 - III. the amount of the Security to guarantee the Front Ended Services to be installed and constructed. Security shall be prescribed by the Director in his sole and absolute discretion based upon the extent of the services to be installed and constructed, which amount will not be less than 110% and not more than 125% of the cost of the Front Ended Services to be installed and constructed. The Security shall be in the form attached hereto as Schedule "D" and shall be posted no later than November 30, 2020.

Before commencing any installation or construction, the Participating Owner(s) shall deliver to the Director a Notice of election to proceed together with the following:

- IV. a description of the portion of the Front Ended Services to be installed and constructed which must be one of the portions described in Schedule "B",
 - V. a certified cheque equal to 15% of the up-to-date costs of the services to be installed and constructed as engineering fees; and,
 - VI. Security from a Canadian chartered bank in a form satisfactory to the Town in the amount prescribed by the Director. The Town, in its sole and absolute discretion, may require that the Security be from a Schedule "1" Canadian chartered bank. The Security will be held by the Town as Security for the obligations of the Participating Owner(s) in accordance with this Agreement.
- C. Notwithstanding anything else contained in this Agreement, Participating Owner(s) that comply with clause 5.B. shall be permitted to construct part or the whole of the Front Ended Services, if and only if the Town first grants its consent to such Participating Owner, in writing, which consent may be arbitrarily withheld (referred to hereinafter as the "Front Ender(s)").
 - D. The Front Ender(s) agree to retain a competent consulting engineer experienced in the municipal engineering field (the "Engineer"). The Engineer or his successor shall be approved by the Director and shall carry out all necessary engineering requirements in accordance with this Agreement and with the Guideline for Engineering Services to Municipalities. The Engineer shall be retained by the Front Ender until all requirements of this Agreement have been completed to the satisfaction of the Director.
 - E. The Front Ender(s) agree to construct the Front Ended Services as shown on a set of drawings approved and signed by the Director. The preparation of the drawings shall be undertaken according to the Town's design criteria, design standards and specifications and procedures as amended from time to time.
 - F. The Front Ender(s) agree not to let any contract for the performance of any of the works unless the contractor has been first approved by the Director, which approval may be unreasonably withheld. The contract(s) shall provide that the Director may inspect the construction of the Front Ended Services and shall have authority to instruct the contractor(s) to stop work should any construction be undertaken contrary to the provisions of this Agreement and the Town's design criteria, standards and specifications.
 - G. The Front Ender(s) agree to provide the Town with ten Business Days of Notice before commencing the installation or construction of the Front Ended Services.
 - H. The Front Ended Services shall be completed within a maximum of 18 months from commencement.
 - I. The Front Ender(s) agree that the Director may inspect the construction work under any contract, but such inspection shall in no way relieve the Front Ender(s) from its responsibility to inspect the work itself. If, at any time, the construction of all works is not, in the opinion of the Director, being carried out in accordance with the provisions of this Agreement, and in accordance with good engineering practices, the Director may issue instructions to the Front Ender(s) or to the Engineer to take such steps as deemed necessary to procure compliance with the provisions of this Agreement. Such instructions may be written, or may be verbal, in which case the Director shall confirm them in writing within 24 hours. In the event that neither the Front Ender(s) nor the Engineer is present at the site of the works to receive such verbal instructions, the Director may instruct the contractor(s) or workers to cease work forthwith.

- J. The Front Ender(s) shall undertake and pay for a sewer video inspection program for the Front Ended Services installed and constructed. These works shall be undertaken by a qualified company and be approved by the Director prior to the work being undertaken. The Front Ender(s) shall provide a copy of such video inspection and written reports to the Town in a format as specified by the Town. The sewer video inspection shall be carried out prior to acceptance for maintenance by the Town. The said video shall demonstrate to the Director's satisfaction that the Front Ended Services function to the Town's satisfaction, failing which the Front Ended Services shall be corrected to the satisfaction of the Director.
- H. The Front Ender(s) agree that all streets in the vicinity of construction of the Front Ended Services shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender or Parties employed by the Front Ender(s) in the construction of the Front Ended Services, or by contractors so employed, will be repaired or restored immediately.
- L. The Front Ender(s) agree not to foul any public streets and further agrees to provide the necessary persons and equipment, to be available on reasonable Notice at all times, to keep such streets clean. All trucks making deliveries to or taking materials from the construction site shall be adequately covered and reasonably loaded so as not to scatter refuse, rubbish, or debris on the abutting streets.
- M. If, in the opinion of the Director, these requirements are not complied with, the Town may do the work as required and upon demand, the Front Ender(s) shall forthwith pay to the Town the full cost thereof. If the Front Ender(s) fail to make the payment as required by the Town, such failure will constitute a Default and the Town may draw upon the Security.
- N. The Front Ender(s) agree that all public works on adjoining lands shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender(s) or parties employed by the Front Ender(s) during construction or by contractors so employed, will be repaired and restored immediately.
- O. When, after the Front Ender(s) have commenced construction of the Front Ended Services but before the assumption thereof by the Town, the Front Ended Services do not function, or do not function properly, and in the sole opinion of the Director, repairs are necessary to be made immediately to prevent damage or hardship to persons or property, the Front Ender agrees that the Town, its servants, employees or agents, may make whatever repairs may be deemed necessary. The Front Ender further covenants and agrees to reimburse the Town for any expense incurred in making the repairs. If the Front Ender(s) fail to make the payment as required by the Town, the Town may draw upon the Security.
- P. The Town agrees to give Notice to the Front Ender(s) within 2 Business Days from the date of entry by the Town of the nature and extent of the emergency and repairs which were necessary.
- Q. The Front Ender(s) agree to maintain and keep in a proper state of repair and operation the Front Ended Services installed and constructed by the Front Ender(s) for a minimum period of 24 months from the date of acceptance for maintenance by the Town.
- R. The Front Ender(s) agree that the whole or any part of the Front Ended Services, when constructed and assumed by the Town, shall vest in the Town and the Front Ender(s) shall have no claims or rights thereto other than those accruing to it as an owner of land abutting on streets on which services have been installed.
- S. Performance and maintenance guarantees:
 - I. The Security provided to the Town in accordance with clause 5.B.III or clause 6.B.II, as the case may be, and any additional security or moneys provided hereunder, may be drawn upon by the Town, at any time, for any Default by the Front Ender under this Agreement and for any other purpose specified in this Agreement. If any lien is filed or registered under the *Construction Act*, R.S.O. 1990, c. C.30, as amended, this shall constitute a Default. Upon such Default, the Town may draw upon the Security for

payment into court of the hold-back moneys, plus interest and costs, if deemed necessary by the solicitor for the Town to satisfy its requirements under the *Construction Act*.

- II. Notwithstanding anything else contained in this Agreement, the Security required pursuant to clause 6.B. shall be in the amounts set out in Schedule "C" and in the form set out in Schedule "D" to this Agreement and shall be posted no later than November 30, 2020 and may be utilized by the Town, in its discretion for the construction and installation of the Front Ended Services at any time.
- III. The Front Ender(s), when not in Default of this Agreement, may apply for acceptance for maintenance by the Town of the Front Ended Services after completion of construction and compliance with clauses H., T., and U. Upon the Director approving such acceptance, any security held by the Town may be reduced up to 25% of the value of the work at the commencement of construction as estimated by the Director. Prior to the reduction of security held by the Town for any Front Ended Services, the Front Ender(s) must supply the Town with the following documentation:
 - i. statutory declaration of works completed and contractors and subcontractors having been paid;
 - ii. Workplace Safety and Insurance Board clearance certificate; and,
 - iii. expiration of the construction lien period.
- IV. Upon application by a Front Ender after the expiry of the maintenance period of 2 years, and after compliance with this Agreement satisfactory to the Director, the Town will release all Security held to secure the construction of the whole or the portion of the Front Ended Services for which assumption is granted.
- T. Before commencing any of the works provided for in this Agreement, the Front Ender(s) shall supply the Town with a liability insurance policy in the minimum amount of \$5,000,000.00 in a form satisfactory to the Town solicitor, indemnifying the Town from any loss arising from claims or damages, injury or otherwise in connection with the work done by or on behalf of the Front Ender. The policy shall contain a completed operations clause and shall have no exclusion for blasting. In the event any renewal premium is not paid, the Town, in order to prevent the lapse of such liability insurance policy, may pay the renewal premium or premiums and the Front Ender agrees to pay the cost of such renewal or renewals within 10 Business Days of the account therefor being rendered by the Town.
- U. Immediately prior to acceptance for maintenance by the Town of the Front Ended Services, the Front Ender(s) agree as follows:
 - I. to flush all sewers and manholes free of road materials, building debris, and other foreign matter; to clean such materials from the system; to provide video inspection as required under clause 5.J.; and to rectify any deficiencies the video inspection may reveal;
 - II. to sweep abutting roadway pavement, including sidewalks, clear of building debris and earth deposits, and to clean and remove all such material;
 - III. to rectify and repair all damages to adjacent public services;
 - IV. to rectify and repair all settlements, depressions or other defects on roadways, until assumption of the Front Ended Services, and
 - V. to furnish the Director with:

- i. a statutory declaration from the Front Ender that all contractors and subcontractors associated with the construction of public works have been paid;
 - ii. a certificate from the Engineer indicating the final construction costs for the public works based on the actual construction contract, and
 - iii. payment of additional engineering fees, if required by the Director, based on the final construction costs of the public works certified by the Engineer.
- V. The Town agrees that the acceptance for maintenance of the Front Ended Services shall take place upon fulfilment of the following conditions:
 - I. all sewers and manholes are clean and free of road materials, building debris and any other foreign matter;
 - II. all roadway pavements and sidewalks are clean and free of building debris and earth deposits;
 - III. all damage to adjacent services has been repaired or rectified to the satisfaction of the Director;
 - IV. all settlements, depressions or any other defects on roadways have been repaired to the satisfaction of the Director;
 - V. the Director has received:
 - i. a statutory declaration from the Front Ender that all contractors and subcontractors associated with the construction of the Front Ended Services have been paid;
 - ii. a satisfactory set of "as constructed digital files and drawings" of all works required to be done by this Agreement in a form as specified by the Town;
 - iii. a certificate from the Engineer indicating the final construction costs for Front Ended Services based on the actual construction contract; and,
 - iv. payment of additional engineering fees, if required by the Director, based on the final construction costs of the Front Ended Services certified by the Engineer;
 - v. the Front Enders(s) are not in Default of any terms or conditions of this Agreement.

6 – Election for Town to Construct Services

- A. If the Participating Owners do not elect to construct the Front Ended Services themselves pursuant to clause 5, or if the Town does not consent to the same pursuant to clause 5, the Town may construct and install the whole or part of the Front Ended Services in accordance with the requirements of clause 6.B.
- B. If the Town commences installation and construction of all or any portion of the Front Ended Services as described in Schedule "B", the Participating Owners shall provide to the Director any additional requirements of the Director not provided for in this Agreement. The Town agrees to call tenders and commence construction and installation of a portion or the whole of the Front Ended Services within a reasonable time after providing the Participating Owners with Notice of the following:
 - I. a description of the portion of the Front Ended Services to be constructed which must be one of the portions referred to in Schedule "B"; and

- II. confirmation that Security from a Canadian chartered bank in a form satisfactory to the Town solicitor in the form set out in Schedule “D” to this Agreement was posted no later than November 30, 2020.

- C. In the event that the Participating Owners fail to provide any of the matters set out in clause 6.B., the Town shall be permitted to provide same itself and utilize the Security to pay for same. The Town may also draw upon the Security in its discretion to pay the Front Ended Service costs. If the amount of the Security is insufficient to pay for the total cost of the works, the Participating Owners who delivered the Notice of election, agree to immediately pay to the Town such deficiency or to deliver additional Security upon demand therefor and the Town may cease construction of, or prevent connection to the Front Ended Services, until such deficiency is paid. The Town shall return any unused Security in excess of the amount required to complete the Front Ended Services and to maintain the Front Ended Services for a minimum period of 5 years, in the discretion of the Director. The Security shall be issued by a Schedule “1” Canadian chartered bank.

- D. Whenever and to the extent that the Town shall be unable to fulfil, or shall be delayed or restricted in fulfilling its obligation to construct the Front Ended Services, for any cause beyond its control, the Town shall be relieved from its obligation during the period during which it is unable to fulfil or is delayed or restricted in fulfilling its obligations.

7 – Rights of Way

- A. All Front Ended Services installed and constructed under this Agreement shall be located in road allowances or easements approved by the Director and granted to the Town, free and clear of all encumbrances.

- B. In the event a Notice of election is delivered according to clause 5 or clause 6 of this Agreement, no installation and construction shall commence until the Town Solicitor is satisfied that all rights in land required by the Director have been conveyed to the Town or agreements to convey have been executed.

- C. Upon request from a Participating Owner who desires to construct services through lands approved by the Director, but owned by others, the Town shall assist, at the cost of such Participating Owner, in obtaining rights to construct and maintain services on such lands. For greater certainty, the Town is not obligated to commence expropriation proceedings to assist a Participating Owner in this clause.

8 – Front Ended Payments

- A. While this Agreement remains in force, the Town agrees to use its best efforts to impose the requirement of a Front Ended Payment by all owners of land in the Benefitting Area to be connected to the Front Ended Services (except for Participating Owners who shall pay the cost of the Front Ended Services upon execution of this Agreement) in the amount calculated according to clauses 8.E. and 8.F of this Agreement, and as a condition to any development approval referred to in s. 2(2) of the DCA.

- B. The Town agrees to place money received as Front Ended Payments in a special reserve account and, provided that a notice of election has been given and clause 5.B. has been complied with, the Town shall immediately, upon receipt of the money, by registered mail:
 - I. notify the appropriate Participating Owners who have paid the cost of the Front Ended Services that the money is available to be paid out, and,

 - II. advise the appropriate Participating Owners to whom the Town proposes to pay the delivery of the said money.

Upon the delivery of said Notice from all the Participating Owners who have paid the cost of the Front Ended Services, the Town shall pay to the person or persons named in the Notice without

interest, the proportion of the money received by the Town to which the party is entitled as set out in the Notice.

- C. The Parties confirm that the reasonable cost to the Town in processing the collection of front end payments while this Agreement remains in force is 3% of all such payments. Accordingly, there shall be deducted from all such payments paid into the special reserve account, an amount equal to 2% to cover the legal and administrative costs of the Town.
- D. The Town may, at any time prior to the giving of a Notice for any part or the whole of the Front Ended Services in accordance with clause 5 or clause 6 of this Agreement, approve limited development in any part of the Benefitting Lands not serviced by the Front Ended Services, which development will ultimately be required to connect to the Front Ended Services but which, in the opinion of the Director, may proceed on an interim basis with alternate sewerage and water facilities. In such event, the Town shall charge such development a front end payment calculated in accordance with clause 8.E. and such payment or payments shall be placed in a special reserve account and be applied to reduce the cost of front ending by the Parties.
- E. The Front Ended Payment to be charged against all development in the Benefitting Area to fund the Front Ended Services shall be calculated as set out in Schedule "C". Each Owner shall fund only the linear segment shown next to each Owner's name on Schedule "C". Where more than one Owner is shown for a single linear segment, each Owner shall pay only the "Percentage of Linear Segment Allocation" shown in the column of the table so labelled on Schedule "C" for the said linear segment.
- F. The Town, in its sole and absolute discretion, may adjust the front ended payment in clause 8.E. in the event that:
 - I. there is a Cost Change between the commencement of this Agreement and the conclusion of the Adjustment Period; or
 - II. one or more Front Ended Services are deferred, waived, cancelled, or removed pursuant to clauses 4.B or 4.G.
- G. The Town and the Participating Owners agree and acknowledge that the total amount of Front Ended payments with respect to each Participating Owner included therein are correctly described in Schedule "C" of this Agreement, subject to any adjustments under clause 8.F.
- H. Every payment made by a Participating Owner for the cost of the Front Ended Services shall entitle such Participating Owner to a reservation of available capacity, in the amount set out in the Allocation Agreements (expressed as SDEs).
- I. The total Front Ended Payments may be increased due to any Cost Changes and the Town shall give each Participating Owner Notice of its Relative Share of the increase. A Participating Owner shall have fifteen Business Days from the giving of the Notice to provide an increase to its Security under this Agreement for the amount set out in the Notice. If the payment is not received, the Town may defer, waive, cancel, or remove all or part of the Front End Services pursuant to clauses 4.B or 4.G. until the matter is remedied.
- J. Following any Cost Change, the Town shall provide a revised Schedule "C" as adjusted under clause 8.F to the Participating Owners. If any revisions are made hereunder, this Agreement shall be conclusively deemed to be amended by replacing Schedule "C" with the revised Schedule "C".
- K. If the Town determines that it does not require any of the Security it holds for the Front Ended Services, it shall release any excess Security it then holds.

9 – Benefitting Owner Payments

- A. From and after October 31, 2020, every Benefitting Owner shall pay, by certified cheque or

bank draft, to the Town upon the earlier of such Owner entering into a Subdivision Agreement, a Consent Agreement or a Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the Planning Act have been met, or obtaining a building permit for the development of the Benefitting Owner's land:

- I. for the Recoverable Amount per SDE in the Subdivision Agreement, Consent Agreement, Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the PA have been met, or permitted by the building permit plus interest in accordance with the *Development Charges Act, 1997*; and,
- II. all development charges payable under the DCB, as may be amended from time to time and any successor development charge by-laws.

10 – Participating Owner Recoveries

- A. Each Participating Owner shall recover its Front Ended Payments as described in Schedule "B" of this Agreement by receiving its Proportionate Share of Recoverable Amount.
- B. A projection of the time frame for recovery by the Participating Owners of the Front Ended Services is set out in Schedule "E". The Participating Owners acknowledge and agree:
 - I. Schedule "E" is for illustration purposes only;
 - II. the Town makes no representations or warranties of any kind whatsoever that the Participating Owners shall experience recoveries in the amounts and at the times shown on Schedules "E" and "G"; and,
 - III. their actual recoveries shall be dependent on the pace of residential development through-out the Town after October 31, 2020.
- C. The Participating Owners acknowledge and agree:
 - I. that the Town's DCB and payments thereunder, and as such by-law may be amended from time to time and any successor development charge by-laws, is fair and reasonable, provided nothing herein shall preclude the Participating Owner from appealing any amending or successor development charge by-law enacted after the commencement of this Agreement; and,
 - II. to pay or cause to be paid all of the development charges of the Town in respect of the Front Ended Services, in the amounts specified in the Allocation Agreement and this Agreement.
- D. All credits under this Agreement with respect to the Front Ended Services shall be granted and administered solely in accordance with each Participating Owner's Allocation Agreement.
- E. If and when the Town receives payments for the amounts described in clause 10.A., it shall refund semi-annually commencing upon the review by the Town Council of the Development Charges Reserve Statement to each Participating Owner, that Participating Owners "Refunded Share" (as defined below) of the amounts received by the Town, provided that Town has received from each such Participating Owner a Satisfaction Piece and Full and Final Mutual Release in the Form attached hereto as Schedule "F".
- F. The amount to be refunded to each Participating Owner pursuant to clause 10.E. above shall be calculated as follows:
 - I. the total amount of Front Ended Payment made by the Participating Owner; less

- II. the total amount of DC Credit available to the Participating Owners for the Front Ended Services; divided by
 - III. the total amount of the Front Ended Payment.
- (“Refunded Share”)

11 – Land Dedications

- A. The Town’s Director, equivalent or delegate may, from time to time and at any time, give the Notice described in this clause. No later than 30 Business Days after written Notice is given under this clause to the Participating Owner by the Town’s Director, successor, equivalent or delegate, the Participating Owner shall convey from the Participating Owner’s Lands in fee simple to the Town, for nominal consideration and free and clear of all encumbrances and restrictions, all necessary lands, easements, other interests in land, approvals, rights, interests, licences and any other agreements of every kind whatsoever which are or may be required by the Town in order to give the Town, its employees, officers, sub-contractors, servants and agents the full right, power and authority to construct, install, operate (including permitting connections thereto), inspect, repair and replace the Front Ended Services and all related works and services.
- B. If the Participating Owner fails to convey the lands, easement other interests in land, approvals, rights, interests, licenses and any other agreements as identified by the Town’s Director, his successor, equivalent or delegate as required by the Town, such failure shall be considered an event of Default to which clause 15 of this Agreement apply.

12 – Transfer of SDE Capacity

- A. The transfer of Capacity expressed in SDE shall be governed by the Allocation Agreement.
- B. The Participating Owner(s) and their respective heirs, administrators, successors and permitted assigns shall not transfer title to all or any part of the Participating Owner’s Lands unless the transferee(s) of such lands agrees in writing to unconditionally assume the rights and obligations of the Participating Owner(s) pursuant to this Agreement and such agreement is delivered to the Town, whereupon the transferring Participating Owner(s) shall be automatically released and relieved from any further obligation under this Agreement. The rights and obligations of the Participating Owner(s) shall not be assigned by the Participating Owner(s) to a successor in title to all or a portion of the Front-ending Owner’s Lands until such heirs, administrators, successors and permitted assigns have entered into an agreement with the Town agreeing to be bound by the provisions of this Agreement. Assignment shall only be permitted with the written approval of the Town, which approval may be arbitrarily withheld. The transfer of capacity granted within Erin Village may only be transferred to the lands within Erin Village and capacity granted within Hillsburgh may only be transferred to lands within Hillsburgh.

13 – Limitations and Conditions

- A. Despite anything in this Agreement to the contrary, the Town’s obligations in respect of installation, construction, and operation of a 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 Participating Owner(s) in writing that the Town has elected not to proceed with the Front Ended Services. Upon the giving of such Notice, the provisions of clauses 4.B to 4.E. shall apply with all necessary modifications.
- B. The Participating Owners acknowledge and agree that this Agreement and the Allocation 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 Allocation Agreement.

14 – Representations and Warranties

- A.** The Participating 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 Participating Owner is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II.** the Participating 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 Participating Owner and constitutes a valid and binding obligation of the Participating Owner, enforceable against the Participating 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 Participating Owner; and,
 - V.** the Participating 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:
 - i.** 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
 - ii.** 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.

- C.** Each Participating Owner acknowledges that it has read, understood and obtained independent legal advice respecting Part III 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 III of the DCA.

15 – 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 18.

- B. The Participating 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 Participating Owners shall first execute this Agreement;

 - II. Each Participating Owners shall in accordance with Fee By-law No. 19-60 reimburse the Town for the administrative, legal, and consultant costs it incurred in connection with this Agreement and any amendments thereto; and

 - III. If there are no Judicial or Administrative Proceedings as of the date upon which the Participating Owners execute the Agreement, the Town shall execute this Agreement within 5 Business Days of the Participating Owners execution of the Agreement.

- C. If the Participating 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 20 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 Participating 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.

- D. If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 15.C. or any extension thereof, then:
 - I. the Town shall give Notice in writing to the Defaulting Owner and all other Participating Owners that the Participating Owner is a Defaulting Owner; and,

 - II. a Participating Owner shall be deemed conclusively to be in Default of the Allocation Agreement and the Town shall have available to it all remedies available pursuant to the Allocation Agreement in order to remedy a Default under this Agreement.

16 – Enurement, 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. Pursuant to section 56 of the DCA, the Town may register notice of this Agreement on the title to any of the Participating Owners’ Lands with the intention that the provisions of this Agreement shall bind and run with title to the Participating Owner’s Lands. The Participating Owner consents to such registration at its sole cost and expense.

- C. The Participating Owner shall be entitled to have this Agreement released from title to:
 - I. all or such part of the Participating Owner’s Lands where the Participating Owner is not a Defaulting Owner or, if the Front-ending Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 15.C.; or

 - II. all of the Participating Owner’s Land following the final reconciliation and adjustments

under the Allocation Agreement between the Participating Owner and the Town provided the Participating Owner is not a Defaulting Owner or, if the Participating Owner is a Defaulting Owner, the Participating Owner has cured the Default,

provided the Participating 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 except for the Town's obligation under clause 10.D. in the form and having the substance of the satisfaction piece and full and final release described in Schedule "F" hereto. Any such release from title shall be at the Participating Owner's sole cost and expense.

- D. In addition to the foregoing, a Participating Owner shall be entitled to have this Agreement released from title to any part of such Participating Owner's Lands which are to be transferred to the Town, a school board, utility, or any other applicable public authority. Any such release from title shall be at the Participating Owner's sole cost and expense.
- E. Where the Participating Owner is entitled to a release of this Agreement from title under clause 16.D., the Town shall deliver to the Participating Owner, within 20 Business Days of a written request from the owner, an executed release in registrable form discharging the Owner from its obligations under this Agreement.

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

- A. The Participating 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 or cancellation of the Front Ended Services under the provisions of this Agreement; and/or
 - II. the failure to make a full repayment.
- B. If the Town, by virtue of having entered into this Agreement or of carrying out any of the Front Ended Services or actions contemplated hereunder, is made a party to any Administrative or Judicial Proceedings commenced by or against a Participating Owner, the remaining Participating Owners 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 waiver under it is not enforceable for any reason whatsoever against the Town, the Participating Owner(s), Benefiting Owner(s) and/or any other person(s), the Participating Owners acknowledge and agree 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 Participating Owners acknowledge and agree that:
 - I. the Participating Owners 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 and incurred debt to fund part of the cost of the Front Ended Services;
 - III. the Participating Owner's Lands benefited from the Front Ended Services; and
 - IV. it would be unjust and inequitable for any Participating Owner to demand or receive

repayment of any monies paid or contributed under this Agreement.

- 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.
- 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 the Agreement.

18 – Final Reconciliation of the Recoverable Amount

- A. For each Participating Owner, 6 months after the final remittance under clause 10, the Town shall prepare and send to the such Participating Owner a final reconciliation setting out the amount:
 - I. drawn from and remaining of the Security;
 - II. collected from Benefiting Owners; and,
 - III. remitted under clause 10.D. of this Agreement.

19 – 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.

20 – List of Schedules

The following schedules are attached and form part of this Agreement:

- A. Schedule “A” being a description of the Participating Owner Lands and the Benefitting Lands;
- B. Schedule “B” being a description of the Front Ended Services;
- C. Schedule “C” being an estimate of the costs of various portions of the Front Ended Services required to service the Front-ending Owners;
- D. Schedule “D” being the form of the Letter of Credit;
- E. Schedule “E” being a Projection of the Timeframe for Recovery by the Participating Owners; and,
- F. Schedule “F” being a Satisfaction Piece and Full and Final Release.

21 – Notice

- A. Any Notice shall be given in writing and shall be given by personal delivery, regular mail, courier or telecopier transmittal and addressed:
 - I. to the Participating Owners as follows:

Equity Venture Group Corp. and National Properties Inc.
 c/o Davies 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 Participating Owners; 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. if by telecopier transmittal, on the date of transmission delivery.

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.

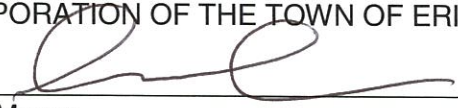


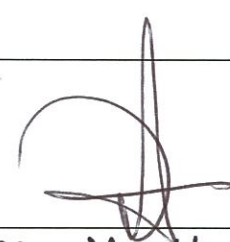
C. The Participating Owners and the Town shall promptly give Notice as hereinbefore provided of any change in name, address or other particulars.

22 – 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 Agreement. 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, CAO
)
) 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”

The Participating Owner Lands

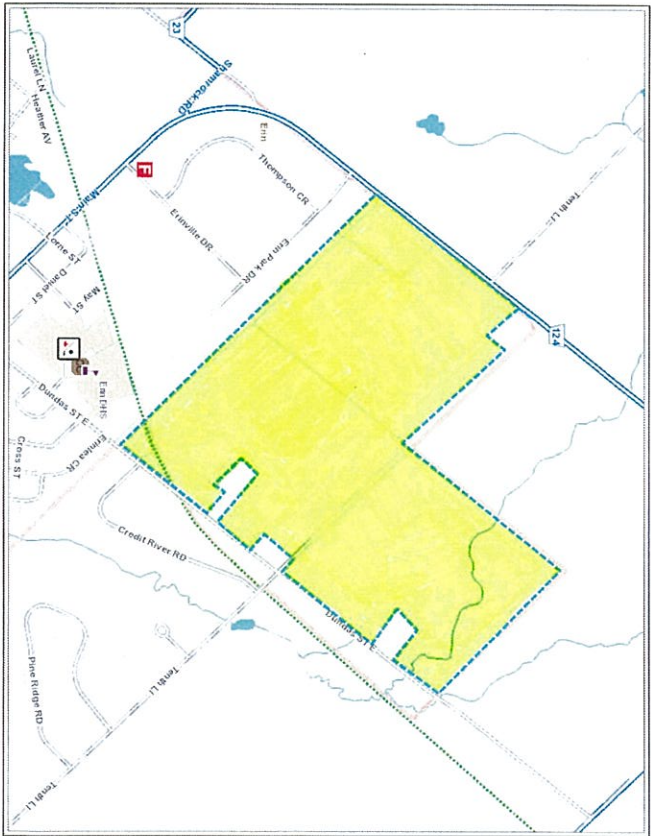
1. National Properties Inc.

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”

Description of Front Ended Services

1.	Linear Segment #1 (Shown in Schedule “B1”)	-	\$5,190.00 per SDE
2.	Linear Segment #2 (Shown in Schedule “B2”)	-	\$4,963.00 per SDE
3.	Linear Segment #3 (Shown in Schedule “B3”)	-	\$4,709.00 per SDE
4.	Linear Segment #4 (Shown in Schedule “B4”)	-	\$4,709.00 per SDE

Schedule “B1”

Description of Linear Segment #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 Plan

Schedule “B2”

Description of Linear Segment #2

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

Schedule “B3”

Description of Linear Segment #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.

Schedule “B4”

Description of Linear Segment #4

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

Schedule “C”

Estimate of the Individual and Total Costs of the Fronted Ended Services

Schedule Date: February 25, 2021

Growth-Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation*	Landowner's Share of the Linear Segment Costs (2021\$)	D.C. Eligible Costs (75%)	Wastewater Collection D.C. Payable (2021\$)^	Total Wastewater Collection D.C. Payable (2021\$)	Total Front-Ended Wastewater Collection D.C. To Be Recovered from Other Development (2021\$)#	Total Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (75%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 5,129,591	\$ 3,607	\$ 4,826,166	\$ 303,425	\$ 5,129,591
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 1,077,291	\$ 3,607	\$ 1,013,567	\$ 63,724	\$ 1,077,291
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 943,717	\$ 3,607	\$ 1,316,555	\$ (372,838)	\$ 1,316,555
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 542,960	\$ 3,607	\$ 757,470	\$ (214,510)	\$ 757,470
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 646,381	\$ 3,607	\$ 901,750	\$ (255,369)	\$ 901,750
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 131,862	\$ 3,607	\$ 183,957	\$ (52,095)	\$ 183,957
3 + 4	Dominion Packers & Realties (Ballantry)	700	\$ 10,203,865	43.1%	\$ 4,395,511	\$ 3,296,633	\$ 3,607	\$ 2,524,900	\$ 771,733	\$ 3,296,633
	Chantler - Residential	148		9.1%	\$ 929,337	\$ 697,002	\$ 3,607	\$ 533,836	\$ 163,166	\$ 697,002
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 306,116	\$ 3,607	\$ 234,455	\$ 71,661	\$ 306,116
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 988,990	\$ 3,607	\$ 757,470	\$ 231,520	\$ 988,990
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 857,125	\$ 3,607	\$ 656,474	\$ 200,651	\$ 857,125
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 1,507,032	\$ 3,607	\$ 1,154,240	\$ 352,792	\$ 1,507,032
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 16,124,701		\$ 14,860,840	\$ 1,263,861	\$ 17,019,512

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

*Note 2: The Wastewater Collection D.C. of \$3,413 have been indexed from 2019 to 2021 at 5.67%

*Note 3: The Total Payable is the greater amount between the D.C. Eligible Costs of the Linear Segment (G) and the D.C. Payable (I)

Schedule Date: February 25, 2021

Non-Growth Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation*	Landowner's Share of the Linear Segment Costs (2021\$)	Non-Growth Costs (25%)	Wastewater Collection Overcontrinutions Per SDE (2021\$)^-^	Total Wastewater Collection Overcontributions (2021\$)	Total Non-Growth Shortfall to be Recovered (2021\$)	Total Non-Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (25%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 1,709,864	\$ 1,356	\$ 1,814,328	\$ (104,464)	\$ 1,814,328
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 359,097	\$ 1,356	\$ 381,036	\$ (21,939)	\$ 381,036
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 314,572	\$ 1,356	\$ 494,940	\$ (180,368)	\$ 494,940
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 180,987	\$ 1,356	\$ 284,760	\$ (103,773)	\$ 284,760
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 215,460	\$ 1,356	\$ 339,000	\$ (123,540)	\$ 339,000
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 43,954	\$ 1,356	\$ 69,156	\$ (25,202)	\$ 69,156
3 + 4	Dominion Packers & Realties (Ballantry)	700	\$ 10,203,865	43.1%	\$ 4,395,511	\$ 1,098,878	\$ 1,356	\$ 949,200	\$ 149,678	\$ 1,098,878
	Chantler - Residential	148		9.1%	\$ 929,337	\$ 232,334	\$ 1,356	\$ 200,688	\$ 31,646	\$ 232,334
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 102,039	\$ 1,356	\$ 88,140	\$ 13,899	\$ 102,039
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 329,663	\$ 1,356	\$ 284,760	\$ 44,903	\$ 329,663
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 285,708	\$ 1,356	\$ 246,792	\$ 38,916	\$ 285,708
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 502,344	\$ 1,356	\$ 433,920	\$ 68,424	\$ 502,344
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 5,374,900		\$ 5,586,720	\$ (211,820)	\$ 5,934,186

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

*Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

*Note 3: The Overcontribution amounts for the Wastewater Collection represents 18% of the total overcontributions per SDE

*Note 4: The Total Payable is the greater amount between the Non-Growth Costs of the Linear Segment (G) and the Overcontributions Payable (I)

Schedule "D"

Form of 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 Corporation of 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 Chief Administrative Officer 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 Town 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 “E”

Projection of the Timeframe for Recovery

The Wastewater Collection system will be constructed in phases. The timing of each phase will depend on the completion of the previous phase. The order of construction will be as follows:

- 1. Linear Segment #1 as described in Schedule “B1” to the Agreement;
- 2. Linear Segment #2 as described in Schedule “B2” to the Agreement;
- 3. Linear Segment #3 as described in Schedule “B3” to the Agreement;
- 4. Linear Segment #4 as described in Schedule “B4” to the Agreement.

Schedule "F"

Satisfaction Piece and Release

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the payment by the [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 THE 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], 2020 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 .

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 |

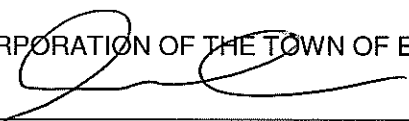
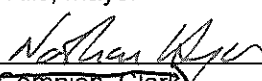
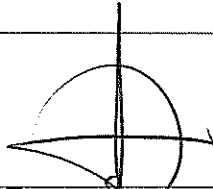
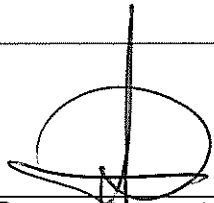
Schedule "D"	Reservation of SDEs, DC Early Payment Instalments
Schedule "E"	Satisfaction Piece and Full and Final Release
Schedule "F"	Letter of Credit
Schedule "G"	Front Ended Services Required to service the lands

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.
)

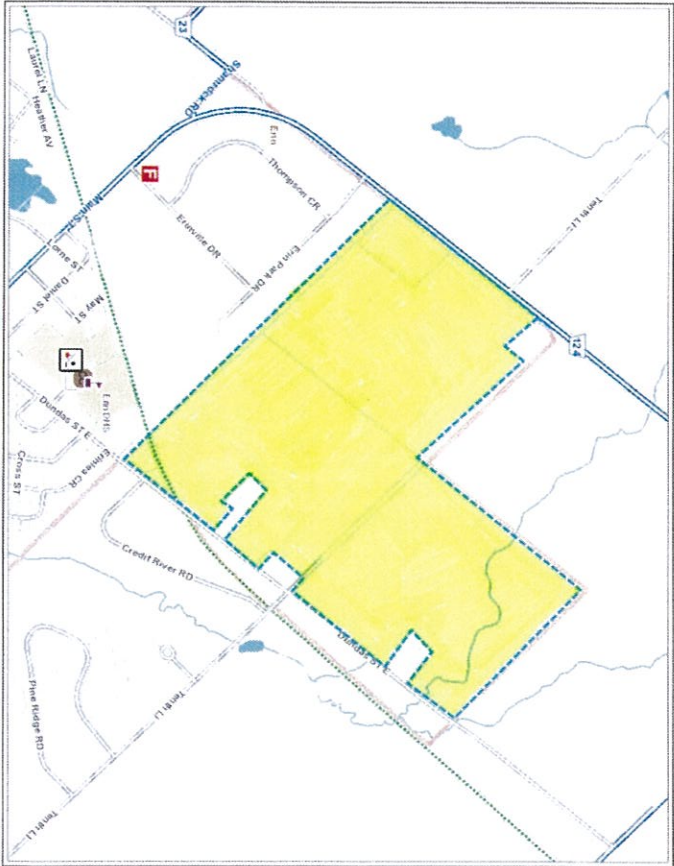
Schedule "A"

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

Development Charge (D.C.) Payable				
Reference Number to Ownership Map	Owner	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.	-	\$ 10,311	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar)	1,338	\$ 10,311	\$ 13,796,118
10	Logell's Auto Parts Ltd.	-	\$ 10,311	\$ -
11	Town of Erin	-	\$ 10,311	\$ -
5	2779181 Ontario Ltd.	365	\$ 10,311	\$ 3,763,515
6	2779176 Ontario Ltd.	245	\$ 10,311	\$ 2,526,195
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 10,311	\$ 2,577,750
4	Dominion Packers & Realities	700	\$ 10,311	\$ 7,217,700
16	Chantler	213	\$ 10,311	\$ 2,196,243
3	Thomasfield Homes Ltd.	210	\$ 10,311	\$ 2,165,310
2	Carson Reid Homes Ltd.	182	\$ 10,311	\$ 1,876,602
1	D'Angelo	320	\$ 10,311	\$ 3,299,520
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 10,311	\$ 525,861
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				
Reference Number to Ownership Map	Owner	Unit Interest by Landowner (SDE)*	Overcontributions Per SDE (2020\$)A+	Total Overcontribution Payable (2020\$)
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 & Realities	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

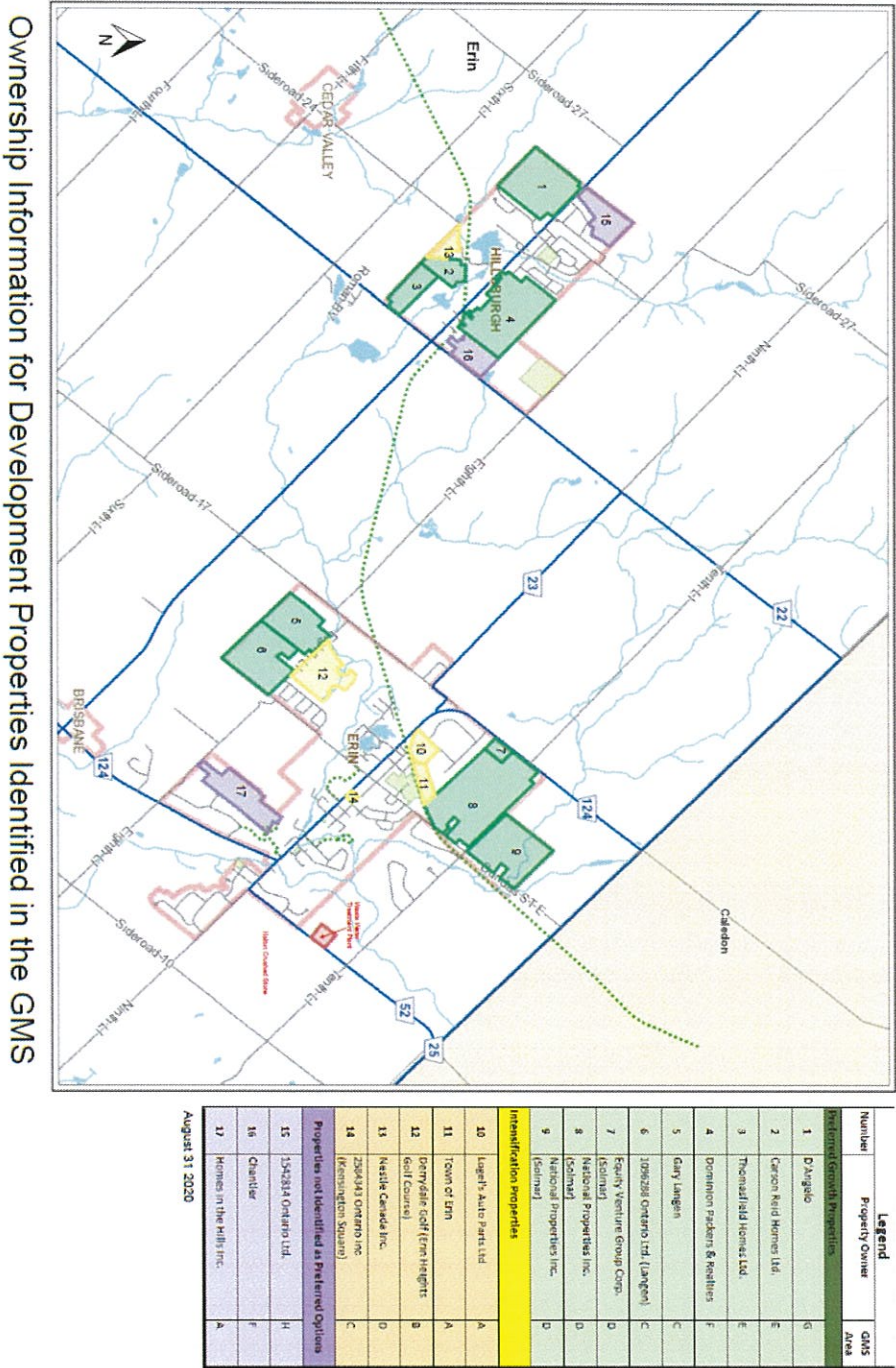
^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2020 at 3.3%

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

Total Wastewater Treatment D.C. and Overcontribution Payable			
Reference Number to Ownership Map	Owner	Unit Interest by Landowner (SDE) *	Wastewater Treatment Plant D.C. and Overcontributions Per SDE (2020\$) ^
17	Homes in the Hill Inc.	-	\$ 16,217
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar)	1,338	\$ 16,217
10	Logel's Auto Parts Ltd.	-	\$ 16,217
11	Town of Erin	-	\$ 16,217
5	2779181 Ontario Ltd.	365	\$ 16,217
6	2779176 Ontario Ltd.	245	\$ 16,217
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 16,217
4	Dominion Packers & Realities	700	\$ 16,217
16	Chantler	213	\$ 16,217
3	Thomasfield Homes Ltd.	210	\$ 16,217
2	Carson Reid Homes Ltd.	182	\$ 16,217
1	D'Angelo	320	\$ 16,217
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 16,217
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.



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.

THIS FRONT-ENDING AGREEMENT is made this 31st day of October, 2020.

BETWEEN:

2779176 ONTARIO INC.

(collectively, the “Participating Owners”)

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWN OF ERIN

(the “Town”)

OF THE SECOND PART

WHEREAS:

1. In 2015, the Town completed the Urban Centre Wastewater Servicing Class EA, the purpose of which was to identify the preferred wastewater servicing solution to the existing residents and future development within the communities of Erin Village and Hillsburgh (collectively, the Communities”);
2. The Class EA recommended a wastewater collection system conveying all wastewater flows to a single wastewater treatment plant (“Wastewater Collection System”), to meet the existing Communities wastewater servicing needs and to support future population growth. The preferred solution further presented that the wastewater treatment plant would be located at the intersection of 10th Line and Wellington Road 52 south of Erin village, with treated effluent being discharged to the West Credit River on the west side of the bridge on Winston Churchill Boulevard on Wellington Road 52;
3. The Town has completed a study under the Development Charges Act, 1997, S.O. 1997, c. 27 (the “DCA”), that relates to the provision of services for which there will be an increased need as a result of development within the Communities and the Town proposes to enact a new Development Charge By-law to implement that study’s recommendations;
4. The study under the DCA included the estimated costs of the initial services and studies necessary to be front ended in order to consider the registration of plans of subdivision in that part of the Communities described in Schedule “A”, (the “Benefitting Lands”), the costs of which services and studies include:
 - A. the costs of all necessary studies and engineering design required to commence servicing of the Benefitting Lands, and
 - B. the cost of designing and constructing the Wastewater Collection System which will convey sanitary sewage to the proposed wastewater treatment plant, and which are required to service the Benefitting Lands.

These services and studies are more particularly described in clause 2.C. and Schedule “B” of this Agreement (the “Front Ended Services”);

5. The Director of Infrastructure Services and Engineering (the “Director”) has allocated the estimated costs of the Front Ended Services into the portions necessary to service each of the lands owned by the Front-Ending Owners in accordance with Schedule “C”;
6. The Parties have agreed to enter into this Agreement for the purpose of providing for the

construction, installation and financing of the Front Ended Services and the financing thereof, including the immediate payment of all costs by the Front-Ending Owners before any construction of the Front Ended Services commences and the collection of front ended payments from owners of the Benefitting Lands who may wish to connect to the Front Ended Services and who are not parties to this Agreement;

7. Council of the Town at its meeting of October 27, 2020 authorized the execution of this Agreement;

IN CONSIDERATION of the covenants expressed in this Agreement and other good and valuable consideration, the Parties covenant and agree, one with the other, 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 have the following meanings:

- a. **“Agreement”** means this Agreement and the Schedules hereto;
- b. **“Allocation Agreement”** means the Agreement, and schedules thereto, made under section 27 of the DCA between each Participating Owner and the Town and **“Allocation Agreements”** means all of them;
- c. **“Benefitting Area”** means all land located in the Town;
- d. **“Benefitting Lands”** means benefitting lands as defined in Recital 4.
- e. **“Benefitting Owner”** means an owner of Benefitting Lands intended for development;
- f. **“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;
- g. **“Capacity”** means Wastewater Services capacity expressed in SDEs;
- h. **“Consent Agreement”** means an agreement under subsection 53(12) of the PA;
- i. **“Cost Change”** means the difference between the total costs of the Front Ended Services as per the contracts awarded by the Town, or the updated estimates for the Front Ended Services, and the total estimated costs of the Front Ended Services as shown in Schedule “C” and includes changes resulting from the addition, deletion, deferral, or delay of Front Ended Services;
- j. **“DC”** means the development charges under the DCB;
- k. **“DCA”** means the Development Charges Act, 1997, S.O. 1997, c. 27, as amended or revised from time to time and any successor legislation;
- l. **“DCB”** means By-law No. 19-32, as may be amended from time to time and any successor by-law;
- m. **“Default”** means a failure by a Participating Owner to comply with an obligation of a Participating Owner under this Agreement by the date for complying;

- n. **"Defaulting Owner"** means the Participating Owner who is in Default;
- o. **"Director"** means the director as defined in Recital 5;
- p. **"Engineer"** means the engineer as defined in clause 5.D.;
- q. **"Front Ender"** means the front ender as defined in clause 5.C.;
- r. **"Front Ended Payment"** means front ended payments as defined in clause 2.C.;
- s. **"Front Ended Services"** means the front ended services as described in Recital 4;
- t. **"Government Approval"** means any approval, permission, licence, permit or any other approval of any kind whatsoever required from the federal or provincial government or any agency or board thereof or a conservation authority for the construction and operation of the Projects;
- u. **"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;
- v. **"Judicial and/or Administrative Proceedings"** means any judicial or administrative applications, actions, proceedings, appeals or reviews of any kind whatsoever related indirectly or directly to the subject matter of this Agreement;
- w. **"Letter of Credit"** means an unconditional and irrevocable 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 "D" hereto provided both the financial institution and letter of credit are acceptable to the Town;
- x. **"Notice"** means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- y. **"Planning Act"** means the Planning Act, R.S.O. 1990, c.P.13 as amended or revised from time to time and any successor legislation;
- z. **"Participating Owner"** means an owner of land in the Benefitting Area who has entered into this Agreement;
- aa. **"Participating Owner Lands"** means the lands of each of the Participating Owners described in Schedule "A" hereto and depicted in the sketch attached hereto as Schedule "A" hereto;
- bb. **"Parties"** means all of the Participating Owners and the Town;
- cc. **"Proportionate Share"** means the ratio obtained when the number of SDE reserved to a Participating Owner as shown in Schedule "B" hereto is divided by the total number of SDE available;
- dd. **"Recoverable Amount"** means the costs described in Schedule "B" per SDE and as may be adjusted from time to time and at any time, and which Recoverable Amount does not include any component of the costs of Front Ended Services that benefit the land of a Participating Owner;

- ee. **"Refunded Share"** means the refunded share as defined in clause 10.F.;
- ff. **"Town"** means The Corporation of the Town of Erin;
- gg. **"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;
- hh. **"Security"** means one or more Letter(s) of Credit in the form attached as Schedule "D" to this Agreement;
- ii. **"Site Plan"** means a plan under section 41 of the Planning Act;
- jj. **"Site Plan Agreement"** means an agreement under section 41(7) of the Planning Act;
- kk. **"Subdivision Agreement"** means an agreement under clause 51(25)(d) of the Planning Act;
- ll. **"Substantial Completion"** means a Front Ended Service is ready for use or is being used for purposes intended as certified in writing by the Town Director, his or her successor, equivalent or delegate;
- mm. **"Wastewater Collection Overcontribution"** means the Wastewater Collection Overcontribution referred to in Clause 2.C.IV. and as set out in Schedule "C";
- nn. **"Wastewater Collection System"** means the Linear Trunk Sewers which will convey sanitary sewage to the proposed wastewater treatment plant.

2 – Front Ending Agreement

- A. Participating Owners acknowledge and agree that the Town has the statutory authority to enter into this Agreement and the Participating Owners agree that they shall not challenge the validity of this Agreement before a court of law or the Local Planning Appeal Tribunal.
- B. The Parties agree that the Front Ended Services are not local services as defined in s. 2(5) of the DCA, and are services which are:
 - I. required to enable the Participating Owners' Lands and the balance of the lands within the Benefitting Area to be developed;
 - II. services for which development charges are payable under the development charge by-law; and,
 - III. eligible for inclusion in a front-ending agreement under the DCA.
- C. The Parties agree that all costs of design, construction and installation of the Front Ended Services used for the purpose of calculating the Front Ended Payments by the Participating and the Benefitting Owners shall be the reasonable costs of such construction and installation incurred by the Town or the Front-Ending Owners, as the case may be. For greater certainty such costs shall include the following:
 - I. all payments on contracts entered into for such design, construction or installation, as certified and accepted by the Director;
 - II. the cost of all acquisition of land or rights in land required to be acquired from owners

not front-ending;

- III. all engineering and other consulting fees, and all legal fees, whether paid to consultants or to the Town; and,
- IV. the payment of part of the cost of any studies and design required by this Agreement. Such costs shall not include:
 - i. any indirect overhead expense of a Participating Owner;
 - ii. any financing cost of a Participating Owner;
 - iii. the cost of any Security required by this Agreement; and
 - iv. the Wastewater Collection Overcontribution.

These costs shall form the basis of the payments which the Participating Owners and Benefitting Owners shall pay to the Town in accordance with clause 8 and clause 9 of this Agreement (the "Front Ended Payment").

3 – Allocation Agreement

- A. Participating Owners shall execute an Allocation Agreement for all of the Participating Owner's Lands at the same time as the Participating Owner executes this Agreement. It shall be a condition precedent to the validity of this Agreement that the Participating Owner has also executed an Allocation Agreement to the satisfaction of the Town.
- B. In order to be in good standing pursuant to this Agreement, each Participating Owner must not be in Default under:
 - I. this Agreement; or
 - II. the Allocation Agreement.

4 – Timing and Construction of the Front Ended Services

- A. Despite any payments by the Front-Ending Owners under this Agreement pursuant to clause 8., and subject to clause 10., the Town shall:
 - I. be responsible for the design, engineering, tender, construction, installation, operation and maintenance of the Front Ended Services;
 - II. own the Front Ended Services; and,
 - III. be entitled to impose, from time to time and at any time, such fees and charges directly and indirectly related to the collection, transmission, treatment and disposal of wastewater as the Town considers necessary or desirable under Part XII (Fees and Charges) of the MA, 2001, or any other user fee or charge permitted by statute.
- B. The Town may delay, defer, or cancel one or more of the Front Ended Services, in its sole and absolute discretion, and in whole or in part, if one or more of the Participating Owners fails to:
 - I. execute this Agreement;

- II. execute the Allocation Agreement;
- III. subscribe to all of the available SDE units, in whole or in part.

The Town and the Participating Owners agree to undertake best efforts to work together to address any shortfall respecting subscription to available SDE units.

- C. The Participating Owners agree and acknowledge that the deferral, delay, or cancellation of one or more Front Ended Services under clause 4.B. may delay the completion of one or more Front Ended Services, which, in turn, may delay development of the Participating Owner's Lands and lands within the Benefitting Area.
- D. If the Town exercises its rights of deferral, delay, or cancellation under clause 4.B., the Town shall give 30 Business Days of Notice to each Participating Owner of the Front Ended Services it intends to delay, defer, or cancel, and the length of the delay, if known at the time the Notice is given.
- E. The Town and the Participating Owners agree and acknowledge that clauses 4.B. is for the sole benefit of the Town, and the Town may waive such clause, in whole or in part, or be modified from time to time and at any time by the Town in its sole and absolute discretion.
- F. Despite clause 4.A., the Town may, in its sole and absolute discretion, permit one or more of the Front Ended Services to be designed or constructed or both by one or more of the Participating Owners pursuant to the requirements outlined in clause 5.
- G. Despite clause 4.F., and despite the contents of Schedule "B", the Town may, in its sole and absolute discretion, change or delete Front Ended Services contained on Schedule "B". Schedule "B" is deemed conclusively to be amended without formal amendment to this Agreement. If the Town changes any of the Front Ended Services on Schedule "B", the Town shall give Notice to the Owner within 30 Business Days of making such change.

5 – Election by Front-Ending Owners to Construct Services

- A. The Participating Owners may elect to construct and install a part or the whole of the Front Ended Services in accordance with clause 5 of this Agreement through strict compliance with the requirements of clause 5.B. After such compliance and obtaining all necessary Government Approvals, subject to the terms of this Agreement, construction and installation of the Front Ended Services may be commenced. In the case of that part of the Front Ended Services which services only one Participating Owner, the election may be submitted by that Participating Owner alone. In the case of that part of the Front Ended Services which services more than one Participating Owner, the election shall only be considered by the Town if it is submitted by all Participating Owners serviced by those portions of the Front Ended Services.
- B. If any one or all of the Participating Owner(s) desire to construct all or any portion of the Front Ended Services as described in Schedule "B", they shall first apply to the Director for the following:
 - I. approval of the choice of the Engineer for the Participating Owner;
 - II. an up-to-date estimate of the cost of the portion to be installed and constructed, together with any additional requirements of the Director not provided for in this Agreement; and
 - III. the amount of the Security to guarantee the Front Ended Services to be installed and constructed. Security shall be prescribed by the Director in his sole and absolute discretion based upon the extent of the services to be installed and constructed, which amount will not be less than 110% and not more than 125% of the cost of the Front Ended Services to be installed and constructed. The Security shall be in the form attached hereto as Schedule "D".

Before commencing any installation or construction, the Participating Owner(s) shall deliver to the Director a Notice of election to proceed together with the following:

- IV. a description of the portion of the Front Ended Services to be installed and constructed which must be one of the portions described in Schedule "B",
 - V. a certified cheque equal to 15% of the up-to-date costs of the services to be installed and constructed as engineering fees; and,
 - VI. Security from a Canadian chartered bank in a form satisfactory to the Town in the amount prescribed by the Director. The Town, in its sole and absolute discretion, may require that the Security be from a Schedule "1" Canadian chartered bank. The Security will be held by the Town as Security for the obligations of the Participating Owner(s) in accordance with this Agreement.
- C. Notwithstanding anything else contained in this Agreement, Participating Owner(s) that comply with clause 5.B. shall be permitted to construct part or the whole of the Front Ended Services, if and only if the Town first grants its consent to such Participating Owner, in writing, which consent may be arbitrarily withheld (referred to hereinafter as the "Front Ender(s)").
 - D. The Front Ender(s) agree to retain a competent consulting engineer experienced in the municipal engineering field (the "Engineer"). The Engineer or his successor shall be approved by the Director and shall carry out all necessary engineering requirements in accordance with this Agreement and with the Guideline for Engineering Services to Municipalities. The Engineer shall be retained by the Front Ender until all requirements of this Agreement have been completed to the satisfaction of the Director.
 - E. The Front Ender(s) agree to construct the Front Ended Services as shown on a set of drawings approved and signed by the Director. The preparation of the drawings shall be undertaken according to the Town's design criteria, design standards and specifications and procedures as amended from time to time.
 - F. The Front Ender(s) agree not to let any contract for the performance of any of the works unless the contractor has been first approved by the Director, which approval may be unreasonably withheld. The contract(s) shall provide that the Director may inspect the construction of the Front Ended Services and shall have authority to instruct the contractor(s) to stop work should any construction be undertaken contrary to the provisions of this Agreement and the Town's design criteria, standards and specifications.
 - G. The Front Ender(s) agree to provide the Town with ten Business Days of Notice before commencing the installation or construction of the Front Ended Services.
 - H. The Front Ended Services shall be completed within a maximum of 18 months from commencement.
 - I. The Front Ender(s) agree that the Director may inspect the construction work under any contract, but such inspection shall in no way relieve the Front Ender(s) from its responsibility to inspect the work itself. If, at any time, the construction of all works is not, in the opinion of the Director, being carried out in accordance with the provisions of this Agreement, and in accordance with good engineering practices, the Director may issue instructions to the Front Ender(s) or to the Engineer to take such steps as deemed necessary to procure compliance with the provisions of this Agreement. Such instructions may be written, or may be verbal, in which case the Director shall confirm them in writing within 24 hours. In the event that neither the Front Ender(s) nor the Engineer is present at the site of the works to receive such verbal instructions, the Director may instruct the contractor(s) or workers to cease work forthwith.
 - J. The Front Ender(s) shall undertake and pay for a sewer video inspection program for the Front Ended Services installed and constructed. These works shall be undertaken by a qualified company and be approved by the Director prior to the work being undertaken. The Front

Ender(s) shall provide a copy of such video inspection and written reports to the Town in a format as specified by the Town. The sewer video inspection shall be carried out prior to acceptance for maintenance by the Town. The said video shall demonstrate to the Director's satisfaction that the Front Ended Services function to the Town's satisfaction, failing which the Front Ended Services shall be corrected to the satisfaction of the Director.

- H. The Front Ender(s) agree that all streets in the vicinity of construction of the Front Ended Services shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender or Parties employed by the Front Ender(s) in the construction of the Front Ended Services, or by contractors so employed, will be repaired or restored immediately.
- L. The Front Ender(s) agree not to foul any public streets and further agrees to provide the necessary persons and equipment, to be available on reasonable Notice at all times, to keep such streets clean. All trucks making deliveries to or taking materials from the construction site shall be adequately covered and reasonably loaded so as not to scatter refuse, rubbish, or debris on the abutting streets.
- M. If, in the opinion of the Director, these requirements are not complied with, the Town may do the work as required and upon demand, the Front Ender(s) shall forthwith pay to the Town the full cost thereof. If the Front Ender(s) fail to make the payment as required by the Town, such failure will constitute a Default and the Town may draw upon the Security.
- N. The Front Ender(s) agree that all public works on adjoining lands shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender(s) or parties employed by the Front Ender(s) during construction or by contractors so employed, will be repaired and restored immediately.
- O. When, after the Front Ender(s) have commenced construction of the Front Ended Services but before the assumption thereof by the Town, the Front Ended Services do not function, or do not function properly, and in the sole opinion of the Director, repairs are necessary to be made immediately to prevent damage or hardship to persons or property, the Front Ender agrees that the Town, its servants, employees or agents, may make whatever repairs may be deemed necessary. The Front Ender further covenants and agrees to reimburse the Town for any expense incurred in making the repairs. If the Front Ender(s) fail to make the payment as required by the Town, the Town may draw upon the Security.
- P. The Town agrees to give Notice to the Front Ender(s) within 2 Business Days from the date of entry by the Town of the nature and extent of the emergency and repairs which were necessary.
- Q. The Front Ender(s) agree to maintain and keep in a proper state of repair and operation the Front Ended Services installed and constructed by the Front Ender(s) for a minimum period of 24 months from the date of acceptance for maintenance by the Town.
- R. The Front Ender(s) agree that the whole or any part of the Front Ended Services, when constructed and assumed by the Town, shall vest in the Town and the Front Ender(s) shall have no claims or rights thereto other than those accruing to it as an owner of land abutting on streets on which services have been installed.
- S. Performance and maintenance guarantees:
 - I. The Security provided to the Town in accordance with clause 5.B.III or clause 6.B.II, as the case may be, and any additional security or moneys provided hereunder, may be drawn upon by the Town, at any time, for any Default by the Front Ender under this Agreement and for any other purpose specified in this Agreement. If any lien is filed or registered under the *Construction Act*, R.S.O. 1990, c. C.30, as amended, this shall constitute a Default. Upon such Default, the Town may draw upon the Security for payment into court of the hold-back moneys, plus interest and costs, if deemed necessary by the solicitor for the Town to satisfy its requirements under the *Construction Act*.

- II. Notwithstanding anything else contained in this Agreement, the Security required pursuant to clause 6.B. shall be in the amounts set out in Schedule "C" and in the form set out in Schedule "D" to this Agreement and shall be posted immediately upon the execution of this Agreement and may be utilized by the Town, in its discretion for the construction and installation of the Front Ended Services at any time.

- III. The Front Ender(s), when not in Default of this Agreement, may apply for acceptance for maintenance by the Town of the Front Ended Services after completion of construction and compliance with clauses H., T., and U. Upon the Director approving such acceptance, any security held by the Town may be reduced up to 25% of the value of the work at the commencement of construction as estimated by the Director. Prior to the reduction of security held by the Town for any Front Ended Services, the Front Ender(s) must supply the Town with the following documentation:
 - i. statutory declaration of works completed and contractors and subcontractors having been paid;
 - ii. Workplace Safety and Insurance Board clearance certificate; and,
 - iii. expiration of the construction lien period.

- IV. Upon application by a Front Ender after the expiry of the maintenance period of 2 years, and after compliance with this Agreement satisfactory to the Director, the Town will release all Security held to secure the construction of the whole or the portion of the Front Ended Services for which assumption is granted.

- T. Before commencing any of the works provided for in this Agreement, the Front Ender(s) shall supply the Town with a liability insurance policy in the minimum amount of \$5,000,000.00 in a form satisfactory to the Town solicitor, indemnifying the Town from any loss arising from claims or damages, injury or otherwise in connection with the work done by or on behalf of the Front Ender. The policy shall contain a completed operations clause and shall have no exclusion for blasting. In the event any renewal premium is not paid, the Town, in order to prevent the lapse of such liability insurance policy, may pay the renewal premium or premiums and the Front Ender agrees to pay the cost of such renewal or renewals within 10 Business Days of the account therefor being rendered by the Town.

- U. Immediately prior to acceptance for maintenance by the Town of the Front Ended Services, the Front Ender(s) agree as follows:
 - I. to flush all sewers and manholes free of road materials, building debris, and other foreign matter; to clean such materials from the system; to provide video inspection as required under clause 5.J.; and to rectify any deficiencies the video inspection may reveal;
 - II. to sweep abutting roadway pavement, including sidewalks, clear of building debris and earth deposits, and to clean and remove all such material;
 - III. to rectify and repair all damages to adjacent public services;
 - IV. to rectify and repair all settlements, depressions or other defects on roadways, until assumption of the Front Ended Services, and
 - V. to furnish the Director with:

- i. a statutory declaration from the Front Ender that all contractors and subcontractors associated with the construction of public works have been paid;
 - ii. a certificate from the Engineer indicating the final construction costs for the public works based on the actual construction contract, and
 - iii. payment of additional engineering fees, if required by the Director, based on the final construction costs of the public works certified by the Engineer.
- V. The Town agrees that the acceptance for maintenance of the Front Ended Services shall take place upon fulfilment of the following conditions:
 - I. all sewers and manholes are clean and free of road materials, building debris and any other foreign matter;
 - II. all roadway pavements and sidewalks are clean and free of building debris and earth deposits;
 - III. all damage to adjacent services has been repaired or rectified to the satisfaction of the Director;
 - IV. all settlements, depressions or any other defects on roadways have been repaired to the satisfaction of the Director;
 - V. the Director has received:
 - i. a statutory declaration from the Front Ender that all contractors and subcontractors associated with the construction of the Front Ended Services have been paid;
 - ii. a satisfactory set of “as constructed digital files and drawings” of all works required to be done by this Agreement in a form that meet Town specifications;
 - iii. a certificate from the Engineer indicating the final construction costs for Front Ended Services based on the actual construction contract; and,
 - iv. payment of additional engineering fees, if required by the Director, based on the final construction costs of the Front Ended Services certified by the Engineer;
 - v. the Front Enders(s) are not in Default of any terms or conditions of this Agreement.

6 – Election for Town to Construct Services

- A. If the Participating Owners do not elect to construct the Front Ended Services themselves pursuant to clause 5, or if the Town does not consent to the same pursuant to clause 5, the Town may construct and install the whole or part of the Front Ended Services in accordance with the requirements of clause 6.B.
- B. If the Town commences installation and construction of all or any portion of the Front Ended Services as described in Schedule “B”, the Participating Owners shall provide to the Director any additional requirements of the Director not provided for in this Agreement. The Town agrees to call tenders and commence construction and installation of a portion or the whole of the Front Ended Services within a reasonable time after providing the Participating Owners with Notice of the following:
 - I. a description of the portion of the Front Ended Services to be constructed which must be one of the portions referred to in Schedule “B”; and

- II. confirmation that Security from a Canadian chartered bank in a form satisfactory to the Town solicitor in the form set out in Schedule “D” to this Agreement was posted at the time that this Agreement was executed.
- C. In the event that the Participating Owners fail to provide any of the matters set out in clause 6.B., the Town shall be permitted to provide same itself and utilize the Security to pay for same. The Town may also draw upon the Security in its discretion to pay the Front Ended Service costs. If the amount of the Security is insufficient to pay for the total cost of the works, the Participating Owners who delivered the Notice of election, agree to immediately pay to the Town such deficiency or to deliver additional Security upon demand therefor and the Town may cease construction of, or prevent connection to the Front Ended Services, until such deficiency is paid. The Town shall return any unused Security in excess of the amount required to complete the Front Ended Services and to maintain the Front Ended Services for a minimum period of 5 years, in the discretion of the Director. The Security shall be issued by a Schedule “1” Canadian chartered bank.
 - D. Whenever and to the extent that the Town shall be unable to fulfil, or shall be delayed or restricted in fulfilling its obligation to construct the Front Ended Services, for any cause beyond its control, the Town shall be relieved from its obligation during the period during which it is unable to fulfil or is delayed or restricted in fulfilling its obligations.

7 – Rights of Way

- A. All Front Ended Services installed and constructed under this Agreement shall be located in road allowances or easements approved by the Director and granted to the Town, free and clear of all encumbrances.
- B. In the event a Notice of election is delivered according to clause 5 or clause 6 of this Agreement, no installation and construction shall commence until the Town Solicitor is satisfied that all rights in land required by the Director have been conveyed to the Town or agreements to convey have been executed.
- C. Upon request from a Participating Owner who desires to construct services through lands approved by the Director, but owned by others, the Town shall assist, at the cost of such Participating Owner, in obtaining rights to construct and maintain services on such lands. For greater certainty, the Town is not obligated to commence expropriation proceedings to assist a Participating Owner in this clause.

8 – Front Ended Payments

- A. While this Agreement remains in force, the Town agrees to use its best efforts to impose the requirement of a Front Ended Payment by all owners of land in the Benefitting Area to be connected to the Front Ended Services (except for Participating Owners who shall pay the cost of the Front Ended Services upon execution of this Agreement) in the amount calculated according to clauses 8.E. and 8.F of this Agreement, and as a condition to any development approval referred to in s. 2(2) of the DCA.
- B. The Town agrees to place money received as Front Ended Payments in a special reserve account and, provided that a notice of election has been given and clause 5.B. has been complied with, the Town shall immediately, upon receipt of the money, by registered mail:
 - I. notify the appropriate Participating Owners who have paid the cost of the Front Ended Services that the money is available to be paid out, and,
 - II. advise the appropriate Participating Owners to whom the Town proposes to pay the delivery of the said money.

Upon the delivery of said Notice from all the Participating Owners who have paid the cost of the Front Ended Services, the Town shall pay to the person or persons named in the Notice without

interest, the proportion of the money received by the Town to which the party is entitled as set out in the Notice.

- C. The Parties confirm that the reasonable cost to the Town in processing the collection of front end payments while this Agreement remains in force is 3% of all such payments. Accordingly, there shall be deducted from all such payments paid into the special reserve account, an amount equal to 2% to cover the legal and administrative costs of the Town.
- D. The Town may, at any time prior to the giving of a Notice for any part or the whole of the Front Ended Services in accordance with clause 5 or clause 6 of this Agreement, approve limited development in any part of the Benefitting Lands not serviced by the Front Ended Services, which development will ultimately be required to connect to the Front Ended Services but which, in the opinion of the Director, may proceed on an interim basis with alternate sewerage and water facilities. In such event, the Town shall charge such development a front end payment calculated in accordance with clause 8.E. and such payment or payments shall be placed in a special reserve account and be applied to reduce the cost of front ending by the Parties.
- E. The Front Ended Payment to be charged against all development in the Benefitting Area to fund the Front Ended Services shall be calculated as set out in Schedule "C". Each Owner shall fund only the linear segment shown next to each Owner's name on Schedule "C". Where more than one Owner is shown for a single linear segment, each Owner shall pay only the "Percentage of Linear Segment Allocation" shown in the column of the table so labelled on Schedule "C" for the said linear segment.
- F. The Town, in its sole and absolute discretion, may adjust the front ended payment in clause 8.E. in the event that:
 - I. there is a Cost Change between the commencement of this Agreement and the conclusion of the Adjustment Period; or
 - II. one or more Front Ended Services are deferred, waived, cancelled, or removed pursuant to clauses 4.B or 4.G.
- G. The Town and the Participating Owners agree and acknowledge that the total amount of Front Ended payments with respect to each Participating Owner included therein are correctly described in Schedule "C" of this Agreement, subject to any adjustments under clause 8.F.
- H. Every payment made by a Participating Owner for the cost of the Front Ended Services shall entitle such Participating Owner to a reservation of available capacity, in the amount set out in the Allocation Agreements (expressed as SDEs).
- I. The total Front Ended Payments may be increased due to any Cost Changes and the Town shall give each Participating Owner Notice of its Relative Share of the increase. A Participating Owner shall have fifteen Business Days from the giving of the Notice to provide an increase to its Security under this Agreement for the amount set out in the Notice. If the payment is not received, the Town may defer, waive, cancel, or remove all or part of the Front End Services pursuant to clauses 4.B or 4.G. until the matter is remedied.
- J. Following any Cost Change, the Town shall provide a revised Schedule "C" as adjusted under clause 8.F to the Participating Owners. If any revisions are made hereunder, this Agreement shall be conclusively deemed to be amended by replacing Schedule "C" with the revised Schedule "C".
- K. If the Town determines that it does not require any of the Security it holds for the Front Ended Services, it shall release any excess Security it then holds.

9 – Benefitting Owner Payments

- A. From and after October 31, 2020, every Benefitting Owner shall pay, by certified cheque or bank draft, to the Town upon the earlier of such Owner entering into a Subdivision Agreement, a Consent Agreement or a Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the Planning Act have been met, or obtaining a building permit for the development of the Benefitting Owner's land:
 - I. for the Recoverable Amount per SDE in the Subdivision Agreement, Consent Agreement, Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the PA have been met, or permitted by the building permit plus interest in accordance with the *Development Charges Act, 1997*; and,
 - II. all development charges payable under the DCB, as may be amended from time to time and any successor development charge by-laws.

10 – Participating Owner Recoveries

- A. Each Participating Owner shall recover its Front Ended Payments as described in Schedule "B" of this Agreement by receiving its Proportionate Share of Recoverable Amount.
- B. A projection of the time frame for recovery by the Participating Owners of the Front Ended Services is set out in Schedule "E". The Participating Owners acknowledge and agree:
 - I. Schedule "E" is for illustration purposes only;
 - II. the Town makes no representations or warranties of any kind whatsoever that the Participating Owners shall experience recoveries in the amounts and at the times shown on Schedules "E" and "G"; and,
 - III. their actual recoveries shall be dependent on the pace of residential development through-out the Town after October 31, 2020.
- C. The Participating Owners acknowledge and agree:
 - I. that the Town's DCB and payments thereunder, and as such by-law may be amended from time to time and any successor development charge by-laws, is fair and reasonable, provided nothing herein shall preclude the Participating Owner from appealing any amending or successor development charge by-law enacted after the commencement of this Agreement; and,
 - II. to pay or cause to be paid all of the development charges of the Town in respect of the Front Ended Services, in the amounts specified in the Allocation Agreement and this Agreement.
- D. All credits under this Agreement with respect to the Front Ended Services shall be granted and administered solely in accordance with each Participating Owner's Allocation Agreement.
- E. If and when the Town receives payments for the amounts described in clause 10.A., it shall refund semi-annually commencing upon the review by the Town Council of the Development Charges Reserve Statement to each Participating Owner, that Participating Owners "Refunded Share" (as defined below) of the amounts received by the Town, provided that Town has received from each such Participating Owner a Satisfaction Piece and Full and Final Mutual Release in the Form attached hereto as Schedule "F".
- F. The amount to be refunded to each Participating Owner pursuant to clause 10.E. above shall be calculated as follows:

- I. the total amount of Front Ended Payment made by the Participating Owner; less
- II. the total amount of DC Credit available to the Participating Owners for the Front Ended Services; divided by
- III. the total amount of the Front Ended Payment.

("Refunded Share")

11 – Land Dedications

- A. The Town's Director, equivalent or delegate may, from time to time and at any time, give the Notice described in this clause. No later than 30 Business Days after written Notice is given under this clause to the Participating Owner by the Town's Director, successor, equivalent or delegate, the Participating Owner shall convey from the Participating Owner's Lands in fee simple to the Town, for nominal consideration and free and clear of all encumbrances and restrictions, all necessary lands, easements, other interests in land, approvals, rights, interests, licences and any other agreements of every kind whatsoever which are or may be required by the Town in order to give the Town, its employees, officers, sub-contractors, servants and agents the full right, power and authority to construct, install, operate (including permitting connections thereto), inspect, repair and replace the Front Ended Services and all related works and services.
- B. If the Participating Owner fails to convey the lands, easement other interests in land, approvals, rights, interests, licenses and any other agreements as identified by the Town's Director, his successor, equivalent or delegate as required by the Town, such failure shall be considered an event of Default to which clause 15 of this Agreement apply.

12 – Transfer of SDE Capacity

- A. The transfer of Capacity expressed in SDE shall be governed by the Allocation Agreement.
- B. The Participating Owner(s) and their respective heirs, administrators, successors and permitted assigns shall not transfer title to all or any part of the Participating Owner's Lands unless the transferee(s) of such lands agrees in writing to unconditionally assume the rights and obligations of the Participating Owner(s) pursuant to this Agreement and such agreement is delivered to the Town, whereupon the transferring Participating Owner(s) shall be automatically released and relieved from any further obligation under this Agreement. The rights and obligations of the Participating Owner(s) shall not be assigned by the Participating Owner(s) to a successor in title to all or a portion of the Front-ending Owner's Lands until such heirs, administrators, successors and permitted assigns have entered into an agreement with the Town agreeing to be bound by the provisions of this Agreement. Assignment shall only be permitted with the written approval of the Town, which approval may be arbitrarily withheld. The transfer of capacity granted within Erin Village may only be transferred to the lands within Erin Village and capacity granted within Hillsburgh may only be transferred to lands within Hillsburgh.

13 – Limitations and Conditions

- A. Despite anything in this Agreement to the contrary, the Town's obligations in respect of installation, construction, and operation of a 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 Participating Owner(s) in writing that the Town has elected not to proceed with the Front Ended Services. Upon the giving of such Notice, the provisions of clauses 4.B to 4.E. shall apply with all necessary modifications.
- B. The Participating Owners acknowledge and agree that this Agreement and the Allocation 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 Allocation Agreement.

14 – Representations and Warranties

- A.** The Participating 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 Participating Owner is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II.** the Participating 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 Participating Owner and constitutes a valid and binding obligation of the Participating Owner, enforceable against the Participating 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 Participating Owner; and,
 - V.** the Participating 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:
 - i.** 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
 - ii.** 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.
- C.** Each Participating Owner acknowledges that it has read, understood and obtained independent legal advice respecting Part III 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 III of the DCA.

15 – 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 18.
- B. The Participating 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 Participating Owners shall first execute this Agreement;
 - II. Each Participating Owners shall in accordance with Fee By-law No. 19-60 reimburse the Town for the administrative, legal, and consultant costs it incurred in connection with this Agreement and any amendments thereto; and
 - III. If there are no Judicial or Administrative Proceedings as of the date upon which the Participating Owners execute the Agreement, the Town shall execute this Agreement within 5 Business Days of the Participating Owners execution of the Agreement.
- C. If the Participating 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 20 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 Participating 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.
- D. If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 15.C. or any extension thereof, then:
 - I. the Town shall give Notice in writing to the Defaulting Owner and all other Participating Owners that the Participating Owner is a Defaulting Owner; and,
 - II. a Participating Owner shall be deemed conclusively to be in Default of the Allocation Agreement and the Town shall have available to it all remedies available pursuant to the Allocation Agreement in order to remedy a Default under this Agreement.

16 – Enurement, 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. Pursuant to section 56 of the DCA, the Town may register notice of this Agreement on the title to any of the Participating Owners' Lands with the intention that the provisions of this Agreement shall bind and run with title to the Participating Owner's Lands. The Participating Owner consents to such registration at its sole cost and expense.
- C. The Participating Owner shall be entitled to have this Agreement released from title to:
 - I. all or such part of the Participating Owner's Lands where the Participating Owner is not a Defaulting Owner or, if the Front-ending Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 15.C.; or
 - II. all of the Participating Owner's Land following the final reconciliation and adjustments under the Allocation Agreement between the Participating Owner and the Town provided the Participating Owner is not a Defaulting Owner or, if the Participating Owner is a Defaulting Owner, the Participating Owner has cured the Default,

provided the Participating 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 except for the Town's obligation under clause 10.D. in the form and having the substance of the satisfaction piece and full and final release described in Schedule "F" hereto. Any such release from title shall be at the Participating Owner's sole cost and expense.

- D. In addition to the foregoing, a Participating Owner shall be entitled to have this Agreement released from title to any part of such Participating Owner's Lands which are to be transferred to the Town, a school board, utility, or any other applicable public authority. Any such release from title shall be at the Participating Owner's sole cost and expense.
- E. Where the Participating Owner is entitled to a release of this Agreement from title under clause 16.D., the Town shall deliver to the Participating Owner, within 20 Business Days of a written request from the owner, an executed release in registrable form discharging the Owner from its obligations under this Agreement.

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

- A. The Participating 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 or cancellation of the Front Ended Services under the provisions of this Agreement; and/or
 - II. the failure to make a full repayment.
- B. If the Town, by virtue of having entered into this Agreement or of carrying out any of the Front Ended Services or actions contemplated hereunder, is made a party to any Administrative or Judicial Proceedings commenced by or against a Participating Owner, the remaining Participating Owners 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 waiver under it is not enforceable for any reason whatsoever against the Town, the Participating Owner(s), Benefiting Owner(s) and/or any other person(s), the Participating Owners acknowledge and agree 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 Participating Owners acknowledge and agree that:
 - I. the Participating Owners 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 and incurred debt to fund part of the cost of the Front Ended Services;
 - III. the Participating Owner's Lands benefited from the Front Ended Services; and
 - IV. it would be unjust and inequitable for any Participating Owner to demand or receive repayment of any monies paid or contributed under this Agreement.
- 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.
- 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 the Agreement.

18 – Final Reconciliation of the Recoverable Amount

- A. For each Participating Owner, 6 months after the final remittance under clause 10, the Town shall prepare and send to the such Participating Owner a final reconciliation setting out the amount:
 - I. drawn from and remaining of the Security;
 - II. collected from Benefiting Owners; and,
 - III. remitted under clause 10.D. of this Agreement.

19 – 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.

20 – List of Schedules

The following schedules are attached and form part of this Agreement:

- A. Schedule “A” being a description of the Participating Owner Lands and the Benefitting Lands;
- B. Schedule “B” being a description of the Front Ended Services;
- C. Schedule “C” being an estimate of the costs of various portions of the Front Ended Services required to service the Front-ending Owners;
- D. Schedule “D” being the form of the Letter of Credit;
- E. Schedule “E” being a Projection of the Timeframe for Recovery by the Participating Owners; and,
- F. Schedule “F” being a Satisfaction Piece and Full and Final Release.

21 – Notice

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

- I. to the Participating Owners as follows:

2779176 Ontario Inc.

5520 Eighth Line,
Erin, Ontario N0B 1T0

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 Participating Owners; 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. if by telecopier transmittal, on the date of transmission delivery.

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

22 – 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 Agreement. 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)

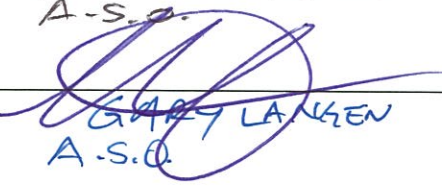
THE CORPORATION OF THE TOWN OF ERIN

Per: 
Allan Ails, Mayor

Per: 
~~Lisa Campion, Clerk~~ Nathan Hyde, CAO

2779176 ONTARIO INC.

Per: 
Name: TOM BASKERVILLE
Title: A.S.O.

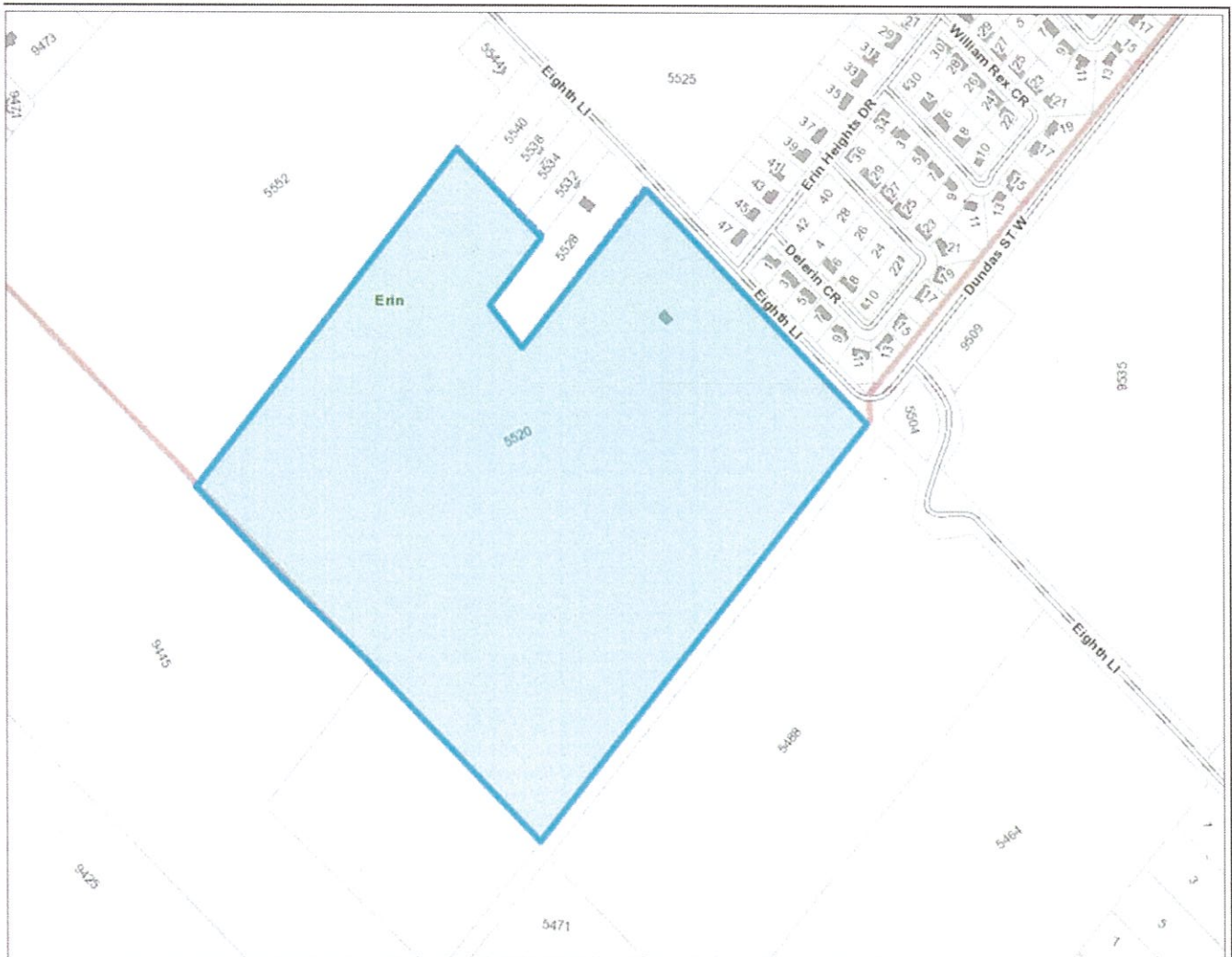
Per: 
Name: GARY LANGEN
Title: A.S.O.

I/We have authority to bind the corporation.

Schedule "A"

The Participating Owner Lands

FIRSTLY: PART LOT 16, CONCESSION 8 ERIN AS IN RO732357, SAVE & EXCEPT PART 1, PLAN 61R21410; SECONDLY: PART LOT 16, CONCESSION 8 ERIN, PART 1, PLAN 61R21372 TOWN OF ERIN (PIN: 71150-421 (LT)).



The Benefitting Lands

The Benefitting Lands are all lands located within the Town of Erin.

Schedule “B”

Description of Front Ended Services

1.	Linear Segment #1 (Shown in Schedule “B1”)	-	\$5,190.00 per SDE
2.	Linear Segment #2 (Shown in Schedule “B2”)	-	\$4,963.00 per SDE
3.	Linear Segment #3 (Shown in Schedule “B3”)	-	\$4,709.00 per SDE
4.	Linear Segment #4 (Shown in Schedule “B4”)	-	\$4,709.00 per SDE

Schedule “B1”

Description of Linear Segment #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.

Schedule “B2”

Description of Linear Segment #2

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

Schedule “B3”

Description of Linear Segment #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.

Schedule “B4”

Description of Linear Segment #4

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

Schedule “C”

Estimate of the Individual and Total Costs of the Fronted Ended Services

Schedule Date: February 25, 2021

Growth-Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation *	Landowner's Share of the Linear Segment Costs (2021\$)	D.C. Eligible Costs (75%)	Wastewater Collection D.C. Payable (2021\$)^	Total Wastewater Collection D.C. Payable (2021\$)	Total Front-Ended Wastewater Collection D.C. To Be Recovered from Other Development (2021\$)#	Total Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (75%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 5,129,591	\$ 3,607	\$ 4,826,166	\$ 303,425	\$ 5,129,591
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 1,077,291	\$ 3,607	\$ 1,013,567	\$ 63,724	\$ 1,077,291
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 943,717	\$ 3,607	\$ 1,316,555	\$ (372,838)	\$ 1,316,555
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 542,960	\$ 3,607	\$ 757,470	\$ (214,510)	\$ 757,470
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 646,381	\$ 3,607	\$ 901,750	\$ (255,369)	\$ 901,750
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 131,862	\$ 3,607	\$ 183,957	\$ (52,095)	\$ 183,957
3 + 4	Dominion Packers & Realties (Ballantry)	700	\$ 10,203,865	43.1%	\$ 4,395,511	\$ 3,296,633	\$ 3,607	\$ 2,524,900	\$ 771,733	\$ 3,296,633
	Chantler - Residential	148		9.1%	\$ 929,337	\$ 697,002	\$ 3,607	\$ 533,836	\$ 163,166	\$ 697,002
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 306,116	\$ 3,607	\$ 234,455	\$ 71,661	\$ 306,116
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 988,990	\$ 3,607	\$ 757,470	\$ 231,520	\$ 988,990
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 857,125	\$ 3,607	\$ 656,474	\$ 200,651	\$ 857,125
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 1,507,032	\$ 3,607	\$ 1,154,240	\$ 352,792	\$ 1,507,032
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 16,124,701		\$ 14,860,840	\$ 1,263,861	\$ 17,019,512

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^Note 2: The Wastewater Collection D.C. of \$3,413 have been indexed from 2019 to 2021 at 5.67%

#Note 3: The Total Payable is the greater amount between the D.C. Eligible Costs of the Linear Segment (G) and the D.C. Payable (I)

Schedule Date: February 25, 2021

Non-Growth Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation *	Landowner's Share of the Linear Segment Costs (2021\$)	Non-Growth Costs (25%)	Wastewater Collection Overcontributions Per SDE (2021\$)^+	Total Wastewater Collection Overcontributions (2021\$)	Total Non-Growth Shortfall to be Recovered (2021\$)	Total Non-Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (25%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 1,709,864	\$ 1,356	\$ 1,814,328	\$ (104,464)	\$ 1,814,328
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 359,097	\$ 1,356	\$ 381,036	\$ (21,939)	\$ 381,036
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 314,572	\$ 1,356	\$ 494,940	\$ (180,368)	\$ 494,940
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 180,987	\$ 1,356	\$ 284,760	\$ (103,773)	\$ 284,760
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 215,460	\$ 1,356	\$ 339,000	\$ (123,540)	\$ 339,000
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 43,954	\$ 1,356	\$ 69,156	\$ (25,202)	\$ 69,156
3 + 4	Dominion Packers & Realties (Ballantry)	700	\$ 10,203,865	43.1%	\$ 4,395,511	\$ 1,098,878	\$ 1,356	\$ 949,200	\$ 149,678	\$ 1,098,878
	Chantler - Residential	148		9.1%	\$ 929,337	\$ 232,334	\$ 1,356	\$ 200,688	\$ 31,646	\$ 232,334
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 102,039	\$ 1,356	\$ 88,140	\$ 13,899	\$ 102,039
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 329,663	\$ 1,356	\$ 284,760	\$ 44,903	\$ 329,663
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 285,708	\$ 1,356	\$ 246,792	\$ 38,916	\$ 285,708
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 502,344	\$ 1,356	\$ 433,920	\$ 68,424	\$ 502,344
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 5,374,900		\$ 5,586,720	\$ (211,820)	\$ 5,934,186

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

+Note 3: The Overcontribution amounts for the Wastewater Collection represents 18% of the total overcontributions per SDE

#Note 4: The Total Payable is the greater amount between the Non-Growth Costs of the Linear Segment (G) and the Overcontributions Payable (I)

Schedule “D”

Form of Letter of Credit

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

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

We hereby authorize The Corporation of 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 Chief Administrative Officer 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 Town 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 “E”

Projection of the Timeframe for Recovery

The Wastewater Collection system will be constructed in phases. The timing of each phase will depend on the completion of the previous phase. The order of construction will be as follows:

- 1. Linear Segment #1 as described in Schedule “B1” to the Agreement;
- 2. Linear Segment #2 as described in Schedule “B2” to the Agreement;
- 3. Linear Segment #3 as described in Schedule “B3” to the Agreement;
- 4. Linear Segment #4 as described in Schedule “B4” to the Agreement.

Schedule “F”

Satisfaction Piece and Release

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the payment by the [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 THE 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], 2020 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 .

Schedule “E”

Projection of the Timeframe for Recovery

The Wastewater Collection system will be constructed in phases. The timing of each phase will depend on the completion of the previous phase. The order of construction will be as follows:

- 1. Linear Segment #1 as described in Schedule “B1” to the Agreement;
- 2. Linear Segment #2 as described in Schedule “B2” to the Agreement;
- 3. Linear Segment #3 as described in Schedule “B3” to the Agreement;
- 4. Linear Segment #4 as described in Schedule “B4” to the Agreement.

Schedule "F"

Satisfaction Piece and Release

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the payment by the [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 THE 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], 2020 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 .

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

BETWEEN:

2779176 ONTARIO 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 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:

2779176 Ontario Inc.
5520 Eighth Line
Erin, Ontario
N0B 1T0

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 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


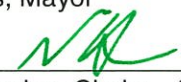

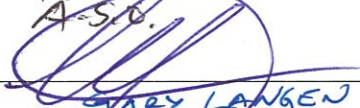
Schedule "E"	Satisfaction Piece and Full and Final Release
Schedule "F"	Letter of Credit
Schedule "G"	Front Ended Services Required to service the lands

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, CAO
)
)
) 2779176 ONTARIO INC.
)
) Per: 
) Name: TOM BASKERVILLE
) Title: A.S.O.
)
) Per: 
) Name: GARY LANGEN
) Title: A.S.O.
)
) I/We have authority to bind the corporation.

Schedule “A”

Legal Description of Owner’s Lands

FIRSTLY: PART LOT 16, CONCESSION 8 ERIN AS IN RO732357, SAVE & EXCEPT PART 1, PLAN 61R21410; SECONDLY: PART LOT 16, CONCESSION 8 ERIN, PART 1, PLAN 61R21372 TOWN OF ERIN (PIN: 71150-421 (LT)).

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 & Infill/Intensification	Existing Community & Infill/Intensification
SDEs Serviced	1,685	1,685	1,685	1,685
Cummulative 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
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Costs are presented in 2020 \$

Schedule “D”

Reservation of SDEs and DC Early Payment Instalments

Schedule Date: February 25, 2021

Development Charge (D.C.) Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Wastewater Treatment D.C. Per SDE (2021\$)^	Total Wastewater Treatment D.C. Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 10,548	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 10,548	\$ 14,113,224
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 10,548	\$ 2,963,988
10	Logel's Auto Parts Ltd.	-	\$ 10,548	\$ -
11	Town of Erin	-	\$ 10,548	\$ -
5	2779181 Ontario Ltd.	365	\$ 10,548	\$ 3,850,020
6	2779176 Ontario Ltd.	210	\$ 10,548	\$ 2,215,080
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 10,548	\$ 2,637,000
4	Dominion Packers & Realities (Ballantry)	700	\$ 10,548	\$ 7,383,600
16	Chantler - Residential	148	\$ 10,548	\$ 1,561,104
	Chantler - Non-Residential	65	\$ 10,548	\$ 685,620
3	Thomasfield Homes Ltd.	210	\$ 10,548	\$ 2,215,080
2	Carson Reid Homes Ltd.	182	\$ 10,548	\$ 1,919,736
1	D'Angelo	320	\$ 10,548	\$ 3,375,360
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 10,548	\$ 537,948
Subtotal		4,120		43,457,760

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Wastewater Treatment D.C. of \$9,982 have been indexed from 2019 to 2021 at 5.67%

Schedule Date: February 25, 2021

Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Overcontributions Per SDE (2021\$) ^+ #	Total Overcontribution Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 6,041	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 6,041	\$ 8,082,858
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 6,041	\$ 1,697,521
10	Logel's Auto Parts Ltd.	-	\$ 6,041	\$ -
11	Town of Erin	-	\$ 6,041	\$ -
5	2779181 Ontario Ltd.	365	\$ 6,041	\$ 2,204,965
6	2779176 Ontario Ltd.	210	\$ 6,041	\$ 1,268,610
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 6,041	\$ 1,510,250
4	Dominion Packers & Realities (Ballantry)	700	\$ 8,644	\$ 6,050,800
16	Chantler - Residential	148	\$ 6,041	\$ 894,068
	Chantler - Non-Residential	65	\$ 6,041	\$ 392,665
3	Thomasfield Homes Ltd.	210	\$ 8,644	\$ 1,815,240
2	Carson Reid Homes Ltd.	182	\$ 8,644	\$ 1,573,208
1	D'Angelo	320	\$ 8,644	\$ 2,766,080
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 6,041	\$ 308,091
Subtotal		4,120		28,564,356

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

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

#Note 4: The Overcontribution amounts for the Hillsburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

Schedule Date: February 25, 2021

Total Wastewater Treatment D.C. and Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Wastewater Treatment Plant D.C. and Overcontributions Per SDE (2021\$) ^+ #	Total Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 16,589	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 16,589	\$ 22,196,082
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 16,589	\$ 4,661,509
10	Logel's Auto Parts Ltd.	-	\$ 16,589	\$ -
11	Town of Erin	-	\$ 16,589	\$ -
5	2779181 Ontario Ltd.	365	\$ 16,589	\$ 6,054,985
6	2779176 Ontario Ltd.	210	\$ 16,589	\$ 3,483,690
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 16,589	\$ 4,147,250
4	Dominion Packers & Realities (Ballantry)	700	\$ 19,192	\$ 13,434,400
16	Chantler - Residential	148	\$ 16,589	\$ 2,455,172
	Chantler - Non-Residential	65	\$ 16,589	\$ 1,078,285
3	Thomasfield Homes Ltd.	210	\$ 19,192	\$ 4,030,320
2	Carson Reid Homes Ltd.	182	\$ 19,192	\$ 3,492,944
1	D'Angelo	320	\$ 19,192	\$ 6,141,440
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 16,589	\$ 846,039
Subtotal		4,120		72,022,116

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Wastewater Treatment D.C. and Overcontributions amounts have been indexed from 2019 to 2021 at 5.67%

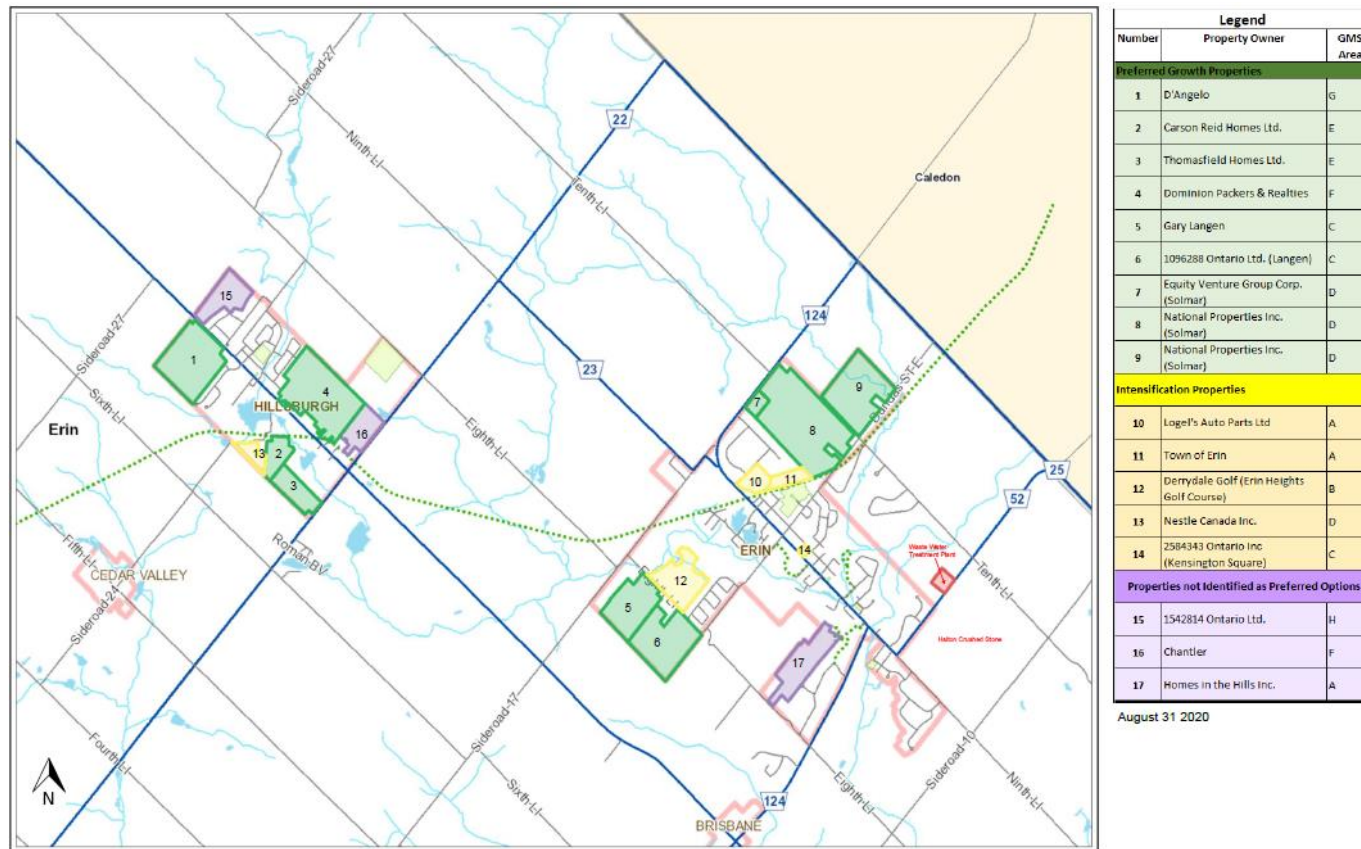
*Note 3: The Overcontribution amounts for the Wastewater Treatment Plant represents 82% of the total overcontributions per SDE

#Note 4: The Overcontribution amounts for the Hillsburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

Conversion Factor for Single Detached Equivalent (SDE) Units				
Unit Type	Persons Per Unit (Based on the 2019 D.C. Background Study)	Equivalent SDE	Wastewater Treatment D.C. Payable as of January 1, 2021	Wastewater Treatment Overcontribution (2021\$)
Singles and Semi Detached	3.193	1.00	\$10,548 Per Unit	\$6,041 Per Unit
Multiples	2.314	0.72	\$7,644 Per Unit	\$4,378 Per Unit
Apartments: 2 Bedrooms or more	1.618	0.51	\$5,345 Per Unit	\$3,061 Per Unit
Apartments: Bachelor and 1 Bedroom	1.375	0.43	\$4,542 Per Unit	\$2,602 Per Unit
Special Care/ Special Dwelling	1.100	0.34	\$3,634 Per Unit	\$2,081 Per Unit
Non-Residential			\$3.56 Per sq.ft.	\$0.00 Per sq.ft.

{L1918924.1}

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

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.

THIS FRONT-ENDING AGREEMENT is made this 31st day of October, 2020.

BETWEEN:

2779181 ONTARIO INC.

(collectively, the “Participating Owners”)

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWN OF ERIN

(the “Town”)

OF THE SECOND PART

WHEREAS:

1. In 2015, the Town completed the Urban Centre Wastewater Servicing Class EA, the purpose of which was to identify the preferred wastewater servicing solution to the existing residents and future development within the communities of Erin Village and Hillsburgh (collectively, the Communities”);
2. The Class EA recommended a wastewater collection system conveying all wastewater flows to a single wastewater treatment plant (“Wastewater Collection System”), to meet the existing Communities wastewater servicing needs and to support future population growth. The preferred solution further presented that the wastewater treatment plant would be located at the intersection of 10th Line and Wellington Road 52 south of Erin village, with treated effluent being discharged to the West Credit River on the west side of the bridge on Winston Churchill Boulevard on Wellington Road 52;
3. The Town has completed a study under the Development Charges Act, 1997, S.O. 1997, c. 27 (the “DCA”), that relates to the provision of services for which there will be an increased need as a result of development within the Communities and the Town proposes to enact a new Development Charge By-law to implement that study’s recommendations;
4. The study under the DCA included the estimated costs of the initial services and studies necessary to be front ended in order to consider the registration of plans of subdivision in that part of the Communities described in Schedule “A”, (the “Benefitting Lands”), the costs of which services and studies include:
 - A. the costs of all necessary studies and engineering design required to commence servicing of the Benefitting Lands, and
 - B. the cost of designing and constructing the Wastewater Collection System which will convey sanitary sewage to the proposed wastewater treatment plant, and which are required to service the Benefitting Lands.

These services and studies are more particularly described in clause 2.C. and Schedule “B” of this Agreement (the “Front Ended Services”);

5. The Director of Infrastructure Services and Engineering (the “Director”) has allocated the estimated costs of the Front Ended Services into the portions necessary to service each of the lands owned by the Front-Ending Owners in accordance with Schedule “C”;
6. The Parties have agreed to enter into this Agreement for the purpose of providing for the

construction, installation and financing of the Front Ended Services and the financing thereof, including the immediate payment of all costs by the Front-Ending Owners before any construction of the Front Ended Services commences and the collection of front ended payments from owners of the Benefitting Lands who may wish to connect to the Front Ended Services and who are not parties to this Agreement;

7. Council of the Town at its meeting of October 27, 2020 authorized the execution of this Agreement;

IN CONSIDERATION of the covenants expressed in this Agreement and other good and valuable consideration, the Parties covenant and agree, one with the other, 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 have the following meanings:

- a. **“Agreement”** means this Agreement and the Schedules hereto;
- b. **“Allocation Agreement”** means the Agreement, and schedules thereto, made under section 27 of the DCA between each Participating Owner and the Town and **“Allocation Agreements”** means all of them;
- c. **“Benefitting Area”** means all land located in the Town;
- d. **“Benefitting Lands”** means benefitting lands as defined in Recital 4.
- e. **“Benefitting Owner”** means an owner of Benefitting Lands intended for development;
- f. **“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;
- g. **“Capacity”** means Wastewater Services capacity expressed in SDEs;
- h. **“Consent Agreement”** means an agreement under subsection 53(12) of the PA;
- i. **“Cost Change”** means the difference between the total costs of the Front Ended Services as per the contracts awarded by the Town, or the updated estimates for the Front Ended Services, and the total estimated costs of the Front Ended Services as shown in Schedule “C” and includes changes resulting from the addition, deletion, deferral, or delay of Front Ended Services;
- j. **“DC”** means the development charges under the DCB;
- k. **“DCA”** means the Development Charges Act, 1997, S.O. 1997, c. 27, as amended or revised from time to time and any successor legislation;
- l. **“DCB”** means By-law No. 19-32, as may be amended from time to time and any successor by-law;
- m. **“Default”** means a failure by a Participating Owner to comply with an obligation of a Participating Owner under this Agreement by the date for complying;

- n. **"Defaulting Owner"** means the Participating Owner who is in Default;
- o. **"Director"** means the director as defined in Recital 5;
- p. **"Engineer"** means the engineer as defined in clause 5.D.;
- q. **"Front Enders"** means the front enders as defined in clause 5.C.;
- r. **"Front Ended Payment"** means front ended payments as defined in clause 2.C.;
- s. **"Front Ended Services"** means the front ended services as described in Recital 4;
- t. **"Government Approval"** means any approval, permission, licence, permit or any other approval of any kind whatsoever required from the federal or provincial government or any agency or board thereof or a conservation authority for the construction and operation of the Projects;
- u. **"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;
- v. **"Judicial and/or Administrative Proceedings"** means any judicial or administrative applications, actions, proceedings, appeals or reviews of any kind whatsoever related indirectly or directly to the subject matter of this Agreement;
- w. **"Letter of Credit"** means an unconditional and irrevocable 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 "D" hereto provided both the financial institution and letter of credit are acceptable to the Town;
- x. **"Notice"** means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- y. **"Planning Act"** means the Planning Act, R.S.O. 1990, c.P.13 as amended or revised from time to time and any successor legislation;
- z. **"Participating Owner"** means an owner of land in the Benefitting Area who has entered into this Agreement;
- aa. **"Participating Owner Lands"** means the lands of each of the Participating Owners described in Schedule "A" hereto and depicted in the sketch attached hereto as Schedule "A" hereto;
- bb. **"Parties"** means all of the Participating Owners and the Town;
- cc. **"Proportionate Share"** means the ratio obtained when the number of SDE reserved to a Participating Owner as shown in Schedule "B" hereto is divided by the total number of SDE available;
- dd. **"Recoverable Amount"** means the costs described in Schedule "B" per SDE and as may be adjusted from time to time and at any time, and which Recoverable Amount does not include any component of the costs of Front Ended Services that benefit the land of a Participating Owner;

- ee. **“Refunded Share”** means the refunded share as defined in clause 10.F.;
- ff. **“Town”** means The Corporation of the Town of Erin;
- gg. **“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;
- hh. **“Security”** means one or more Letter(s) of Credit in the form attached as Schedule “D” to this Agreement;
- ii. **“Site Plan”** means a plan under section 41 of the Planning Act;
- jj. **“Site Plan Agreement”** means an agreement under section 41(7) of the Planning Act;
- kk. **“Subdivision Agreement”** means an agreement under clause 51(25)(d) of the Planning Act;
- ll. **“Substantial Completion”** means a Front Ended Service is ready for use or is being used for purposes intended as certified in writing by the Town Director, his or her successor, equivalent or delegate;
- mm. **“Wastewater Collection Overcontribution”** means the Wastewater Collection Overcontribution referred to in Clause 2.C.IV. and as set out in Schedule “C”;
- nn. **“Wastewater Collection System”** means the Linear Trunk Sewers which will convey sanitary sewage to the proposed wastewater treatment plant.

2 – Front Ending Agreement

- A. Participating Owners acknowledge and agree that the Town has the statutory authority to enter into this Agreement and the Participating Owners agree that they shall not challenge the validity of this Agreement before a court of law or the Local Planning Appeal Tribunal.
- B. The Parties agree that the Front Ended Services are not local services as defined in s. 2(5) of the DCA, and are services which are:
 - I. required to enable the Participating Owners’ Lands and the balance of the lands within the Benefitting Area to be developed;
 - II. services for which development charges are payable under the development charge by-law; and,
 - III. eligible for inclusion in a front-ending agreement under the DCA.
- C. The Parties agree that all costs of design, construction and installation of the Front Ended Services used for the purpose of calculating the Front Ended Payments by the Participating and the Benefitting Owners shall be the reasonable costs of such construction and installation incurred by the Town or the Front-Ending Owners, as the case may be. For greater certainty such costs shall include the following:
 - I. all payments on contracts entered into for such design, construction or installation, as certified and accepted by the Director;
 - II. the cost of all acquisition of land or rights in land required to be acquired from owners

not front-ending;

- III. all engineering and other consulting fees, and all legal fees, whether paid to consultants or to the Town; and,
- IV. the payment of part of the cost of any studies and design required by this Agreement. Such costs shall not include:
 - i. any indirect overhead expense of a Participating Owner;
 - ii. any financing cost of a Participating Owner;
 - iii. the cost of any Security required by this Agreement; and
 - iv. the Wastewater Collection Overcontribution.

These costs shall form the basis of the payments which the Participating Owners and Benefitting Owners shall pay to the Town in accordance with clause 8 and clause 9 of this Agreement (the "Front Ended Payment").

3 – Allocation Agreement

- A. Participating Owners shall execute an Allocation Agreement for all of the Participating Owner's Lands at the same time as the Participating Owner executes this Agreement. It shall be a condition precedent to the validity of this Agreement that the Participating Owner has also executed an Allocation Agreement to the satisfaction of the Town.
- B. In order to be in good standing pursuant to this Agreement, each Participating Owner must not be in Default under:
 - I. this Agreement; or
 - II. the Allocation Agreement.

4 – Timing and Construction of the Front Ended Services

- A. Despite any payments by the Front-Ending Owners under this Agreement pursuant to clause 8., and subject to clause 10., the Town shall:
 - I. be responsible for the design, engineering, tender, construction, installation, operation and maintenance of the Front Ended Services;
 - II. own the Front Ended Services; and,
 - III. be entitled to impose, from time to time and at any time, such fees and charges directly and indirectly related to the collection, transmission, treatment and disposal of wastewater as the Town considers necessary or desirable under Part XII (Fees and Charges) of the MA, 2001, or any other user fee or charge permitted by statute.
- B. The Town may delay, defer, or cancel one or more of the Front Ended Services, in its sole and absolute discretion, and in whole or in part, if one or more of the Participating Owners fails to:
 - I. execute this Agreement;

- II. execute the Allocation Agreement;
- III. subscribe to all of the available SDE units, in whole or in part.

The Town and the Participating Owners agree to undertake best efforts to work together to address any shortfall respecting subscription to available SDE units.

- C. The Participating Owners agree and acknowledge that the deferral, delay, or cancellation of one or more Front Ended Services under clause 4.B. may delay the completion of one or more Front Ended Services, which, in turn, may delay development of the Participating Owner's Lands and lands within the Benefitting Area.
- D. If the Town exercises its rights of deferral, delay, or cancellation under clause 4.B., the Town shall give 30 Business Days of Notice to each Participating Owner of the Front Ended Services it intends to delay, defer, or cancel, and the length of the delay, if known at the time the Notice is given.
- E. The Town and the Participating Owners agree and acknowledge that clauses 4.B. is for the sole benefit of the Town, and the Town may waive such clause, in whole or in part, or be modified from time to time and at any time by the Town in its sole and absolute discretion.
- F. Despite clause 4.A., the Town may, in its sole and absolute discretion, permit one or more of the Front Ended Services to be designed or constructed or both by one or more of the Participating Owners pursuant to the requirements outlined in clause 5.
- G. Despite clause 4.F., and despite the contents of Schedule "B", the Town may, in its sole and absolute discretion, change or delete Front Ended Services contained on Schedule "B". Schedule "B" is deemed conclusively to be amended without formal amendment to this Agreement. If the Town changes any of the Front Ended Services on Schedule "B", the Town shall give Notice to the Owner within 30 Business Days of making such change.

5 – Election by Front-Ending Owners to Construct Services

- A. The Participating Owners may elect to construct and install a part or the whole of the Front Ended Services in accordance with clause 5 of this Agreement through strict compliance with the requirements of clause 5.B. After such compliance and obtaining all necessary Government Approvals, subject to the terms of this Agreement, construction and installation of the Front Ended Services may be commenced. In the case of that part of the Front Ended Services which services only one Participating Owner, the election may be submitted by that Participating Owner alone. In the case of that part of the Front Ended Services which services more than one Participating Owner, the election shall only be considered by the Town if it is submitted by all Participating Owners serviced by those portions of the Front Ended Services.
- B. If any one or all of the Participating Owner(s) desire to construct all or any portion of the Front Ended Services as described in Schedule "B", they shall first apply to the Director for the following:
 - I. approval of the choice of the Engineer for the Participating Owner;
 - II. an up-to-date estimate of the cost of the portion to be installed and constructed, together with any additional requirements of the Director not provided for in this Agreement; and
 - III. the amount of the Security to guarantee the Front Ended Services to be installed and constructed. Security shall be prescribed by the Director in his sole and absolute discretion based upon the extent of the services to be installed and constructed, which amount will not be less than 110% and not more than 125% of the cost of the Front Ended Services to be installed and constructed. The Security shall be in the form attached hereto as Schedule "D".

Before commencing any installation or construction, the Participating Owner(s) shall deliver to the Director a Notice of election to proceed together with the following:

- IV. a description of the portion of the Front Ended Services to be installed and constructed which must be one of the portions described in Schedule "B",
 - V. a certified cheque equal to 15% of the up-to-date costs of the services to be installed and constructed as engineering fees; and,
 - VI. Security from a Canadian chartered bank in a form satisfactory to the Town in the amount prescribed by the Director. The Town, in its sole and absolute discretion, may require that the Security be from a Schedule "1" Canadian chartered bank. The Security will be held by the Town as Security for the obligations of the Participating Owner(s) in accordance with this Agreement.
- C. Notwithstanding anything else contained in this Agreement, Participating Owner(s) that comply with clause 5.B. shall be permitted to construct part or the whole of the Front Ended Services, if and only if the Town first grants its consent to such Participating Owner, in writing, which consent may be arbitrarily withheld (referred to hereinafter as the "Front Ender(s)").
 - D. The Front Ender(s) agree to retain a competent consulting engineer experienced in the municipal engineering field (the "Engineer"). The Engineer or his successor shall be approved by the Director and shall carry out all necessary engineering requirements in accordance with this Agreement and with the Guideline for Engineering Services to Municipalities. The Engineer shall be retained by the Front Ender until all requirements of this Agreement have been completed to the satisfaction of the Director.
 - E. The Front Ender(s) agree to construct the Front Ended Services as shown on a set of drawings approved and signed by the Director. The preparation of the drawings shall be undertaken according to the Town's design criteria, design standards and specifications and procedures as amended from time to time.
 - F. The Front Ender(s) agree not to let any contract for the performance of any of the works unless the contractor has been first approved by the Director, which approval may be unreasonably withheld. The contract(s) shall provide that the Director may inspect the construction of the Front Ended Services and shall have authority to instruct the contractor(s) to stop work should any construction be undertaken contrary to the provisions of this Agreement and the Town's design criteria, standards and specifications.
 - G. The Front Ender(s) agree to provide the Town with ten Business Days of Notice before commencing the installation or construction of the Front Ended Services.
 - H. The Front Ended Services shall be completed within a maximum of 18 months from commencement.
 - I. The Front Ender(s) agree that the Director may inspect the construction work under any contract, but such inspection shall in no way relieve the Front Ender(s) from its responsibility to inspect the work itself. If, at any time, the construction of all works is not, in the opinion of the Director, being carried out in accordance with the provisions of this Agreement, and in accordance with good engineering practices, the Director may issue instructions to the Front Ender(s) or to the Engineer to take such steps as deemed necessary to procure compliance with the provisions of this Agreement. Such instructions may be written, or may be verbal, in which case the Director shall confirm them in writing within 24 hours. In the event that neither the Front Ender(s) nor the Engineer is present at the site of the works to receive such verbal instructions, the Director may instruct the contractor(s) or workers to cease work forthwith.
 - J. The Front Ender(s) shall undertake and pay for a sewer video inspection program for the Front Ended Services installed and constructed. These works shall be undertaken by a qualified company and be approved by the Director prior to the work being undertaken. The Front

Ender(s) shall provide a copy of such video inspection and written reports to the Town in a format as specified by the Town. The sewer video inspection shall be carried out prior to acceptance for maintenance by the Town. The said video shall demonstrate to the Director's satisfaction that the Front Ended Services function to the Town's satisfaction, failing which the Front Ended Services shall be corrected to the satisfaction of the Director.

- H. The Front Ender(s) agree that all streets in the vicinity of construction of the Front Ended Services shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender or Parties employed by the Front Ender(s) in the construction of the Front Ended Services, or by contractors so employed, will be repaired or restored immediately.
- L. The Front Ender(s) agree not to foul any public streets and further agrees to provide the necessary persons and equipment, to be available on reasonable Notice at all times, to keep such streets clean. All trucks making deliveries to or taking materials from the construction site shall be adequately covered and reasonably loaded so as not to scatter refuse, rubbish, or debris on the abutting streets.
- M. If, in the opinion of the Director, these requirements are not complied with, the Town may do the work as required and upon demand, the Front Ender(s) shall forthwith pay to the Town the full cost thereof. If the Front Ender(s) fail to make the payment as required by the Town, such failure will constitute a Default and the Town may draw upon the Security.
- N. The Front Ender(s) agree that all public works on adjoining lands shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender(s) or parties employed by the Front Ender(s) during construction or by contractors so employed, will be repaired and restored immediately.
- O. When, after the Front Ender(s) have commenced construction of the Front Ended Services but before the assumption thereof by the Town, the Front Ended Services do not function, or do not function properly, and in the sole opinion of the Director, repairs are necessary to be made immediately to prevent damage or hardship to persons or property, the Front Ender agrees that the Town, its servants, employees or agents, may make whatever repairs may be deemed necessary. The Front Ender further covenants and agrees to reimburse the Town for any expense incurred in making the repairs. If the Front Ender(s) fail to make the payment as required by the Town, the Town may draw upon the Security.
- P. The Town agrees to give Notice to the Front Ender(s) within 2 Business Days from the date of entry by the Town of the nature and extent of the emergency and repairs which were necessary.
- Q. The Front Ender(s) agree to maintain and keep in a proper state of repair and operation the Front Ended Services installed and constructed by the Front Ender(s) for a minimum period of 24 months from the date of acceptance for maintenance by the Town.
- R. The Front Ender(s) agree that the whole or any part of the Front Ended Services, when constructed and assumed by the Town, shall vest in the Town and the Front Ender(s) shall have no claims or rights thereto other than those accruing to it as an owner of land abutting on streets on which services have been installed.
- S. Performance and maintenance guarantees:
 - I. The Security provided to the Town in accordance with clause 5.B.III or clause 6.B.II, as the case may be, and any additional security or moneys provided hereunder, may be drawn upon by the Town, at any time, for any Default by the Front Ender under this Agreement and for any other purpose specified in this Agreement. If any lien is filed or registered under the *Construction Act*, R.S.O. 1990, c. C.30, as amended, this shall constitute a Default. Upon such Default, the Town may draw upon the Security for payment into court of the hold-back moneys, plus interest and costs, if deemed necessary by the solicitor for the Town to satisfy its requirements under the *Construction Act*.

- II. Notwithstanding anything else contained in this Agreement, the Security required pursuant to clause 6.B. shall be in the amounts set out in Schedule "C" and in the form set out in Schedule "D" to this Agreement and shall be posted immediately upon the execution of this Agreement and may be utilized by the Town, in its discretion for the construction and installation of the Front Ended Services at any time.

- III. The Front Ender(s), when not in Default of this Agreement, may apply for acceptance for maintenance by the Town of the Front Ended Services after completion of construction and compliance with clauses H., T., and U. Upon the Director approving such acceptance, any security held by the Town may be reduced up to 25% of the value of the work at the commencement of construction as estimated by the Director. Prior to the reduction of security held by the Town for any Front Ended Services, the Front Ender(s) must supply the Town with the following documentation:
 - i. statutory declaration of works completed and contractors and subcontractors having been paid;
 - ii. Workplace Safety and Insurance Board clearance certificate; and,
 - iii. expiration of the construction lien period.

- IV. Upon application by a Front Ender after the expiry of the maintenance period of 2 years, and after compliance with this Agreement satisfactory to the Director, the Town will release all Security held to secure the construction of the whole or the portion of the Front Ended Services for which assumption is granted.

- T. Before commencing any of the works provided for in this Agreement, the Front Ender(s) shall supply the Town with a liability insurance policy in the minimum amount of \$5,000,000.00 in a form satisfactory to the Town solicitor, indemnifying the Town from any loss arising from claims or damages, injury or otherwise in connection with the work done by or on behalf of the Front Ender. The policy shall contain a completed operations clause and shall have no exclusion for blasting. In the event any renewal premium is not paid, the Town, in order to prevent the lapse of such liability insurance policy, may pay the renewal premium or premiums and the Front Ender agrees to pay the cost of such renewal or renewals within 10 Business Days of the account therefor being rendered by the Town.

- U. Immediately prior to acceptance for maintenance by the Town of the Front Ended Services, the Front Ender(s) agree as follows:
 - I. to flush all sewers and manholes free of road materials, building debris, and other foreign matter; to clean such materials from the system; to provide video inspection as required under clause 5.J.; and to rectify any deficiencies the video inspection may reveal;
 - II. to sweep abutting roadway pavement, including sidewalks, clear of building debris and earth deposits, and to clean and remove all such material;
 - III. to rectify and repair all damages to adjacent public services;
 - IV. to rectify and repair all settlements, depressions or other defects on roadways, until assumption of the Front Ended Services, and
 - V. to furnish the Director with:

- i. a statutory declaration from the Front Ender that all contractors and subcontractors associated with the construction of public works have been paid;
 - ii. a certificate from the Engineer indicating the final construction costs for the public works based on the actual construction contract, and
 - iii. payment of additional engineering fees, if required by the Director, based on the final construction costs of the public works certified by the Engineer.
- V. The Town agrees that the acceptance for maintenance of the Front Ended Services shall take place upon fulfilment of the following conditions:
 - I. all sewers and manholes are clean and free of road materials, building debris and any other foreign matter;
 - II. all roadway pavements and sidewalks are clean and free of building debris and earth deposits;
 - III. all damage to adjacent services has been repaired or rectified to the satisfaction of the Director;
 - IV. all settlements, depressions or any other defects on roadways have been repaired to the satisfaction of the Director;
 - V. the Director has received:
 - i. a statutory declaration from the Front Ender that all contractors and subcontractors associated with the construction of the Front Ended Services have been paid;
 - ii. a satisfactory set of “as constructed digital files and drawings” of all works required to be done by this Agreement in a form that meet Town specifications;
 - iii. a certificate from the Engineer indicating the final construction costs for Front Ended Services based on the actual construction contract; and,
 - iv. payment of additional engineering fees, if required by the Director, based on the final construction costs of the Front Ended Services certified by the Engineer;
 - v. the Front Enders(s) are not in Default of any terms or conditions of this Agreement.

6 – Election for Town to Construct Services

- A. If the Participating Owners do not elect to construct the Front Ended Services themselves pursuant to clause 5, or if the Town does not consent to the same pursuant to clause 5, the Town may construct and install the whole or part of the Front Ended Services in accordance with the requirements of clause 6.B.
- B. If the Town commences installation and construction of all or any portion of the Front Ended Services as described in Schedule “B”, the Participating Owners shall provide to the Director any additional requirements of the Director not provided for in this Agreement. The Town agrees to call tenders and commence construction and installation of a portion or the whole of the Front Ended Services within a reasonable time after providing the Participating Owners with Notice of the following:
 - I. a description of the portion of the Front Ended Services to be constructed which must be one of the portions referred to in Schedule “B”; and

- II. confirmation that Security from a Canadian chartered bank in a form satisfactory to the Town solicitor in the form set out in Schedule “D” to this Agreement was posted at the time that this Agreement was executed.

- C. In the event that the Participating Owners fail to provide any of the matters set out in clause 6.B., the Town shall be permitted to provide same itself and utilize the Security to pay for same. The Town may also draw upon the Security in its discretion to pay the Front Ended Service costs. If the amount of the Security is insufficient to pay for the total cost of the works, the Participating Owners who delivered the Notice of election, agree to immediately pay to the Town such deficiency or to deliver additional Security upon demand therefor and the Town may cease construction of, or prevent connection to the Front Ended Services, until such deficiency is paid. The Town shall return any unused Security in excess of the amount required to complete the Front Ended Services and to maintain the Front Ended Services for a minimum period of 5 years, in the discretion of the Director. The Security shall be issued by a Schedule “1” Canadian chartered bank.

- D. Whenever and to the extent that the Town shall be unable to fulfil, or shall be delayed or restricted in fulfilling its obligation to construct the Front Ended Services, for any cause beyond its control, the Town shall be relieved from its obligation during the period during which it is unable to fulfil or is delayed or restricted in fulfilling its obligations.

7 – Rights of Way

- A. All Front Ended Services installed and constructed under this Agreement shall be located in road allowances or easements approved by the Director and granted to the Town, free and clear of all encumbrances.

- B. In the event a Notice of election is delivered according to clause 5 or clause 6 of this Agreement, no installation and construction shall commence until the Town Solicitor is satisfied that all rights in land required by the Director have been conveyed to the Town or agreements to convey have been executed.

- C. Upon request from a Participating Owner who desires to construct services through lands approved by the Director, but owned by others, the Town shall assist, at the cost of such Participating Owner, in obtaining rights to construct and maintain services on such lands. For greater certainty, the Town is not obligated to commence expropriation proceedings to assist a Participating Owner in this clause.

8 – Front Ended Payments

- A. While this Agreement remains in force, the Town agrees to use its best efforts to impose the requirement of a Front Ended Payment by all owners of land in the Benefitting Area to be connected to the Front Ended Services (except for Participating Owners who shall pay the cost of the Front Ended Services upon execution of this Agreement) in the amount calculated according to clauses 8.E. and 8.F of this Agreement, and as a condition to any development approval referred to in s. 2(2) of the DCA.

- B. The Town agrees to place money received as Front Ended Payments in a special reserve account and, provided that a notice of election has been given and clause 5.B. has been complied with, the Town shall immediately, upon receipt of the money, by registered mail:
 - I. notify the appropriate Participating Owners who have paid the cost of the Front Ended Services that the money is available to be paid out, and,

 - II. advise the appropriate Participating Owners to whom the Town proposes to pay the delivery of the said money.

Upon the delivery of said Notice from all the Participating Owners who have paid the cost of the Front Ended Services, the Town shall pay to the person or persons named in the Notice without

Upon the delivery of said Notice from all the Participating Owners who have paid the cost of the Front Ended Services, the Town shall pay to the person or persons named in the Notice without interest, the proportion of the money received by the Town to which the party is entitled as set out in the Notice.

- C. The Parties confirm that the reasonable cost to the Town in processing the collection of front end payments while this Agreement remains in force is 3% of all such payments. Accordingly, there shall be deducted from all such payments paid into the special reserve account, an amount equal to 2% to cover the legal and administrative costs of the Town.
- D. The Town may, at any time prior to the giving of a Notice for any part or the whole of the Front Ended Services in accordance with clause 5 or clause 6 of this Agreement, approve limited development in any part of the Benefitting Lands not serviced by the Front Ended Services, which development will ultimately be required to connect to the Front Ended Services but which, in the opinion of the Director, may proceed on an interim basis with alternate sewerage and water facilities. In such event, the Town shall charge such development a front end payment calculated in accordance with clause 8.E. and such payment or payments shall be placed in a special reserve account and be applied to reduce the cost of front ending by the Parties.
- E. The Front Ended Payment to be charged against all development in the Benefitting Area to fund the Front Ended Services shall be calculated as set out in Schedule "C". Each Owner shall fund only the linear segment shown next to each Owner's name on Schedule "C". Where more than one Owner is shown for a single linear segment, each Owner shall pay only the "Percentage of Linear Segment Allocation" shown in the column of the table so labelled on Schedule "C" for the said linear segment.
- F. The Town, in its sole and absolute discretion, may adjust the front ended payment in clause 8.E. in the event that:
 - I. there is a Cost Change between the commencement of this Agreement and the conclusion of the Adjustment Period; or
 - II. one or more Front Ended Services are deferred, waived, cancelled, or removed pursuant to clauses 4.B or 4.G.
- G. The Town and the Participating Owners agree and acknowledge that the total amount of Front Ended payments with respect to each Participating Owner included therein are correctly described in Schedule "C" of this Agreement, subject to any adjustments under clause 8.F.
- H. Every payment made by a Participating Owner for the cost of the Front Ended Services shall entitle such Participating Owner to a reservation of available capacity, in the amount set out in the Allocation Agreements (expressed as SDEs).
- I. The total Front Ended Payments may be increased due to any Cost Changes and the Town shall give each Participating Owner Notice of its Relative Share of the increase. A Participating Owner shall have fifteen Business Days from the giving of the Notice to provide an increase to its Security under this Agreement for the amount set out in the Notice. If the payment is not received, the Town may defer, waive, cancel, or remove all or part of the Front End Services pursuant to clauses 4.B or 4.G. until the matter is remedied.
- J. Following any Cost Change, the Town shall provide a revised Schedule "C" as adjusted under clause 8.F to the Participating Owners. If any revisions are made hereunder, this Agreement shall be conclusively deemed to be amended by replacing Schedule "C" with the revised Schedule "C".
- K. If the Town determines that it does not require any of the Security it holds for the Front Ended Services, it shall release any excess Security it then holds.

9 – Benefitting Owner Payments

- A. From and after October 31, 2020, every Benefitting Owner shall pay, by certified cheque or bank draft, to the Town upon the earlier of such Owner entering into a Subdivision Agreement, a Consent Agreement or a Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the Planning Act have been met, or obtaining a building permit for the development of the Benefitting Owner's land:
 - I. for the Recoverable Amount per SDE in the Subdivision Agreement, Consent Agreement, Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the PA have been met, or permitted by the building permit plus interest in accordance with the *Development Charges Act, 1997*; and,
 - II. all development charges payable under the DCB, as may be amended from time to time and any successor development charge by-laws.

10 – Participating Owner Recoveries

- A. Each Participating Owner shall recover its Front Ended Payments as described in Schedule "B" of this Agreement by receiving its Proportionate Share of Recoverable Amount.
- B. A projection of the time frame for recovery by the Participating Owners of the Front Ended Services is set out in Schedule "E". The Participating Owners acknowledge and agree:
 - I. Schedule "E" is for illustration purposes only;
 - II. the Town makes no representations or warranties of any kind whatsoever that the Participating Owners shall experience recoveries in the amounts and at the times shown on Schedules "E" and "G"; and,
 - III. their actual recoveries shall be dependent on the pace of residential development through-out the Town after October 31, 2020.
- C. The Participating Owners acknowledge and agree:
 - I. that the Town's DCB and payments thereunder, and as such by-law may be amended from time to time and any successor development charge by-laws, is fair and reasonable, provided nothing herein shall preclude the Participating Owner from appealing any amending or successor development charge by-law enacted after the commencement of this Agreement; and,
 - II. to pay or cause to be paid all of the development charges of the Town in respect of the Front Ended Services, in the amounts specified in the Allocation Agreement and this Agreement.
- D. All credits under this Agreement with respect to the Front Ended Services shall be granted and administered solely in accordance with each Participating Owner's Allocation Agreement.
- E. If and when the Town receives payments for the amounts described in clause 10.A., it shall refund semi-annually commencing upon the review by the Town Council of the Development Charges Reserve Statement to each Participating Owner, that Participating Owners "Refunded Share" (as defined below) of the amounts received by the Town, provided that Town has received from each such Participating Owner a Satisfaction Piece and Full and Final Mutual Release in the Form attached hereto as Schedule "F".
- F. The amount to be refunded to each Participating Owner pursuant to clause 10.E. above shall be calculated as follows:

- I. the total amount of Front Ended Payment made by the Participating Owner; less
 - II. the total amount of DC Credit available to the Participating Owners for the Front Ended Services; divided by
 - III. the total amount of the Front Ended Payment.
- (“Refunded Share”)

11 – Land Dedications

- A. The Town’s Director, equivalent or delegate may, from time to time and at any time, give the Notice described in this clause. No later than 30 Business Days after written Notice is given under this clause to the Participating Owner by the Town’s Director, successor, equivalent or delegate, the Participating Owner shall convey from the Participating Owner’s Lands in fee simple to the Town, for nominal consideration and free and clear of all encumbrances and restrictions, all necessary lands, easements, other interests in land, approvals, rights, interests, licences and any other agreements of every kind whatsoever which are or may be required by the Town in order to give the Town, its employees, officers, sub-contractors, servants and agents the full right, power and authority to construct, install, operate (including permitting connections thereto), inspect, repair and replace the Front Ended Services and all related works and services.
- B. If the Participating Owner fails to convey the lands, easement other interests in land, approvals, rights, interests, licenses and any other agreements as identified by the Town’s Director, his successor, equivalent or delegate as required by the Town, such failure shall be considered an event of Default to which clause 15 of this Agreement apply.

12 – Transfer of SDE Capacity

- A. The transfer of Capacity expressed in SDE shall be governed by the Allocation Agreement.
- B. The Participating Owner(s) and their respective heirs, administrators, successors and permitted assigns shall not transfer title to all or any part of the Participating Owner’s Lands unless the transferee(s) of such lands agrees in writing to unconditionally assume the rights and obligations of the Participating Owner(s) pursuant to this Agreement and such agreement is delivered to the Town, whereupon the transferring Participating Owner(s) shall be automatically released and relieved from any further obligation under this Agreement. The rights and obligations of the Participating Owner(s) shall not be assigned by the Participating Owner(s) to a successor in title to all or a portion of the Front-ending Owner’s Lands until such heirs, administrators, successors and permitted assigns have entered into an agreement with the Town agreeing to be bound by the provisions of this Agreement. Assignment shall only be permitted with the written approval of the Town, which approval may be arbitrarily withheld. The transfer of capacity granted within Erin Village may only be transferred to the lands within Erin Village and capacity granted within Hillsburgh may only be transferred to lands within Hillsburgh.

13 – Limitations and Conditions

- A. Despite anything in this Agreement to the contrary, the Town’s obligations in respect of installation, construction, and operation of a 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 Participating Owner(s) in writing that the Town has elected not to proceed with the Front Ended Services. Upon the giving of such Notice, the provisions of clauses 4.B to 4.E. shall apply with all necessary modifications.
- B. The Participating Owners acknowledge and agree that this Agreement and the Allocation 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 Allocation Agreement.

14 – Representations and Warranties

- A.** The Participating 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 Participating Owner is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II.** the Participating 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 Participating Owner and constitutes a valid and binding obligation of the Participating Owner, enforceable against the Participating 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 Participating Owner; and,
 - V.** the Participating 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:
 - i.** 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
 - ii.** 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.
- C.** Each Participating Owner acknowledges that it has read, understood and obtained independent legal advice respecting Part III 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 III of the DCA.

15 – 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 18.
- B.** The Participating 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 Participating Owners shall first execute this Agreement;
 - II.** Each Participating Owners shall in accordance with Fee By-law No. 19-60 reimburse the Town for the administrative, legal, and consultant costs it incurred in connection with this Agreement and any amendments thereto; and
 - III.** If there are no Judicial or Administrative Proceedings as of the date upon which the Participating Owners execute the Agreement, the Town shall execute this Agreement within 5 Business Days of the Participating Owners execution of the Agreement.
- C.** If the Participating 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 20 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 Participating 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.
- D.** If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 15.C. or any extension thereof, then:
 - I.** the Town shall give Notice in writing to the Defaulting Owner and all other Participating Owners that the Participating Owner is a Defaulting Owner; and,
 - II.** a Participating Owner shall be deemed conclusively to be in Default of the Allocation Agreement and the Town shall have available to it all remedies available pursuant to the Allocation Agreement in order to remedy a Default under this Agreement.

16 – Enurement, 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.** Pursuant to section 56 of the DCA, the Town may register notice of this Agreement on the title to any of the Participating Owners' Lands with the intention that the provisions of this Agreement shall bind and run with title to the Participating Owner's Lands. The Participating Owner consents to such registration at its sole cost and expense.
- C.** The Participating Owner shall be entitled to have this Agreement released from title to:
 - I.** all or such part of the Participating Owner's Lands where the Participating Owner is not a Defaulting Owner or, if the Front-ending Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 15.C.; or
 - II.** all of the Participating Owner's Land following the final reconciliation and adjustments under the Allocation Agreement between the Participating Owner and the Town provided the Participating Owner is not a Defaulting Owner or, if the Participating Owner is a Defaulting Owner, the Participating Owner has cured the Default,

provided the Participating 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 except for the Town's obligation under clause 10.D. in the form and having the substance of the satisfaction piece and full and final release described in Schedule "F" hereto. Any such release from title shall be at the Participating Owner's sole cost and expense.

- D. In addition to the foregoing, a Participating Owner shall be entitled to have this Agreement released from title to any part of such Participating Owner's Lands which are to be transferred to the Town, a school board, utility, or any other applicable public authority. Any such release from title shall be at the Participating Owner's sole cost and expense.
- E. Where the Participating Owner is entitled to a release of this Agreement from title under clause 16.D., the Town shall deliver to the Participating Owner, within 20 Business Days of a written request from the owner, an executed release in registrable form discharging the Owner from its obligations under this Agreement.

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

- A. The Participating 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 or cancellation of the Front Ended Services under the provisions of this Agreement; and/or
 - II. the failure to make a full repayment.
- B. If the Town, by virtue of having entered into this Agreement or of carrying out any of the Front Ended Services or actions contemplated hereunder, is made a party to any Administrative or Judicial Proceedings commenced by or against a Participating Owner, the remaining Participating Owners 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 waiver under it is not enforceable for any reason whatsoever against the Town, the Participating Owner(s), Benefiting Owner(s) and/or any other person(s), the Participating Owners acknowledge and agree 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 Participating Owners acknowledge and agree that:
 - I. the Participating Owners 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 and incurred debt to fund part of the cost of the Front Ended Services;
 - III. the Participating Owner's Lands benefited from the Front Ended Services; and
 - IV. it would be unjust and inequitable for any Participating Owner to demand or receive repayment of any monies paid or contributed under this Agreement.
- 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.
- 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 the Agreement.

18 – Final Reconciliation of the Recoverable Amount

- A. For each Participating Owner, 6 months after the final remittance under clause 10, the Town shall prepare and send to the such Participating Owner a final reconciliation setting out the amount:
 - I. drawn from and remaining of the Security;
 - II. collected from Benefiting Owners; and,
 - III. remitted under clause 10.D. of this Agreement.

19 – 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.

20 – List of Schedules

The following schedules are attached and form part of this Agreement:

- A. Schedule “A” being a description of the Participating Owner Lands and the Benefitting Lands;
- B. Schedule “B” being a description of the Front Ended Services;
- C. Schedule “C” being an estimate of the costs of various portions of the Front Ended Services required to service the Front-ending Owners;
- D. Schedule “D” being the form of the Letter of Credit;
- E. Schedule “E” being a Projection of the Timeframe for Recovery by the Participating Owners; and,
- F. Schedule “F” being a Satisfaction Piece and Full and Final Release.

21 – Notice

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

- I. to the Participating Owners as follows:

Gary Langen
2779181 Ontario Inc.

5552 Eighth Line,
Erin, Ontario N0B 1T0

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 Participating Owners; 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. if by telecopier transmittal, on the date of transmission delivery.

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.

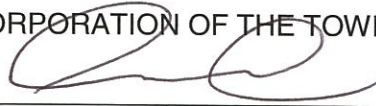
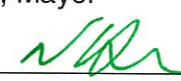

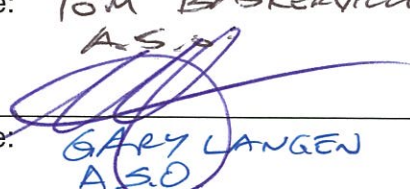
C. The Participating Owners and the Town shall promptly give Notice as hereinbefore provided of any change in name, address or other particulars.

22 – 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 Agreement. 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.

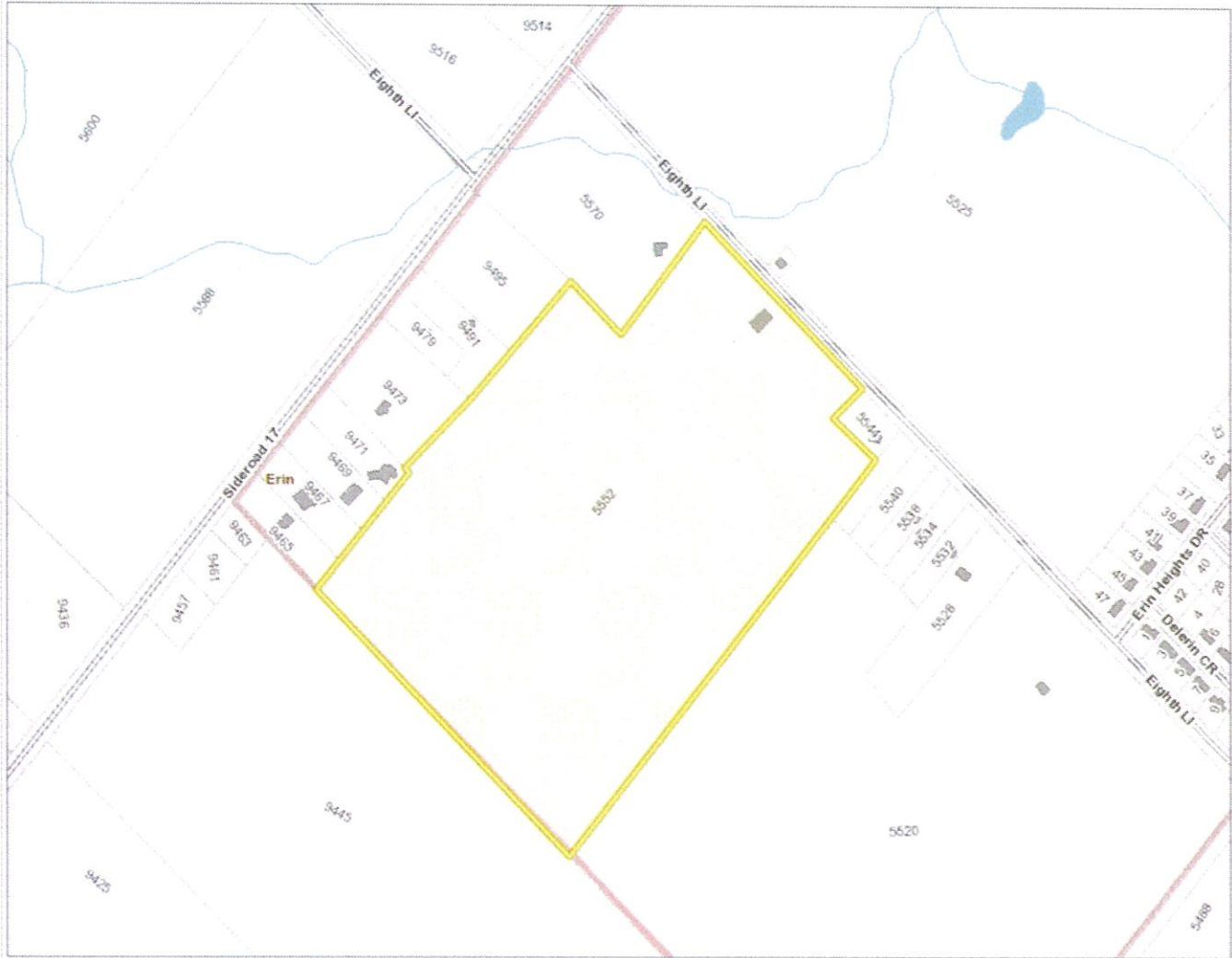
SIGNED, SEALED AND DELIVERED
In the presence of

) THE CORPORATION OF THE TOWN OF ERIN
)
) Per: 
) Allan Ails, Mayor
)
) Per: 
) Lisa Campion, Clerk Nathan Hyde, CAO
)
)
) 2779181 ONTARIO INC.
)
) Per: 
) Name: TOM BASKERVILLE
) Title: A.S.O.
)
) Per: 
) Name: GARY LANGEN
) Title: A.S.O.
)
) I/We have authority to bind the corporation.

Schedule “A”

The Participating Owner Lands

PT LT 17, CON 8, ERIN, PART 3, 61R20446 & PT LT 17, CON 8, ERIN AS IN ROS235079 EXCEPT PT 1, 61R6356 TOWN OF ERIN (PIN: 71150-403 (LT))



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The Benefitting Lands

The Benefitting Lands are all lands located within the Town of Erin.

Schedule “B”

Description of Front Ended Services

1.	Linear Segment #1 (Shown in Schedule “B1”)	-	\$5,190.00 per SDE
2.	Linear Segment #2 (Shown in Schedule “B2”)	-	\$4,963.00 per SDE
3.	Linear Segment #3 (Shown in Schedule “B3”)	-	\$4,709.00 per SDE
4.	Linear Segment #4 (Shown in Schedule “B4”)	-	\$4,709.00 per SDE

Schedule “B1”

Description of Linear Segment #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.

Schedule “B2”

Description of Linear Segment #2

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

Schedule “B3”

Description of Linear Segment #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.

Schedule “B4”

Description of Linear Segment #4

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

Schedule “C”

Estimate of the Individual and Total Costs of the Fronted Ended Services

Schedule Date: February 25, 2021

Growth-Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation *	Landowner's Share of the Linear Segment Costs (2021\$)	D.C. Eligible Costs (75%)	Wastewater Collection D.C. Payable (2021\$)^	Total Wastewater Collection D.C. Payable (2021\$)	Total Front-Ended Wastewater Collection D.C. To Be Recovered from Other Development (2021\$)#	Total Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (75%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 5,129,591	\$ 3,607	\$ 4,826,166	\$ 303,425	\$ 5,129,591
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 1,077,291	\$ 3,607	\$ 1,013,567	\$ 63,724	\$ 1,077,291
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 943,717	\$ 3,607	\$ 1,316,555	\$ (372,838)	\$ 1,316,555
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 542,960	\$ 3,607	\$ 757,470	\$ (214,510)	\$ 757,470
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 646,381	\$ 3,607	\$ 901,750	\$ (255,369)	\$ 901,750
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 131,862	\$ 3,607	\$ 183,957	\$ (52,095)	\$ 183,957
3 + 4	Dominion Packers & Realties (Ballantry)	700	\$ 10,203,865	43.1%	\$ 4,395,511	\$ 3,296,633	\$ 3,607	\$ 2,524,900	\$ 771,733	\$ 3,296,633
	Chantler - Residential	148		9.1%	\$ 929,337	\$ 697,002	\$ 3,607	\$ 533,836	\$ 163,166	\$ 697,002
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 306,116	\$ 3,607	\$ 234,455	\$ 71,661	\$ 306,116
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 988,990	\$ 3,607	\$ 757,470	\$ 231,520	\$ 988,990
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 857,125	\$ 3,607	\$ 656,474	\$ 200,651	\$ 857,125
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 1,507,032	\$ 3,607	\$ 1,154,240	\$ 352,792	\$ 1,507,032
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 16,124,701		\$ 14,860,840	\$ 1,263,861	\$ 17,019,512

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^Note 2: The Wastewater Collection D.C. of \$3,413 have been indexed from 2019 to 2021 at 5.67%

#Note 3: The Total Payable is the greater amount between the D.C. Eligible Costs of the Linear Segment (G) and the D.C. Payable (I)

Schedule Date: February 25, 2021

Non-Growth Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation *	Landowner's Share of the Linear Segment Costs (2021\$)	Non-Growth Costs (25%)	Wastewater Collection Overcontributions Per SDE (2021\$)^+	Total Wastewater Collection Overcontributions (2021\$)	Total Non-Growth Shortfall to be Recovered (2021\$)	Total Non-Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (25%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 1,709,864	\$ 1,356	\$ 1,814,328	\$ (104,464)	\$ 1,814,328
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 359,097	\$ 1,356	\$ 381,036	\$ (21,939)	\$ 381,036
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 314,572	\$ 1,356	\$ 494,940	\$ (180,368)	\$ 494,940
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 180,987	\$ 1,356	\$ 284,760	\$ (103,773)	\$ 284,760
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 215,460	\$ 1,356	\$ 339,000	\$ (123,540)	\$ 339,000
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 43,954	\$ 1,356	\$ 69,156	\$ (25,202)	\$ 69,156
3 + 4	Dominion Packers & Realties (Ballantry)	700	\$ 10,203,865	43.1%	\$ 4,395,511	\$ 1,098,878	\$ 1,356	\$ 949,200	\$ 149,678	\$ 1,098,878
	Chantler - Residential	148		9.1%	\$ 929,337	\$ 232,334	\$ 1,356	\$ 200,688	\$ 31,646	\$ 232,334
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 102,039	\$ 1,356	\$ 88,140	\$ 13,899	\$ 102,039
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 329,663	\$ 1,356	\$ 284,760	\$ 44,903	\$ 329,663
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 285,708	\$ 1,356	\$ 246,792	\$ 38,916	\$ 285,708
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 502,344	\$ 1,356	\$ 433,920	\$ 68,424	\$ 502,344
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 5,374,900		\$ 5,586,720	\$ (211,820)	\$ 5,934,186

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

+Note 3: The Overcontribution amounts for the Wastewater Collection represents 18% of the total overcontributions per SDE

#Note 4: The Total Payable is the greater amount between the Non-Growth Costs of the Linear Segment (G) and the Overcontributions Payable (I)

Schedule "D"

Form of Letter of Credit

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

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

We hereby authorize The Corporation of 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 Chief Administrative Officer 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 Town 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 “E”

Projection of the Timeframe for Recovery

The Wastewater Collection system will be constructed in phases. The timing of each phase will depend on the completion of the previous phase. The order of construction will be as follows:

- 1. Linear Segment #1 as described in Schedule “B1” to the Agreement;
- 2. Linear Segment #2 as described in Schedule “B2” to the Agreement;
- 3. Linear Segment #3 as described in Schedule “B3” to the Agreement;
- 4. Linear Segment #4 as described in Schedule “B4” to the Agreement.

Schedule "F"

Satisfaction Piece and Release

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the payment by the [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 THE 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], 2020 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 .

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

BETWEEN:

2779181 ONTARIO 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 plan 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:
- Gary Langen
2779181 Ontario Inc.
5552 Eighth Line
Erin, Ontario
N0B 1T0
- 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 |

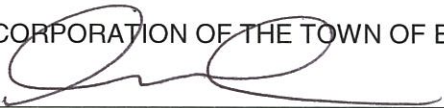
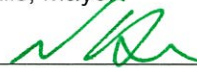


Schedule "D"	Reservation of SDEs, DC Early Payment Instalments
Schedule "E"	Satisfaction Piece and Full and Final Release
Schedule "F"	Letter of Credit
Schedule "G"	Front Ended Services Required to service the lands

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

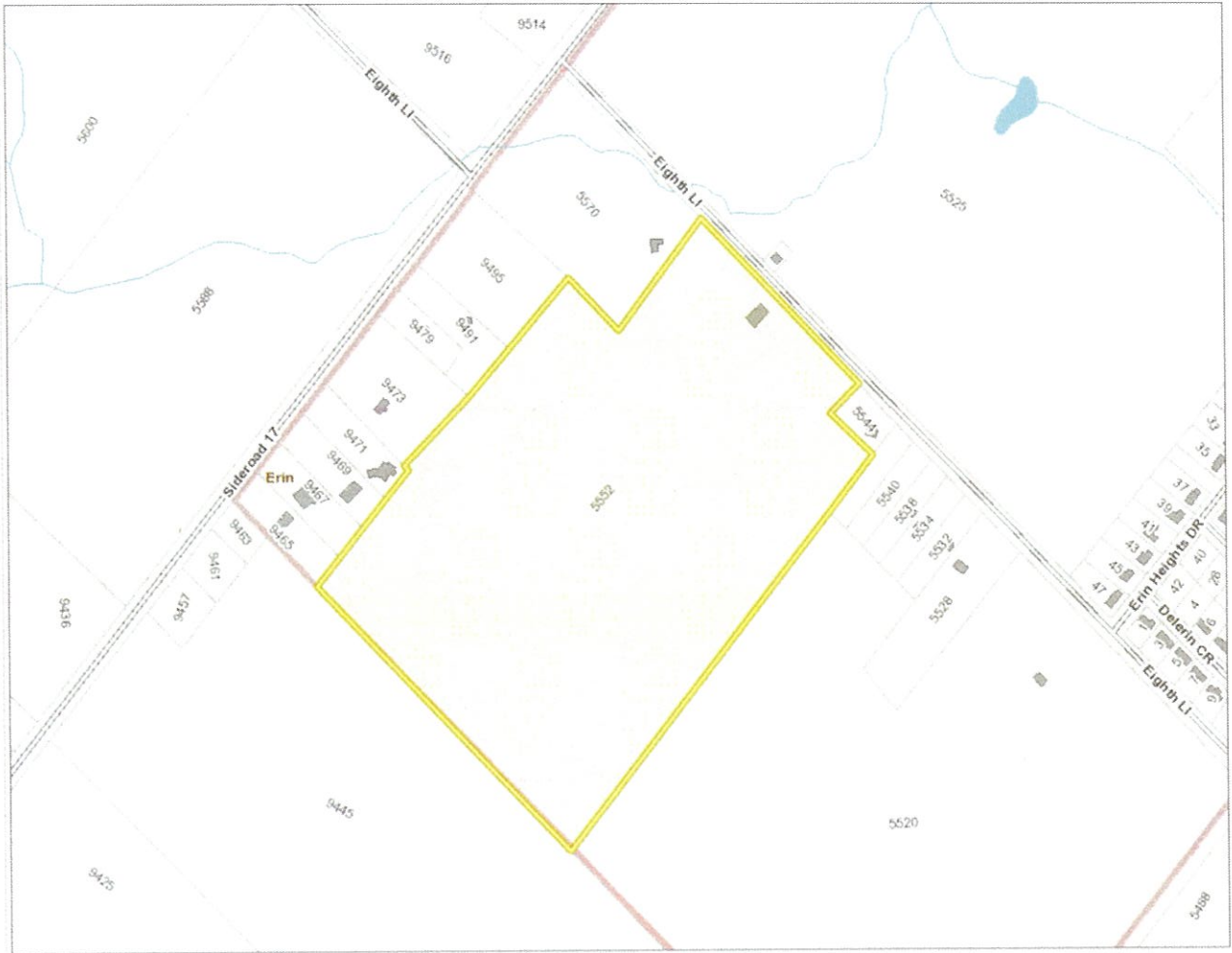
) THE CORPORATION OF THE TOWN OF ERIN
)
) Per: 
) Allan Ails, Mayor
)
) Per: 
) Lisa Campion, Clerk Nathan Hyde, CAO
)
)
) 2779181 ONTARIO INC.
)
) Per: 
) Name: TOM BASKERVILLE
) Title: ASO
)
) Per: 
) Name: GARY LANGEN
) Title: A.S.O.
)
) I/We have authority to bind the corporation.

Schedule “A”

Legal Description of Owner’s Lands

PT LT 17, CON 8, ERIN, PART 3, 61R20446 & PT LT 17, CON 8, ERIN AS IN ROS235079 EXCEPT PT 1, 61R6356 TOWN OF ERIN (PIN: 71150-403 (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 & Infill/Intensification	Existing Community & Infill/Intensification
SDEs Serviced	1,685	1,685	1,685	1,685
Cummulative 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
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Costs are presented in 2020 \$

Schedule “D”

Reservation of SDEs and DC Early Payment Instalments

Schedule Date: February 25, 2021

Development Charge (D.C.) Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Wastewater Treatment D.C. Per SDE (2021\$)^	Total Wastewater Treatment D.C. Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 10,548	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 10,548	\$ 14,113,224
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 10,548	\$ 2,963,988
10	Logel's Auto Parts Ltd.	-	\$ 10,548	\$ -
11	Town of Erin	-	\$ 10,548	\$ -
5	2779181 Ontario Ltd.	365	\$ 10,548	\$ 3,850,020
6	2779176 Ontario Ltd.	210	\$ 10,548	\$ 2,215,080
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 10,548	\$ 2,637,000
4	Dominion Packers & Realities (Ballantry)	700	\$ 10,548	\$ 7,383,600
16	Chantler - Residential	148	\$ 10,548	\$ 1,561,104
	Chantler - Non-Residential	65	\$ 10,548	\$ 685,620
3	Thomasfield Homes Ltd.	210	\$ 10,548	\$ 2,215,080
2	Carson Reid Homes Ltd.	182	\$ 10,548	\$ 1,919,736
1	D'Angelo	320	\$ 10,548	\$ 3,375,360
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 10,548	\$ 537,948
Subtotal		4,120		43,457,760

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Wastewater Treatment D.C. of \$9,982 have been indexed from 2019 to 2021 at 5.67%

Schedule Date: February 25, 2021

Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Overcontributions Per SDE (2021\$) ^+ #	Total Overcontribution Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 6,041	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 6,041	\$ 8,082,858
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 6,041	\$ 1,697,521
10	Logel's Auto Parts Ltd.	-	\$ 6,041	\$ -
11	Town of Erin	-	\$ 6,041	\$ -
5	2779181 Ontario Ltd.	365	\$ 6,041	\$ 2,204,965
6	2779176 Ontario Ltd.	210	\$ 6,041	\$ 1,268,610
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 6,041	\$ 1,510,250
4	Dominion Packers & Realities (Ballantry)	700	\$ 8,644	\$ 6,050,800
16	Chantler - Residential	148	\$ 6,041	\$ 894,068
	Chantler - Non-Residential	65	\$ 6,041	\$ 392,665
3	Thomasfield Homes Ltd.	210	\$ 8,644	\$ 1,815,240
2	Carson Reid Homes Ltd.	182	\$ 8,644	\$ 1,573,208
1	D'Angelo	320	\$ 8,644	\$ 2,766,080
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 6,041	\$ 308,091
Subtotal		4,120		28,564,356

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

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

#Note 4: The Overcontribution amounts for the Hillsburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

Schedule Date: February 25, 2021

Total Wastewater Treatment D.C. and Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Wastewater Treatment Plant D.C. and Overcontributions Per SDE (2021\$) ^+ #	Total Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 16,589	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 16,589	\$ 22,196,082
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 16,589	\$ 4,661,509
10	Logel's Auto Parts Ltd.	-	\$ 16,589	\$ -
11	Town of Erin	-	\$ 16,589	\$ -
5	2779181 Ontario Ltd.	365	\$ 16,589	\$ 6,054,985
6	2779176 Ontario Ltd.	210	\$ 16,589	\$ 3,483,690
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 16,589	\$ 4,147,250
4	Dominion Packers & Realities (Ballantry)	700	\$ 19,192	\$ 13,434,400
16	Chantler - Residential	148	\$ 16,589	\$ 2,455,172
	Chantler - Non-Residential	65	\$ 16,589	\$ 1,078,285
3	Thomasfield Homes Ltd.	210	\$ 19,192	\$ 4,030,320
2	Carson Reid Homes Ltd.	182	\$ 19,192	\$ 3,492,944
1	D'Angelo	320	\$ 19,192	\$ 6,141,440
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 16,589	\$ 846,039
Subtotal		4,120		72,022,116

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Wastewater Treatment D.C. and Overcontributions amounts have been indexed from 2019 to 2021 at 5.67%

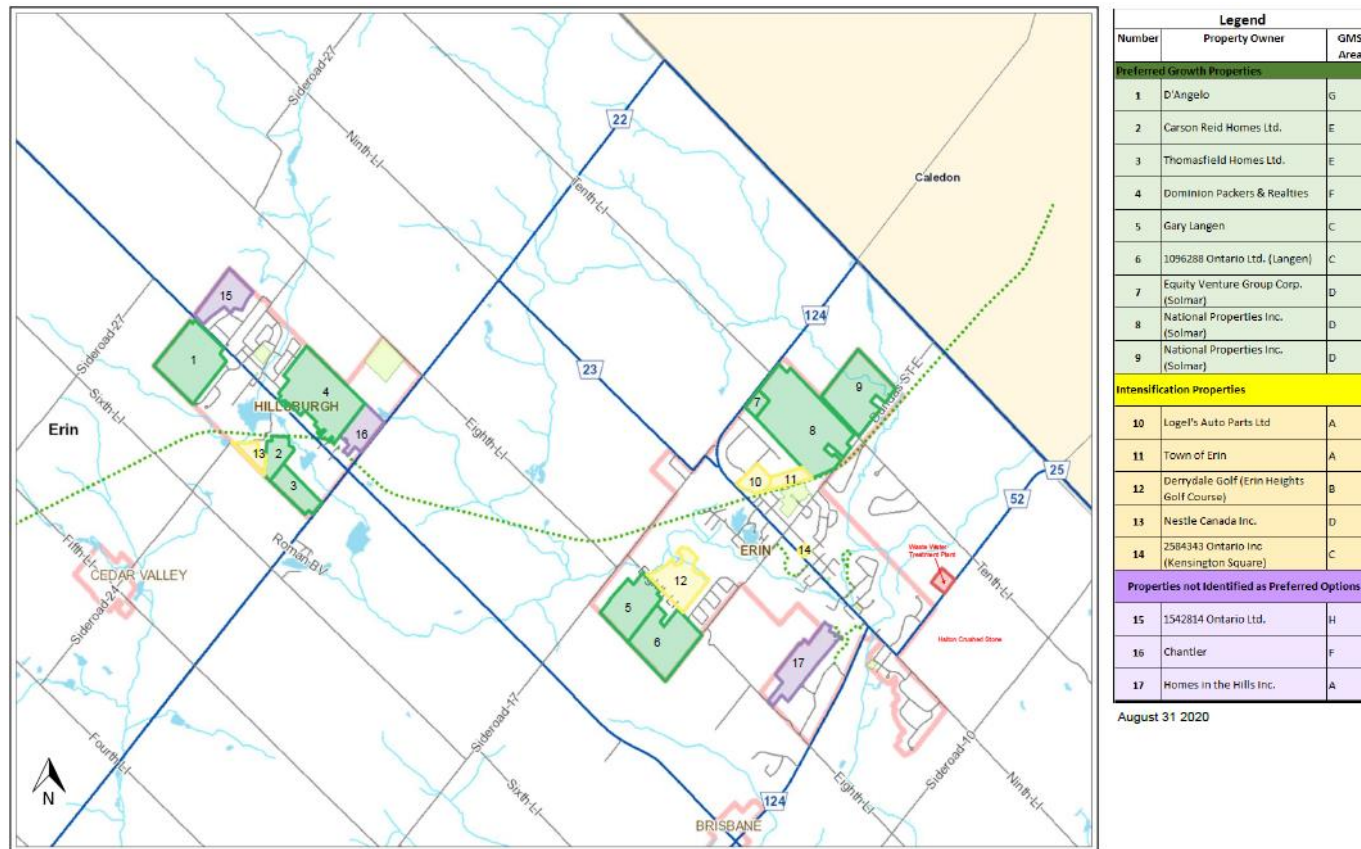
*Note 3: The Overcontribution amounts for the Wastewater Treatment Plant represents 82% of the total overcontributions per SDE

#Note 4: The Overcontribution amounts for the Hillsburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

Conversion Factor for Single Detached Equivalent (SDE) Units				
Unit Type	Persons Per Unit (Based on the 2019 D.C. Background Study)	Equivalent SDE	Wastewater Treatment D.C. Payable as of January 1, 2021	Wastewater Treatment Overcontribution (2021\$)
Singles and Semi Detached	3.193	1.00	\$10,548 Per Unit	\$6,041 Per Unit
Multiples	2.314	0.72	\$7,644 Per Unit	\$4,378 Per Unit
Apartments: 2 Bedrooms or more	1.618	0.51	\$5,345 Per Unit	\$3,061 Per Unit
Apartments: Bachelor and 1 Bedroom	1.375	0.43	\$4,542 Per Unit	\$2,602 Per Unit
Special Care/ Special Dwelling	1.100	0.34	\$3,634 Per Unit	\$2,081 Per Unit
Non-Residential			\$3.56 Per sq.ft.	\$0.00 Per sq.ft.

{L1918924.1}

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

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.

THIS FRONT-ENDING AGREEMENT is made this 31st day of October, 2020.

BETWEEN:

5021820 ONTARIO INC.

(collectively, the “Participating Owners”)

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWN OF ERIN

(the “Town”)

OF THE SECOND PART

WHEREAS:

1. In 2015, the Town completed the Urban Centre Wastewater Servicing Class EA, the purpose of which was to identify the preferred wastewater servicing solution to the existing residents and future development within the communities of Erin Village and Hillsburgh (collectively, the Communities”);
2. The Class EA recommended a wastewater collection system conveying all wastewater flows to a single wastewater treatment plant (“Wastewater Collection System”), to meet the existing Communities wastewater servicing needs and to support future population growth. The preferred solution further presented that the wastewater treatment plant would be located at the intersection of 10th Line and Wellington Road 52 south of Erin village, with treated effluent being discharged to the West Credit River on the west side of the bridge on Winston Churchill Boulevard on Wellington Road 52;
3. The Town has completed a study under the Development Charges Act, 1997, S.O. 1997, c. 27 (the “DCA”), that relates to the provision of services for which there will be an increased need as a result of development within the Communities and the Town proposes to enact a new Development Charge By-law to implement that study’s recommendations;
4. The study under the DCA included the estimated costs of the initial services and studies necessary to be front ended in order to consider the registration of plans of subdivision in that part of the Communities described in Schedule “A”, (the “Benefitting Lands”), the costs of which services and studies include:
 - A. the costs of all necessary studies and engineering design required to commence servicing of the Benefitting Lands, and
 - B. the cost of designing and constructing the Wastewater Collection System which will convey sanitary sewage to the proposed wastewater treatment plant, and which are required to service the Benefitting Lands.

These services and studies are more particularly described in clause 2.C. and Schedule “B” of this Agreement (the “Front Ended Services”);

5. The Director of Infrastructure Services and Engineering (the “Director”) has allocated the estimated costs of the Front Ended Services into the portions necessary to service each of the lands owned by the Front-Ending Owners in accordance with Schedule “C”;
6. The Parties have agreed to enter into this Agreement for the purpose of providing for the

construction, installation and financing of the Front Ended Services and the financing thereof, including the immediate payment of all costs by the Front-Ending Owners before any construction of the Front Ended Services commences and the collection of front ended payments from owners of the Benefitting Lands who may wish to connect to the Front Ended Services and who are not parties to this Agreement;

7. Council of the Town at its meeting of October 27, 2020 authorized the execution of this Agreement;

IN CONSIDERATION of the covenants expressed in this Agreement and other good and valuable consideration, the Parties covenant and agree, one with the other, 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 have the following meanings:

- a. **“Agreement”** means this Agreement and the Schedules hereto;
- b. **“Allocation Agreement”** means the Agreement, and schedules thereto, made under section 27 of the DCA between each Participating Owner and the Town and **“Allocation Agreements”** means all of them;
- c. **“Benefitting Area”** means all land located in the Town;
- d. **“Benefitting Lands”** means benefitting lands as defined in Recital 4.
- e. **“Benefitting Owner”** means an owner of Benefitting Lands intended for development;
- f. **“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;
- g. **“Capacity”** means Wastewater Services capacity expressed in SDEs;
- h. **“Consent Agreement”** means an agreement under subsection 53(12) of the PA;
- i. **“Cost Change”** means the difference between the total costs of the Front Ended Services as per the contracts awarded by the Town, or the updated estimates for the Front Ended Services, and the total estimated costs of the Front Ended Services as shown in Schedule “C” and includes changes resulting from the addition, deletion, deferral, or delay of Front Ended Services;
- j. **“DC”** means the development charges under the DCB;
- k. **“DCA”** means the Development Charges Act, 1997, S.O. 1997, c. 27, as amended or revised from time to time and any successor legislation;
- l. **“DCB”** means By-law No. 19-32, as may be amended from time to time and any successor by-law;
- m. **“Default”** means a failure by a Participating Owner to comply with an obligation of a Participating Owner under this Agreement by the date for complying;

- n. **"Defaulting Owner"** means the Participating Owner who is in Default;
- o. **"Director"** means the director as defined in Recital 5;
- p. **"Engineer"** means the engineer as defined in clause 5.D.;
- q. **"Front Ender"** means the front ender as defined in clause 5.C.;
- r. **"Front Ended Payment"** means front ended payments as defined in clause 2.C.;
- s. **"Front Ended Services"** means the front ended services as described in Recital 4;
- t. **"Government Approval"** means any approval, permission, licence, permit or any other approval of any kind whatsoever required from the federal or provincial government or any agency or board thereof or a conservation authority for the construction and operation of the Projects;
- u. **"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;
- v. **"Judicial and/or Administrative Proceedings"** means any judicial or administrative applications, actions, proceedings, appeals or reviews of any kind whatsoever related indirectly or directly to the subject matter of this Agreement;
- w. **"Letter of Credit"** means an unconditional and irrevocable 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 "D" hereto provided both the financial institution and letter of credit are acceptable to the Town;
- x. **"Notice"** means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- y. **"Planning Act"** means the Planning Act, R.S.O. 1990, c.P.13 as amended or revised from time to time and any successor legislation;
- z. **"Participating Owner"** means an owner of land in the Benefitting Area who has entered into this Agreement;
- aa. **"Participating Owner Lands"** means the lands of each of the Participating Owners described in Schedule "A" hereto and depicted in the sketch attached hereto as Schedule "A" hereto;
- bb. **"Parties"** means all of the Participating Owners and the Town;
- cc. **"Proportionate Share"** means the ratio obtained when the number of SDE reserved to a Participating Owner as shown in Schedule "B" hereto is divided by the total number of SDE available;
- dd. **"Recoverable Amount"** means the costs described in Schedule "B" per SDE and as may be adjusted from time to time and at any time, and which Recoverable Amount does not include any component of the costs of Front Ended Services that benefit the land of a Participating Owner;

- ee. **"Refunded Share"** means the refunded share as defined in clause 10.F.;
- ff. **"Town"** means The Corporation of the Town of Erin;
- gg. **"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;
- hh. **"Security"** means one or more Letter(s) of Credit in the form attached as Schedule "D" to this Agreement;
- ii. **"Site Plan"** means a plan under section 41 of the Planning Act;
- jj. **"Site Plan Agreement"** means an agreement under section 41(7) of the Planning Act;
- kk. **"Subdivision Agreement"** means an agreement under clause 51(25)(d) of the Planning Act;
- ll. **"Substantial Completion"** means a Front Ended Service is ready for use or is being used for purposes intended as certified in writing by the Town Director, his or her successor, equivalent or delegate;
- mm. **"Wastewater Collection Overcontribution"** means the Wastewater Collection Overcontribution referred to in Clause 2.C.IV. and as set out in Schedule "C";
- nn. **"Wastewater Collection System"** means the Linear Trunk Sewers which will convey sanitary sewage to the proposed wastewater treatment plant.

2 – Front Ending Agreement

- A. Participating Owners acknowledge and agree that the Town has the statutory authority to enter into this Agreement and the Participating Owners agree that they shall not challenge the validity of this Agreement before a court of law or the Local Planning Appeal Tribunal.
- B. The Parties agree that the Front Ended Services are not local services as defined in s. 2(5) of the DCA, and are services which are:
 - I. required to enable the Participating Owners' Lands and the balance of the lands within the Benefitting Area to be developed;
 - II. services for which development charges are payable under the development charge by-law; and,
 - III. eligible for inclusion in a front-ending agreement under the DCA.
- C. The Parties agree that all costs of design, construction and installation of the Front Ended Services used for the purpose of calculating the Front Ended Payments by the Participating and the Benefitting Owners shall be the reasonable costs of such construction and installation incurred by the Town or the Front-Ending Owners, as the case may be. For greater certainty such costs shall include the following:
 - I. all payments on contracts entered into for such design, construction or installation, as certified and accepted by the Director;
 - II. the cost of all acquisition of land or rights in land required to be acquired from owners not front-ending;

- III. all engineering and other consulting fees, and all legal fees, whether paid to consultants or to the Town; and,
- IV. the payment of part of the cost of any studies and design required by this Agreement. Such costs shall not include:
 - i. any indirect overhead expense of a Participating Owner;
 - ii. any financing cost of a Participating Owner;
 - iii. the cost of any Security required by this Agreement; and
 - iv. the Wastewater Collection Overcontribution.

These costs shall form the basis of the payments which the Participating Owners and Benefitting Owners shall pay to the Town in accordance with clause 8 and clause 9 of this Agreement (the "Front Ended Payment").

3 – Allocation Agreement

- A. Participating Owners shall execute an Allocation Agreement for all of the Participating Owner's Lands at the same time as the Participating Owner executes this Agreement. It shall be a condition precedent to the validity of this Agreement that the Participating Owner has also executed an Allocation Agreement to the satisfaction of the Town.
- B. In order to be in good standing pursuant to this Agreement, each Participating Owner must not be in Default under:
 - I. this Agreement; or
 - II. the Allocation Agreement.

4 – Timing and Construction of the Front Ended Services

- A. Despite any payments by the Front-Ending Owners under this Agreement pursuant to clause 8., and subject to clause 10., the Town shall:
 - I. be responsible for the design, engineering, tender, construction, installation, operation and maintenance of the Front Ended Services;
 - II. own the Front Ended Services; and,
 - III. be entitled to impose, from time to time and at any time, such fees and charges directly and indirectly related to the collection, transmission, treatment and disposal of wastewater as the Town considers necessary or desirable under Part XII (Fees and Charges) of the MA, 2001, or any other user fee or charge permitted by statute.
- B. The Town may delay, defer, or cancel one or more of the Front Ended Services, in its sole and absolute discretion, and in whole or in part, if one or more of the Participating Owners fails to:
 - I. execute this Agreement;
 - II. execute the Allocation Agreement;

III. subscribe to all of the available SDE units, in whole or in part.

The Town and the Participating Owners agree to undertake best efforts to work together to address any shortfall respecting subscription to available SDE units.

- C. The Participating Owners agree and acknowledge that the deferral, delay, or cancellation of one or more Front Ended Services under clause 4.B. may delay the completion of one or more Front Ended Services, which, in turn, may delay development of the Participating Owner's Lands and lands within the Benefitting Area.
- D. If the Town exercises its rights of deferral, delay, or cancellation under clause 4.B., the Town shall give 30 Business Days of Notice to each Participating Owner of the Front Ended Services it intends to delay, defer, or cancel, and the length of the delay, if known at the time the Notice is given.
- E. The Town and the Participating Owners agree and acknowledge that clauses 4.B. is for the sole benefit of the Town, and the Town may waive such clause, in whole or in part, or be modified from time to time and at any time by the Town in its sole and absolute discretion.
- F. Despite clause 4.A., the Town may, in its sole and absolute discretion, permit one or more of the Front Ended Services to be designed or constructed or both by one or more of the Participating Owners pursuant to the requirements outlined in clause 5.
- G. Despite clause 4.F., and despite the contents of Schedule "B", the Town may, in its sole and absolute discretion, change or delete Front Ended Services contained on Schedule "B". Schedule "B" is deemed conclusively to be amended without formal amendment to this Agreement. If the Town changes any of the Front Ended Services on Schedule "B", the Town shall give Notice to the Owner within 30 Business Days of making such change.

5 – Election by Front-Ending Owners to Construct Services

- A. The Participating Owners may elect to construct and install a part or the whole of the Front Ended Services in accordance with clause 5 of this Agreement through strict compliance with the requirements of clause 5.B. After such compliance and obtaining all necessary Government Approvals, subject to the terms of this Agreement, construction and installation of the Front Ended Services may be commenced. In the case of that part of the Front Ended Services which services only one Participating Owner, the election may be submitted by that Participating Owner alone. In the case of that part of the Front Ended Services which services more than one Participating Owner, the election shall only be considered by the Town if it is submitted by all Participating Owners serviced by those portions of the Front Ended Services.
- B. If any one or all of the Participating Owner(s) desire to construct all or any portion of the Front Ended Services as described in Schedule "B", they shall first apply to the Director for the following:
 - I. approval of the choice of the Engineer for the Participating Owner;
 - II. an up-to-date estimate of the cost of the portion to be installed and constructed, together with any additional requirements of the Director not provided for in this Agreement; and
 - III. the amount of the Security to guarantee the Front Ended Services to be installed and constructed. Security shall be prescribed by the Director in his sole and absolute discretion based upon the extent of the services to be installed and constructed, which amount will not be less than 110% and not more than 125% of the cost of the Front Ended Services to be installed and constructed. The Security shall be in the form attached hereto as Schedule "D".

Before commencing any installation or construction, the Participating Owner(s) shall deliver to

the Director a Notice of election to proceed together with the following:

- IV. a description of the portion of the Front Ended Services to be installed and constructed which must be one of the portions described in Schedule "B",
 - V. a certified cheque equal to 15% of the up-to-date costs of the services to be installed and constructed as engineering fees; and,
 - VI. Security from a Canadian chartered bank in a form satisfactory to the Town in the amount prescribed by the Director. The Town, in its sole and absolute discretion, may require that the Security be from a Schedule "1" Canadian chartered bank. The Security will be held by the Town as Security for the obligations of the Participating Owner(s) in accordance with this Agreement.
- C. Notwithstanding anything else contained in this Agreement, Participating Owner(s) that comply with clause 5.B. shall be permitted to construct part or the whole of the Front Ended Services, if and only if the Town first grants its consent to such Participating Owner, in writing, which consent may be arbitrarily withheld (referred to hereinafter as the "Front Ender(s)").
- D. The Front Ender(s) agree to retain a competent consulting engineer experienced in the municipal engineering field (the "Engineer"). The Engineer or his successor shall be approved by the Director and shall carry out all necessary engineering requirements in accordance with this Agreement and with the Guideline for Engineering Services to Municipalities. The Engineer shall be retained by the Front Ender until all requirements of this Agreement have been completed to the satisfaction of the Director.
- E. The Front Ender(s) agree to construct the Front Ended Services as shown on a set of drawings approved and signed by the Director. The preparation of the drawings shall be undertaken according to the Town's design criteria, design standards and specifications and procedures as amended from time to time.
- F. The Front Ender(s) agree not to let any contract for the performance of any of the works unless the contractor has been first approved by the Director, which approval may be unreasonably withheld. The contract(s) shall provide that the Director may inspect the construction of the Front Ended Services and shall have authority to instruct the contractor(s) to stop work should any construction be undertaken contrary to the provisions of this Agreement and the Town's design criteria, standards and specifications.
- G. The Front Ender(s) agree to provide the Town with ten Business Days of Notice before commencing the installation or construction of the Front Ended Services.
- H. The Front Ended Services shall be completed within a maximum of 18 months from commencement.
- I. The Front Ender(s) agree that the Director may inspect the construction work under any contract, but such inspection shall in no way relieve the Front Ender(s) from its responsibility to inspect the work itself. If, at any time, the construction of all works is not, in the opinion of the Director, being carried out in accordance with the provisions of this Agreement, and in accordance with good engineering practices, the Director may issue instructions to the Front Ender(s) or to the Engineer to take such steps as deemed necessary to procure compliance with the provisions of this Agreement. Such instructions may be written, or may be verbal, in which case the Director shall confirm them in writing within 24 hours. In the event that neither the Front Ender(s) nor the Engineer is present at the site of the works to receive such verbal instructions, the Director may instruct the contractor(s) or workers to cease work forthwith.
- J. The Front Ender(s) shall undertake and pay for a sewer video inspection program for the Front Ended Services installed and constructed. These works shall be undertaken by a qualified company and be approved by the Director prior to the work being undertaken. The Front Ender(s) shall provide a copy of such video inspection and written reports to the Town in a

format as specified by the Town. The sewer video inspection shall be carried out prior to acceptance for maintenance by the Town. The said video shall demonstrate to the Director's satisfaction that the Front Ended Services function to the Town's satisfaction, failing which the Front Ended Services shall be corrected to the satisfaction of the Director.

- H. The Front Ender(s) agree that all streets in the vicinity of construction of the Front Ended Services shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender or Parties employed by the Front Ender(s) in the construction of the Front Ended Services, or by contractors so employed, will be repaired or restored immediately.
- L. The Front Ender(s) agree not to foul any public streets and further agrees to provide the necessary persons and equipment, to be available on reasonable Notice at all times, to keep such streets clean. All trucks making deliveries to or taking materials from the construction site shall be adequately covered and reasonably loaded so as not to scatter refuse, rubbish, or debris on the abutting streets.
- M. If, in the opinion of the Director, these requirements are not complied with, the Town may do the work as required and upon demand, the Front Ender(s) shall forthwith pay to the Town the full cost thereof. If the Front Ender(s) fail to make the payment as required by the Town, such failure will constitute a Default and the Town may draw upon the Security.
- N. The Front Ender(s) agree that all public works on adjoining lands shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender(s) or parties employed by the Front Ender(s) during construction or by contractors so employed, will be repaired and restored immediately.
- O. When, after the Front Ender(s) have commenced construction of the Front Ended Services but before the assumption thereof by the Town, the Front Ended Services do not function, or do not function properly, and in the sole opinion of the Director, repairs are necessary to be made immediately to prevent damage or hardship to persons or property, the Front Ender agrees that the Town, its servants, employees or agents, may make whatever repairs may be deemed necessary. The Front Ender further covenants and agrees to reimburse the Town for any expense incurred in making the repairs. If the Front Ender(s) fail to make the payment as required by the Town, the Town may draw upon the Security.
- P. The Town agrees to give Notice to the Front Ender(s) within 2 Business Days from the date of entry by the Town of the nature and extent of the emergency and repairs which were necessary.
- Q. The Front Ender(s) agree to maintain and keep in a proper state of repair and operation the Front Ended Services installed and constructed by the Front Ender(s) for a minimum period of 24 months from the date of acceptance for maintenance by the Town.
- R. The Front Ender(s) agree that the whole or any part of the Front Ended Services, when constructed and assumed by the Town, shall vest in the Town and the Front Ender(s) shall have no claims or rights thereto other than those accruing to it as an owner of land abutting on streets on which services have been installed.
- S. Performance and maintenance guarantees:
 - I. The Security provided to the Town in accordance with clause 5.B.III or clause 6.B.II, as the case may be, and any additional security or moneys provided hereunder, may be drawn upon by the Town, at any time, for any Default by the Front Ender under this Agreement and for any other purpose specified in this Agreement. If any lien is filed or registered under the *Construction Act*, R.S.O. 1990, c. C.30, as amended, this shall constitute a Default. Upon such Default, the Town may draw upon the Security for payment into court of the hold-back moneys, plus interest and costs, if deemed necessary by the solicitor for the Town to satisfy its requirements under the *Construction Act*.

- II. Notwithstanding anything else contained in this Agreement, the Security required pursuant to clause 6.B. shall be in the amounts set out in Schedule "C" and in the form set out in Schedule "D" to this Agreement and shall be posted immediately upon the execution of this Agreement and may be utilized by the Town, in its discretion for the construction and installation of the Front Ended Services at any time.

- III. The Front Ender(s), when not in Default of this Agreement, may apply for acceptance for maintenance by the Town of the Front Ended Services after completion of construction and compliance with clauses H., T., and U. Upon the Director approving such acceptance, any security held by the Town may be reduced up to 25% of the value of the work at the commencement of construction as estimated by the Director. Prior to the reduction of security held by the Town for any Front Ended Services, the Front Ender(s) must supply the Town with the following documentation:
 - i. statutory declaration of works completed and contractors and subcontractors having been paid;
 - ii. Workplace Safety and Insurance Board clearance certificate; and,
 - iii. expiration of the construction lien period.

- IV. Upon application by a Front Ender after the expiry of the maintenance period of 2 years, and after compliance with this Agreement satisfactory to the Director, the Town will release all Security held to secure the construction of the whole or the portion of the Front Ended Services for which assumption is granted.

- T. Before commencing any of the works provided for in this Agreement, the Front Ender(s) shall supply the Town with a liability insurance policy in the minimum amount of \$5,000,000.00 in a form satisfactory to the Town solicitor, indemnifying the Town from any loss arising from claims or damages, injury or otherwise in connection with the work done by or on behalf of the Front Ender. The policy shall contain a completed operations clause and shall have no exclusion for blasting. In the event any renewal premium is not paid, the Town, in order to prevent the lapse of such liability insurance policy, may pay the renewal premium or premiums and the Front Ender agrees to pay the cost of such renewal or renewals within 10 Business Days of the account therefor being rendered by the Town.

- U. Immediately prior to acceptance for maintenance by the Town of the Front Ended Services, the Front Ender(s) agree as follows:
 - I. to flush all sewers and manholes free of road materials, building debris, and other foreign matter; to clean such materials from the system; to provide video inspection as required under clause 5.J.; and to rectify any deficiencies the video inspection may reveal;
 - II. to sweep abutting roadway pavement, including sidewalks, clear of building debris and earth deposits, and to clean and remove all such material;
 - III. to rectify and repair all damages to adjacent public services;
 - IV. to rectify and repair all settlements, depressions or other defects on roadways, until assumption of the Front Ended Services, and
 - V. to furnish the Director with:

- i. a statutory declaration from the Front Ender that all contractors and subcontractors associated with the construction of public works have been paid;
 - ii. a certificate from the Engineer indicating the final construction costs for the public works based on the actual construction contract, and
 - iii. payment of additional engineering fees, if required by the Director, based on the final construction costs of the public works certified by the Engineer.
- V. The Town agrees that the acceptance for maintenance of the Front Ended Services shall take place upon fulfilment of the following conditions:
 - I. all sewers and manholes are clean and free of road materials, building debris and any other foreign matter;
 - II. all roadway pavements and sidewalks are clean and free of building debris and earth deposits;
 - III. all damage to adjacent services has been repaired or rectified to the satisfaction of the Director;
 - IV. all settlements, depressions or any other defects on roadways have been repaired to the satisfaction of the Director;
 - V. the Director has received:
 - i. a statutory declaration from the Front Ender that all contractors and subcontractors associated with the construction of the Front Ended Services have been paid;
 - ii. a satisfactory set of “as constructed digital files and drawings” of all works required to be done by this Agreement in a form that meet Town specifications;
 - iii. a certificate from the Engineer indicating the final construction costs for Front Ended Services based on the actual construction contract; and,
 - iv. payment of additional engineering fees, if required by the Director, based on the final construction costs of the Front Ended Services certified by the Engineer;
 - v. the Front Enders(s) are not in Default of any terms or conditions of this Agreement.

6 – Election for Town to Construct Services

- A. If the Participating Owners do not elect to construct the Front Ended Services themselves pursuant to clause 5, or if the Town does not consent to the same pursuant to clause 5, the Town may construct and install the whole or part of the Front Ended Services in accordance with the requirements of clause 6.B.
- B. If the Town commences installation and construction of all or any portion of the Front Ended Services as described in Schedule “B”, the Participating Owners shall provide to the Director any additional requirements of the Director not provided for in this Agreement. The Town agrees to call tenders and commence construction and installation of a portion or the whole of the Front Ended Services within a reasonable time after providing the Participating Owners with Notice of the following:
 - I. a description of the portion of the Front Ended Services to be constructed which must be one of the portions referred to in Schedule “B”; and

- II. confirmation that Security from a Canadian chartered bank in a form satisfactory to the Town solicitor in the form set out in Schedule “D” to this Agreement was posted at the time that this Agreement was executed.
- C. In the event that the Participating Owners fail to provide any of the matters set out in clause 6.B., the Town shall be permitted to provide same itself and utilize the Security to pay for same. The Town may also draw upon the Security in its discretion to pay the Front Ended Service costs. If the amount of the Security is insufficient to pay for the total cost of the works, the Participating Owners who delivered the Notice of election, agree to immediately pay to the Town such deficiency or to deliver additional Security upon demand therefor and the Town may cease construction of, or prevent connection to the Front Ended Services, until such deficiency is paid. The Town shall return any unused Security in excess of the amount required to complete the Front Ended Services and to maintain the Front Ended Services for a minimum period of 5 years, in the discretion of the Director. The Security shall be issued by a Schedule “1” Canadian chartered bank.
 - D. Whenever and to the extent that the Town shall be unable to fulfil, or shall be delayed or restricted in fulfilling its obligation to construct the Front Ended Services, for any cause beyond its control, the Town shall be relieved from its obligation during the period during which it is unable to fulfil or is delayed or restricted in fulfilling its obligations.

7 – Rights of Way

- A. All Front Ended Services installed and constructed under this Agreement shall be located in road allowances or easements approved by the Director and granted to the Town, free and clear of all encumbrances.
- B. In the event a Notice of election is delivered according to clause 5 or clause 6 of this Agreement, no installation and construction shall commence until the Town Solicitor is satisfied that all rights in land required by the Director have been conveyed to the Town or agreements to convey have been executed.
- C. Upon request from a Participating Owner who desires to construct services through lands approved by the Director, but owned by others, the Town shall assist, at the cost of such Participating Owner, in obtaining rights to construct and maintain services on such lands. For greater certainty, the Town is not obligated to commence expropriation proceedings to assist a Participating Owner in this clause.

8 – Front Ended Payments

- A. While this Agreement remains in force, the Town agrees to use its best efforts to impose the requirement of a Front Ended Payment by all owners of land in the Benefitting Area to be connected to the Front Ended Services (except for Participating Owners who shall pay the cost of the Front Ended Services upon execution of this Agreement) in the amount calculated according to clauses 8.E. and 8.F of this Agreement, and as a condition to any development approval referred to in s. 2(2) of the DCA.
- B. The Town agrees to place money received as Front Ended Payments in a special reserve account and, provided that a notice of election has been given and clause 5.B. has been complied with, the Town shall immediately, upon receipt of the money, by registered mail:
 - I. notify the appropriate Participating Owners who have paid the cost of the Front Ended Services that the money is available to be paid out, and,
 - II. advise the appropriate Participating Owners to whom the Town proposes to pay the delivery of the said money.

Upon the delivery of said Notice from all the Participating Owners who have paid the cost of the Front Ended Services, the Town shall pay to the person or persons named in the Notice without

interest, the proportion of the money received by the Town to which the party is entitled as set out in the Notice.

- C. The Parties confirm that the reasonable cost to the Town in processing the collection of front end payments while this Agreement remains in force is 3% of all such payments. Accordingly, there shall be deducted from all such payments paid into the special reserve account, an amount equal to 2% to cover the legal and administrative costs of the Town.
- D. The Town may, at any time prior to the giving of a Notice for any part or the whole of the Front Ended Services in accordance with clause 5 or clause 6 of this Agreement, approve limited development in any part of the Benefitting Lands not serviced by the Front Ended Services, which development will ultimately be required to connect to the Front Ended Services but which, in the opinion of the Director, may proceed on an interim basis with alternate sewerage and water facilities. In such event, the Town shall charge such development a front end payment calculated in accordance with clause 8.E. and such payment or payments shall be placed in a special reserve account and be applied to reduce the cost of front ending by the Parties.
- E. The Front Ended Payment to be charged against all development in the Benefitting Area to fund the Front Ended Services shall be calculated as set out in Schedule "C". Each Owner shall fund only the linear segment shown next to each Owner's name on Schedule "C". Where more than one Owner is shown for a single linear segment, each Owner shall pay only the "Percentage of Linear Segment Allocation" shown in the column of the table so labelled on Schedule "C" for the said linear segment.
- F. The Town, in its sole and absolute discretion, may adjust the front ended payment in clause 8.E. in the event that:
 - I. there is a Cost Change between the commencement of this Agreement and the conclusion of the Adjustment Period; or
 - II. one or more Front Ended Services are deferred, waived, cancelled, or removed pursuant to clauses 4.B or 4.G.
- G. The Town and the Participating Owners agree and acknowledge that the total amount of Front Ended payments with respect to each Participating Owner included therein are correctly described in Schedule "C" of this Agreement, subject to any adjustments under clause 8.F.
- H. Every payment made by a Participating Owner for the cost of the Front Ended Services shall entitle such Participating Owner to a reservation of available capacity, in the amount set out in the Allocation Agreements (expressed as SDEs).
- I. The total Front Ended Payments may be increased due to any Cost Changes and the Town shall give each Participating Owner Notice of its Relative Share of the increase. A Participating Owner shall have fifteen Business Days from the giving of the Notice to provide an increase to its Security under this Agreement for the amount set out in the Notice. If the payment is not received, the Town may defer, waive, cancel, or remove all or part of the Front End Services pursuant to clauses 4.B or 4.G. until the matter is remedied.
- J. Following any Cost Change, the Town shall provide a revised Schedule "C" as adjusted under clause 8.F to the Participating Owners. If any revisions are made hereunder, this Agreement shall be conclusively deemed to be amended by replacing Schedule "C" with the revised Schedule "C".
- K. If the Town determines that it does not require any of the Security it holds for the Front Ended Services, it shall release any excess Security it then holds.

9 – Benefitting Owner Payments

- A. From and after October 31, 2020, every Benefitting Owner shall pay, by certified cheque or bank draft, to the Town upon the earlier of such Owner entering into a Subdivision Agreement, a Consent Agreement or a Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the Planning Act have been met, or obtaining a building permit for the development of the Benefitting Owner's land:
 - I. for the Recoverable Amount per SDE in the Subdivision Agreement, Consent Agreement, Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the PA have been met, or permitted by the building permit plus interest in accordance with the *Development Charges Act, 1997*; and,
 - II. all development charges payable under the DCB, as may be amended from time to time and any successor development charge by-laws.

10 – Participating Owner Recoveries

- A. Each Participating Owner shall recover its Front Ended Payments as described in Schedule “B” of this Agreement by receiving its Proportionate Share of Recoverable Amount.
- B. A projection of the time frame for recovery by the Participating Owners of the Front Ended Services is set out in Schedule “E”. The Participating Owners acknowledge and agree:
 - I. Schedule “E” is for illustration purposes only;
 - II. the Town makes no representations or warranties of any kind whatsoever that the Participating Owners shall experience recoveries in the amounts and at the times shown on Schedules “E” and “G”; and,
 - III. their actual recoveries shall be dependent on the pace of residential development through-out the Town after October 31, 2020.
- C. The Participating Owners acknowledge and agree:
 - I. that the Town's DCB and payments thereunder, and as such by-law may be amended from time to time and any successor development charge by-laws, is fair and reasonable, provided nothing herein shall preclude the Participating Owner from appealing any amending or successor development charge by-law enacted after the commencement of this Agreement; and,
 - II. to pay or cause to be paid all of the development charges of the Town in respect of the Front Ended Services, in the amounts specified in the Allocation Agreement and this Agreement.
- D. All credits under this Agreement with respect to the Front Ended Services shall be granted and administered solely in accordance with each Participating Owner's Allocation Agreement.
- E. If and when the Town receives payments for the amounts described in clause 10.A., it shall refund semi-annually commencing upon the review by the Town Council of the Development Charges Reserve Statement to each Participating Owner, that Participating Owners “Refunded Share” (as defined below) of the amounts received by the Town, provided that Town has received from each such Participating Owner a Satisfaction Piece and Full and Final Mutual Release in the Form attached hereto as Schedule “F”.
- F. The amount to be refunded to each Participating Owner pursuant to clause 10.E. above shall be calculated as follows:

- I. the total amount of Front Ended Payment made by the Participating Owner; less
 - II. the total amount of DC Credit available to the Participating Owners for the Front Ended Services; divided by
 - III. the total amount of the Front Ended Payment.
- (“Refunded Share”)

11 – Land Dedications

- A. The Town’s Director, equivalent or delegate may, from time to time and at any time, give the Notice described in this clause. No later than 30 Business Days after written Notice is given under this clause to the Participating Owner by the Town’s Director, successor, equivalent or delegate, the Participating Owner shall convey from the Participating Owner’s Lands in fee simple to the Town, for nominal consideration and free and clear of all encumbrances and restrictions, all necessary lands, easements, other interests in land, approvals, rights, interests, licences and any other agreements of every kind whatsoever which are or may be required by the Town in order to give the Town, its employees, officers, sub-contractors, servants and agents the full right, power and authority to construct, install, operate (including permitting connections thereto), inspect, repair and replace the Front Ended Services and all related works and services.
- B. If the Participating Owner fails to convey the lands, easement other interests in land, approvals, rights, interests, licenses and any other agreements as identified by the Town’s Director, his successor, equivalent or delegate as required by the Town, such failure shall be considered an event of Default to which clause 15 of this Agreement apply.

12 – Transfer of SDE Capacity

- A. The transfer of Capacity expressed in SDE shall be governed by the Allocation Agreement.
- B. The Participating Owner(s) and their respective heirs, administrators, successors and permitted assigns shall not transfer title to all or any part of the Participating Owner’s Lands unless the transferee(s) of such lands agrees in writing to unconditionally assume the rights and obligations of the Participating Owner(s) pursuant to this Agreement and such agreement is delivered to the Town, whereupon the transferring Participating Owner(s) shall be automatically released and relieved from any further obligation under this Agreement. The rights and obligations of the Participating Owner(s) shall not be assigned by the Participating Owner(s) to a successor in title to all or a portion of the Front-ending Owner’s Lands until such heirs, administrators, successors and permitted assigns have entered into an agreement with the Town agreeing to be bound by the provisions of this Agreement. Assignment shall only be permitted with the written approval of the Town, which approval may be arbitrarily withheld. The transfer of capacity granted within Erin Village may only be transferred to the lands within Erin Village and capacity granted within Hillsburgh may only be transferred to lands within Hillsburgh.

13 – Limitations and Conditions

- A. Despite anything in this Agreement to the contrary, the Town’s obligations in respect of installation, construction, and operation of a 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 Participating Owner(s) in writing that the Town has elected not to proceed with the Front Ended Services. Upon the giving of such Notice, the provisions of clauses 4.B to 4.E. shall apply with all necessary modifications.
- B. The Participating Owners acknowledge and agree that this Agreement and the Allocation 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 Allocation Agreement.

14 – Representations and Warranties

- A.** The Participating 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 Participating Owner is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II.** the Participating 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 Participating Owner and constitutes a valid and binding obligation of the Participating Owner, enforceable against the Participating 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 Participating Owner; and,
 - V.** the Participating 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:
 - i.** 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
 - ii.** 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.
- C.** Each Participating Owner acknowledges that it has read, understood and obtained independent legal advice respecting Part III 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 III of the DCA.

15 – 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 18.
- B.** The Participating 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 Participating Owners shall first execute this Agreement;
 - II.** Each Participating Owners shall in accordance with Fee By-law No. 19-60 reimburse the Town for the administrative, legal, and consultant costs it incurred in connection with this Agreement and any amendments thereto; and
 - III.** If there are no Judicial or Administrative Proceedings as of the date upon which the Participating Owners execute the Agreement, the Town shall execute this Agreement within 5 Business Days of the Participating Owners execution of the Agreement.
- C.** If the Participating 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 20 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 Participating 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.
- D.** If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 15.C. or any extension thereof, then:
 - I.** the Town shall give Notice in writing to the Defaulting Owner and all other Participating Owners that the Participating Owner is a Defaulting Owner; and,
 - II.** a Participating Owner shall be deemed conclusively to be in Default of the Allocation Agreement and the Town shall have available to it all remedies available pursuant to the Allocation Agreement in order to remedy a Default under this Agreement.

16 – Enurement, 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.** Pursuant to section 56 of the DCA, the Town may register notice of this Agreement on the title to any of the Participating Owners' Lands with the intention that the provisions of this Agreement shall bind and run with title to the Participating Owner's Lands. The Participating Owner consents to such registration at its sole cost and expense.
- C.** The Participating Owner shall be entitled to have this Agreement released from title to:
 - I.** all or such part of the Participating Owner's Lands where the Participating Owner is not a Defaulting Owner or, if the Front-ending Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 15.C.; or
 - II.** all of the Participating Owner's Land following the final reconciliation and adjustments under the Allocation Agreement between the Participating Owner and the Town provided the Participating Owner is not a Defaulting Owner or, if the Participating Owner is a Defaulting Owner, the Participating Owner has cured the Default,

provided the Participating 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 except for the Town's obligation under clause 10.D. in the form and having the substance of the satisfaction piece and full and final release described in Schedule "F" hereto. Any such release from title shall be at the Participating Owner's sole cost and expense.

- D. In addition to the foregoing, a Participating Owner shall be entitled to have this Agreement released from title to any part of such Participating Owner's Lands which are to be transferred to the Town, a school board, utility, or any other applicable public authority. Any such release from title shall be at the Participating Owner's sole cost and expense.
- E. Where the Participating Owner is entitled to a release of this Agreement from title under clause 16.D., the Town shall deliver to the Participating Owner, within 20 Business Days of a written request from the owner, an executed release in registrable form discharging the Owner from its obligations under this Agreement.

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

- A. The Participating 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 or cancellation of the Front Ended Services under the provisions of this Agreement; and/or
 - II. the failure to make a full repayment.
- B. If the Town, by virtue of having entered into this Agreement or of carrying out any of the Front Ended Services or actions contemplated hereunder, is made a party to any Administrative or Judicial Proceedings commenced by or against a Participating Owner, the remaining Participating Owners 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 waiver under it is not enforceable for any reason whatsoever against the Town, the Participating Owner(s), Benefiting Owner(s) and/or any other person(s), the Participating Owners acknowledge and agree 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 Participating Owners acknowledge and agree that:
 - I. the Participating Owners 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 and incurred debt to fund part of the cost of the Front Ended Services;
 - III. the Participating Owner's Lands benefited from the Front Ended Services; and
 - IV. it would be unjust and inequitable for any Participating Owner to demand or receive repayment of any monies paid or contributed under this Agreement.
- 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.
- 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 the Agreement.

18 – Final Reconciliation of the Recoverable Amount

- A. For each Participating Owner, 6 months after the final remittance under clause 10, the Town shall prepare and send to the such Participating Owner a final reconciliation setting out the amount:
 - I. drawn from and remaining of the Security;
 - II. collected from Benefiting Owners; and,
 - III. remitted under clause 10.D. of this Agreement.

19 – 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.

20 – List of Schedules

The following schedules are attached and form part of this Agreement:

- A. Schedule “A” being a description of the Participating Owner Lands and the Benefitting Lands;
- B. Schedule “B” being a description of the Front Ended Services;
- C. Schedule “C” being an estimate of the costs of various portions of the Front Ended Services required to service the Front-ending Owners;
- D. Schedule “D” being the form of the Letter of Credit;
- E. Schedule “E” being a Projection of the Timeframe for Recovery by the Participating Owners; and,
- F. Schedule “F” being a Satisfaction Piece and Full and Final Release.

21 – Notice

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

- I. to the Participating Owners as follows:

5021820 Ontario Inc.
14-3650 Langstaff Road
Unit 273
Woodbridge, Ontario

L4L 9A8

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 Participating Owners; 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. if by telecopier transmittal, on the date of transmission delivery.

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

22 – 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 Agreement. 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: Nathan Hyde
~~Lisa Campion, Clerk~~
 Nathan Hyde, CAO

5021820 ONTARIO INC.

Per: [Signature]
Name: DOM CARNEVALI
Title: PRESIDENT

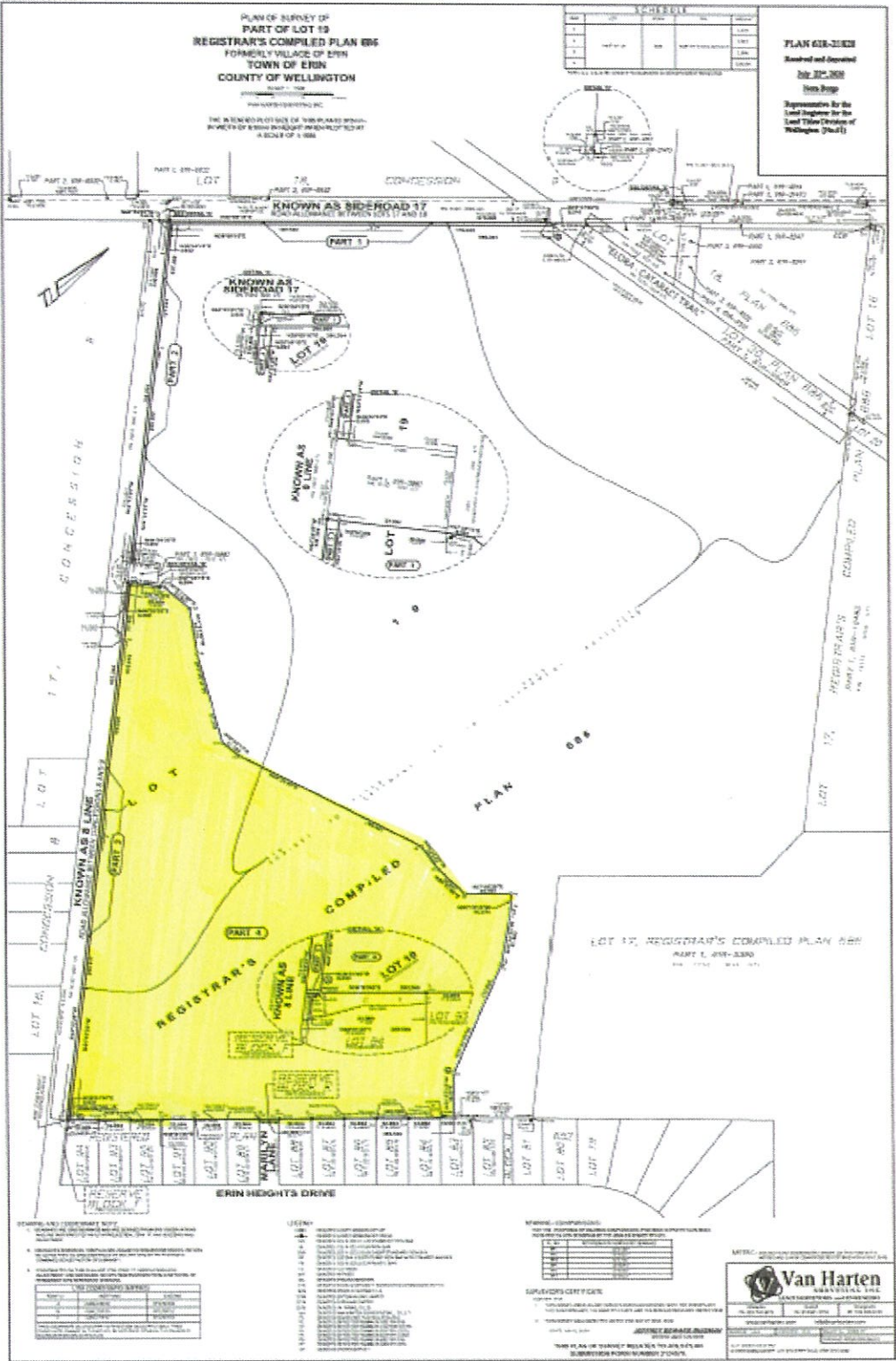
Per: _____
Name: _____
Title: _____

I/We have authority to bind the corporation.

Schedule "A"

The Participating Owner Lands

PT LT 19 RCP 686 ERIN DESIGNATED AS PART 4, PLAN 61R-21828, S/T ROS211740; ERIN (PIN: 71152-0213 (LT)).



The Benefitting Lands

The Benefitting Lands are all lands located within the Town of Erin.

Schedule “B”

Description of Front Ended Services

1.	Linear Segment #1 (Shown in Schedule “B1”)	-	\$5,190.00 per SDE
2.	Linear Segment #2 (Shown in Schedule “B2”)	-	\$4,963.00 per SDE
3.	Linear Segment #3 (Shown in Schedule “B3”)	-	\$4,709.00 per SDE
4.	Linear Segment #4 (Shown in Schedule “B4”)	-	\$4,709.00 per SDE

Schedule “B1”

Description of Linear Segment #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.

Schedule “B2”

Description of Linear Segment #2

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

Schedule “B3”

Description of Linear Segment #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.

Schedule “B4”

Description of Linear Segment #4

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

Schedule “C”

Estimate of the Individual and Total Costs of the Fronted Ended Services

Schedule Date: February 25, 2021

Growth-Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation*	Landowner's Share of the Linear Segment Costs (2021\$)	D.C. Eligible Costs (75%)	Wastewater Collection D.C. Payable (2021\$)^	Total Wastewater Collection D.C. Payable (2021\$)	Total Front-Ended Wastewater Collection D.C. To Be Recovered from Other Development (2021\$)#	Total Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (75%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 5,129,591	\$ 3,607	\$ 4,826,166	\$ 303,425	\$ 5,129,591
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 1,077,291	\$ 3,607	\$ 1,013,567	\$ 63,724	\$ 1,077,291
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 943,717	\$ 3,607	\$ 1,316,555	\$ (372,838)	\$ 1,316,555
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 542,960	\$ 3,607	\$ 757,470	\$ (214,510)	\$ 757,470
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 646,381	\$ 3,607	\$ 901,750	\$ (255,369)	\$ 901,750
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 131,862	\$ 3,607	\$ 183,957	\$ (52,095)	\$ 183,957
3 + 4	Dominion Packers & Realties (Ballantry)	700	\$ 10,203,865	43.1%	\$ 4,395,511	\$ 3,296,633	\$ 3,607	\$ 2,524,900	\$ 771,733	\$ 3,296,633
	Chantler - Residential	148		9.1%	\$ 929,337	\$ 697,002	\$ 3,607	\$ 533,836	\$ 163,166	\$ 697,002
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 306,116	\$ 3,607	\$ 234,455	\$ 71,661	\$ 306,116
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 988,990	\$ 3,607	\$ 757,470	\$ 231,520	\$ 988,990
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 857,125	\$ 3,607	\$ 656,474	\$ 200,651	\$ 857,125
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 1,507,032	\$ 3,607	\$ 1,154,240	\$ 352,792	\$ 1,507,032
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 16,124,701		\$ 14,860,840	\$ 1,263,861	\$ 17,019,512

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^Note 2: The Wastewater Collection D.C. of \$3,413 have been indexed from 2019 to 2021 at 5.67%

#Note 3: The Total Payable is the greater amount between the D.C. Eligible Costs of the Linear Segment (G) and the D.C. Payable (I)

Schedule Date: February 25, 2021

Non-Growth Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation *	Landowner's Share of the Linear Segment Costs (2021\$)	Non-Growth Costs (25%)	Wastewater Collection Overcontributions Per SDE (2021\$)^+	Total Wastewater Collection Overcontributions (2021\$)	Total Non-Growth Shortfall to be Recovered (2021\$)	Total Non-Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (25%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 1,709,864	\$ 1,356	\$ 1,814,328	\$ (104,464)	\$ 1,814,328
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 359,097	\$ 1,356	\$ 381,036	\$ (21,939)	\$ 381,036
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 314,572	\$ 1,356	\$ 494,940	\$ (180,368)	\$ 494,940
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 180,987	\$ 1,356	\$ 284,760	\$ (103,773)	\$ 284,760
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 215,460	\$ 1,356	\$ 339,000	\$ (123,540)	\$ 339,000
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 43,954	\$ 1,356	\$ 69,156	\$ (25,202)	\$ 69,156
3 + 4	Dominion Packers & Realties (Ballantry)	700	\$ 10,203,865	43.1%	\$ 4,395,511	\$ 1,098,878	\$ 1,356	\$ 949,200	\$ 149,678	\$ 1,098,878
	Chantler - Residential	148		9.1%	\$ 929,337	\$ 232,334	\$ 1,356	\$ 200,688	\$ 31,646	\$ 232,334
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 102,039	\$ 1,356	\$ 88,140	\$ 13,899	\$ 102,039
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 329,663	\$ 1,356	\$ 284,760	\$ 44,903	\$ 329,663
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 285,708	\$ 1,356	\$ 246,792	\$ 38,916	\$ 285,708
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 502,344	\$ 1,356	\$ 433,920	\$ 68,424	\$ 502,344
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 5,374,900		\$ 5,586,720	\$ (211,820)	\$ 5,934,186

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

+Note 3: The Overcontribution amounts for the Wastewater Collection represents 18% of the total overcontributions per SDE

#Note 4: The Total Payable is the greater amount between the Non-Growth Costs of the Linear Segment (G) and the Overcontributions Payable (I)

Schedule “D”

Form of 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 Corporation of 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 Chief Administrative Officer 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 Town 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 “E”

Projection of the Timeframe for Recovery

The Wastewater Collection system will be constructed in phases. The timing of each phase will depend on the completion of the previous phase. The order of construction will be as follows:

- 1. Linear Segment #1 as described in Schedule “B1” to the Agreement;
- 2. Linear Segment #2 as described in Schedule “B2” to the Agreement;
- 3. Linear Segment #3 as described in Schedule “B3” to the Agreement;
- 4. Linear Segment #4 as described in Schedule “B4” to the Agreement.

Schedule “F”

Satisfaction Piece and Release

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the payment by the [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 THE 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], 2020 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 .

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

BETWEEN:

5021820 ONTARIO 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:

5021820 Ontario Inc.
14-3650 Langstaff Road
Unit 273
Woodbridge, Ontario
L4L 9A8

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	)	THE CORPORATION OF THE TOWN OF ERIN
In the presence of)	
	)	Per: 
	)	Allan Ails, Mayor
)	
	)	Per: 
	)	Lisa Campion, Clerk
	)	Nathan Hyde, CAO
)	
	)	5021820 ONTARIO INC.
)	
	)	Per: 
	)	Name: DOM CARNEVALE
	)	Title: PRESIDENT
)	
	)	Per: _____
	)	Name: _____
	)	Title: _____
)	
	)	I/We have authority to bind the corporation.
)	

Schedule "A"

Legal Description of Owner's Lands

PT LT 19 RCP 686 ERIN, DESIGNATED AS PART 4, PLAN 61R-21828; S/T ROS211740; ERIN (PIN: 71152-0213)

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 & Infill/Intensification	Existing Community & Infill/Intensification
SDEs Serviced	1,685	1,685	1,685	1,685
Cummulative 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
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Costs are presented in 2020 \$

Schedule “D”
Reservation of SDEs and DC Early Payment Instalments

Schedule Date: February 25, 2021

Development Charge (D.C.) Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Wastewater Treatment D.C. Per SDE (2021\$)^	Total Wastewater Treatment D.C. Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 10,548	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 10,548	\$ 14,113,224
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 10,548	\$ 2,963,988
10	Logel's Auto Parts Ltd.	-	\$ 10,548	\$ -
11	Town of Erin	-	\$ 10,548	\$ -
5	2779181 Ontario Ltd.	365	\$ 10,548	\$ 3,850,020
6	2779176 Ontario Ltd.	210	\$ 10,548	\$ 2,215,080
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 10,548	\$ 2,637,000
4	Dominion Packers & Realties (Ballantry)	700	\$ 10,548	\$ 7,383,600
16	Chantler - Residential	148	\$ 10,548	\$ 1,561,104
	Chantler - Non-Residential	65	\$ 10,548	\$ 685,620
3	Thomasfield Homes Ltd.	210	\$ 10,548	\$ 2,215,080
2	Carson Reid Homes Ltd.	182	\$ 10,548	\$ 1,919,736
1	D'Angelo	320	\$ 10,548	\$ 3,375,360
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 10,548	\$ 537,948
Subtotal		4,120		43,457,760

*Note 1: SDE = Single Detached Equivalent
^Note 2: The Wastewater Treatment D.C. of \$9,982 have been indexed from 2019 to 2021 at 5.67%

Schedule Date: February 25, 2021

Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Overcontributions Per SDE (2021\$)^+ #	Total Overcontribution Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 6,041	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 6,041	\$ 8,082,858
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 6,041	\$ 1,697,521
10	Logel's Auto Parts Ltd.	-	\$ 6,041	\$ -
11	Town of Erin	-	\$ 6,041	\$ -
5	2779181 Ontario Ltd.	365	\$ 6,041	\$ 2,204,965
6	2779176 Ontario Ltd.	210	\$ 6,041	\$ 1,268,610
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 6,041	\$ 1,510,250
4	Dominion Packers & Realties (Ballantry)	700	\$ 8,644	\$ 6,050,800
16	Chantler - Residential	148	\$ 6,041	\$ 894,068
	Chantler - Non-Residential	65	\$ 6,041	\$ 392,665
3	Thomasfield Homes Ltd.	210	\$ 8,644	\$ 1,815,240
2	Carson Reid Homes Ltd.	182	\$ 8,644	\$ 1,573,208
1	D'Angelo	320	\$ 8,644	\$ 2,766,080
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 6,041	\$ 308,091
Subtotal		4,120		28,564,356

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

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

#Note 4: The Overcontribution amounts for the Hillsburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

Schedule Date: February 25, 2021

Total Wastewater Treatment D.C. and Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE) *	Wastewater Treatment Plant D.C. and Overcontributions Per SDE (2021\$) ^+ #	Total Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 16,589	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 16,589	\$ 22,196,082
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 16,589	\$ 4,661,509
10	Logel's Auto Parts Ltd.	-	\$ 16,589	\$ -
11	Town of Erin	-	\$ 16,589	\$ -
5	2779181 Ontario Ltd.	365	\$ 16,589	\$ 6,054,985
6	2779176 Ontario Ltd.	210	\$ 16,589	\$ 3,483,690
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 16,589	\$ 4,147,250
4	Dominion Packers & Realties (Ballantry)	700	\$ 19,192	\$ 13,434,400
16	Chantler - Residential	148	\$ 16,589	\$ 2,455,172
	Chantler - Non-Residential	65	\$ 16,589	\$ 1,078,285
3	Thomasfield Homes Ltd.	210	\$ 19,192	\$ 4,030,320
2	Carson Reid Homes Ltd.	182	\$ 19,192	\$ 3,492,944
1	D'Angelo	320	\$ 19,192	\$ 6,141,440
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 16,589	\$ 846,039
Subtotal		4,120		72,022,116

*Note 1: SDE = Single Detached Equivalent

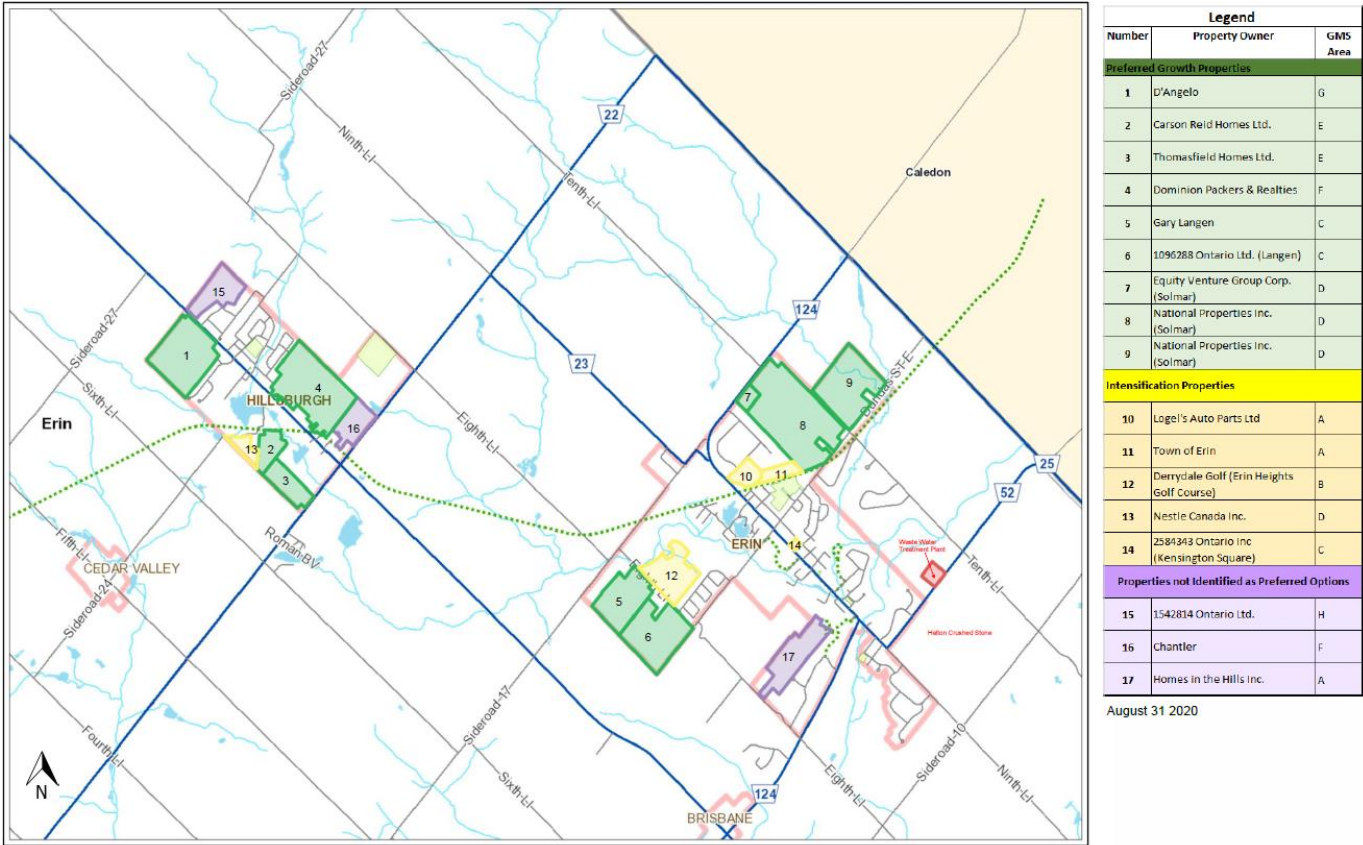
^Note 2: The Wastewater Treatment D.C. and Overcontributions amounts have been indexed from 2019 to 2021 at 5.67%

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

#Note 4: The Overcontribution amounts for the Hillsburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

Conversion Factor for Single Detached Equivalent (SDE) Units				
Unit Type	Persons Per Unit (Based on the 2019 D.C. Background Study)	Equivalent SDE	Wastewater Treatment D.C. Payable as of January 1, 2021	Wastewater Treatment Overcontribution (2021\$)
Singles and Semi Detached	3.193	1.00	\$10,548 Per Unit	\$6,041 Per Unit
Multiples	2.314	0.72	\$7,644 Per Unit	\$4,378 Per Unit
Apartments: 2 Bedrooms or more	1.618	0.51	\$5,345 Per Unit	\$3,061 Per Unit
Apartments: Bachelor and 1 Bedroom	1.375	0.43	\$4,542 Per Unit	\$2,602 Per Unit
Special Care/ Special Dwelling	1.100	0.34	\$3,634 Per Unit	\$2,081 Per Unit
Non-Residential			\$3.56 Per sq.ft.	\$0.00 Per sq.ft.

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

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 CORPORTATION 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.

THIS FRONT-ENDING AGREEMENT is made this 31st day of October, 2020.

BETWEEN:

2584343 ONTARIO INC.

(collectively, the “Participating Owners”)

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWN OF ERIN

(the “Town”)

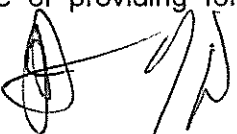
OF THE SECOND PART

WHEREAS:

1. In 2015, the Town completed the Urban Centre Wastewater Servicing Class EA, the purpose of which was to identify the preferred wastewater servicing solution to the existing residents and future development within the communities of Erin Village and Hillsburgh (collectively, the Communities”);
2. The Class EA recommended a wastewater collection system conveying all wastewater flows to a single wastewater treatment plant (“Wastewater Collection System”), to meet the existing Communities wastewater servicing needs and to support future population growth. The preferred solution further presented that the wastewater treatment plant would be located at the intersection of 10th Line and Wellington Road 52 south of Erin village, with treated effluent being discharged to the West Credit River on the west side of the bridge on Winston Churchill Boulevard on Wellington Road 52;
3. The Town has completed a study under the Development Charges Act, 1997, S.O. 1997, c. 27 (the “DCA”), that relates to the provision of services for which there will be an increased need as a result of development within the Communities and the Town proposes to enact a new Development Charge By-law to implement that study’s recommendations;
4. The study under the DCA included the estimated costs of the initial services and studies necessary to be front ended in order to consider the registration of plans of subdivision in that part of the Communities described in Schedule “A”, (the “Benefitting Lands”), the costs of which services and studies include:
 - A. the costs of all necessary studies and engineering design required to commence servicing of the Benefitting Lands, and
 - B. the cost of designing and constructing the Wastewater Collection System which will convey sanitary sewage to the proposed wastewater treatment plant, and which are required to service the Benefitting Lands.

These services and studies are more particularly described in clause 2.C. and Schedule “B” of this Agreement (the “Front Ended Services”);

5. The Director of Infrastructure Services and Engineering (the “Director”) has allocated the estimated costs of the Front Ended Services into the portions necessary to service each of the lands owned by the Front-Ending Owners in accordance with Schedule “C”;
6. The Parties have agreed to enter into this Agreement for the purpose of providing for the



construction, installation and financing of the Front Ended Services and the financing thereof, including the immediate payment of all costs by the Front-Ending Owners before any construction of the Front Ended Services commences and the collection of front ended payments from owners of the Benefitting Lands who may wish to connect to the Front Ended Services and who are not parties to this Agreement;

7. Council of the Town at its meeting of October 27, 2020 authorized the execution of this Agreement;

IN CONSIDERATION of the covenants expressed in this Agreement and other good and valuable consideration, the Parties covenant and agree, one with the other, 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 have the following meanings:

- a. **“Agreement”** means this Agreement and the Schedules hereto;
- b. **“Allocation Agreement”** means the Agreement, and schedules thereto, made under section 27 of the DCA between each Participating Owner and the Town and **“Allocation Agreements”** means all of them;
- c. **“Benefitting Area”** means all land located in the Town;
- d. **“Benefitting Lands”** means benefitting lands as defined in Recital 4.
- e. **“Benefitting Owner”** means an owner of Benefitting Lands intended for development;
- f. **“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;
- g. **“Capacity”** means Wastewater Services capacity expressed in SDEs;
- h. **“Consent Agreement”** means an agreement under subsection 53(12) of the PA;
- i. **“Cost Change”** means the difference between the total costs of the Front Ended Services as per the contracts awarded by the Town, or the updated estimates for the Front Ended Services, and the total estimated costs of the Front Ended Services as shown in Schedule “C” and includes changes resulting from the addition, deletion, deferral, or delay of Front Ended Services;
- j. **“DC”** means the development charges under the DCB;
- k. **“DCA”** means the Development Charges Act, 1997, S.O. 1997, c. 27, as amended or revised from time to time and any successor legislation;
- l. **“DCB”** means By-law No. 19-32, as may be amended from time to time and any successor by-law;
- m. **“Default”** means a failure by a Participating Owner to comply with an obligation of a Participating Owner under this Agreement by the date for complying;

- n. **"Defaulting Owner"** means the Participating Owner who is in Default;
- o. **"Director"** means the director as defined in Recital 5;
- p. **"Engineer"** means the engineer as defined in clause 5.D.;
- q. **"Front Ender"** means the front ender as defined in clause 5.C.;
- r. **"Front Ended Payment"** means front ended payments as defined in clause 2.C.;
- s. **"Front Ended Services"** means the front ended services as described in Recital 4;
- t. **"Government Approval"** means any approval, permission, licence, permit or any other approval of any kind whatsoever required from the federal or provincial government or any agency or board thereof or a conservation authority for the construction and operation of the Projects;
- u. **"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;
- v. **"Judicial and/or Administrative Proceedings"** means any judicial or administrative applications, actions, proceedings, appeals or reviews of any kind whatsoever related indirectly or directly to the subject matter of this Agreement;
- w. **"Letter of Credit"** means an unconditional and irrevocable 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 "D" hereto provided both the financial institution and letter of credit are acceptable to the Town;
- x. **"Notice"** means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- y. **"Planning Act"** means the Planning Act, R.S.O. 1990, c.P.13 as amended or revised from time to time and any successor legislation;
- z. **"Participating Owner"** means an owner of land in the Benefitting Area who has entered into this Agreement;
- aa. **"Participating Owner Lands"** means the lands of each of the Participating Owners described in Schedule "A" hereto and depicted in the sketch attached hereto as Schedule "A" hereto;
- bb. **"Parties"** means all of the Participating Owners and the Town;
- cc. **"Proportionate Share"** means the ratio obtained when the number of SDE reserved to a Participating Owner as shown in Schedule "B" hereto is divided by the total number of SDE available;
- dd. **"Recoverable Amount"** means the costs described in Schedule "B" per SDE and as may be adjusted from time to time and at any time, and which Recoverable Amount does not include any component of the costs of Front Ended Services that benefit the land of a Participating Owner;

- ee. **"Refunded Share"** means the refunded share as defined in clause 10.F.;
- ff. **"Town"** means The Corporation of the Town of Erin;
- gg. **"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;
- hh. **"Security"** means one or more Letter(s) of Credit in the form attached as Schedule "D" to this Agreement;
- ii. **"Site Plan"** means a plan under section 41 of the Planning Act;
- jj. **"Site Plan Agreement"** means an agreement under section 41(7) of the Planning Act;
- kk. **"Subdivision Agreement"** means an agreement under clause 51(25)(d) of the Planning Act;
- ll. **"Substantial Completion"** means a Front Ended Service is ready for use or is being used for purposes intended as certified in writing by the Town Director, his or her successor, equivalent or delegate;
- mm. **"Wastewater Collection Overcontribution"** means the Wastewater Collection Overcontribution referred to in Clause 2.C.IV. and as set out in Schedule "C";
- nn. **"Wastewater Collection System"** means the Linear Trunk Sewers which will convey sanitary sewage to the proposed wastewater treatment plant.

2 – Front Ending Agreement

- A. Participating Owners acknowledge and agree that the Town has the statutory authority to enter into this Agreement and the Participating Owners agree that they shall not challenge the validity of this Agreement before a court of law or the Local Planning Appeal Tribunal.
- B. The Parties agree that the Front Ended Services are not local services as defined in s. 2(5) of the DCA, and are services which are:
 - I. required to enable the Participating Owners' Lands and the balance of the lands within the Benefitting Area to be developed;
 - II. services for which development charges are payable under the development charge by-law; and,
 - III. eligible for inclusion in a front-ending agreement under the DCA.
- C. The Parties agree that all costs of design, construction and installation of the Front Ended Services used for the purpose of calculating the Front Ended Payments by the Participating and the Benefitting Owners shall be the reasonable costs of such construction and installation incurred by the Town or the Front-Ending Owners, as the case may be. For greater certainty such costs shall include the following:
 - I. all payments on contracts entered into for such design, construction or installation, as certified and accepted by the Director;
 - II. the cost of all acquisition of land or rights in land required to be acquired from owners



not front-ending;

- III. all engineering and other consulting fees, and all legal fees, whether paid to consultants or to the Town; and,
- IV. the payment of part of the cost of any studies and design required by this Agreement. Such costs shall not include:
 - i. any indirect overhead expense of a Participating Owner;
 - ii. any financing cost of a Participating Owner;
 - iii. the cost of any Security required by this Agreement; and
 - iv. the Wastewater Collection Overcontribution.

These costs shall form the basis of the payments which the Participating Owners and Benefitting Owners shall pay to the Town in accordance with clause 8 and clause 9 of this Agreement (the "Front Ended Payment").

3 – Allocation Agreement

- A. Participating Owners shall execute an Allocation Agreement for all of the Participating Owner's Lands at the same time as the Participating Owner executes this Agreement. It shall be a condition precedent to the validity of this Agreement that the Participating Owner has also executed an Allocation Agreement to the satisfaction of the Town.
- B. In order to be in good standing pursuant to this Agreement, each Participating Owner must not be in Default under:
 - I. this Agreement; or
 - II. the Allocation Agreement.

4 – Timing and Construction of the Front Ended Services

- A. Despite any payments by the Front-Ending Owners under this Agreement pursuant to clause 8., and subject to clause 10., the Town shall:
 - I. be responsible for the design, engineering, tender, construction, installation, operation and maintenance of the Front Ended Services;
 - II. own the Front Ended Services; and,
 - III. be entitled to impose, from time to time and at any time, such fees and charges directly and indirectly related to the collection, transmission, treatment and disposal of wastewater as the Town considers necessary or desirable under Part XII (Fees and Charges) of the MA, 2001, or any other user fee or charge permitted by statute.
- B. The Town may delay, defer, or cancel one or more of the Front Ended Services, in its sole and absolute discretion, and in whole or in part, if one or more of the Participating Owners fails to:
 - I. execute this Agreement;

- II. execute the Allocation Agreement;
- III. subscribe to all of the available SDE units, in whole or in part.

The Town and the Participating Owners agree to undertake best efforts to work together to address any shortfall respecting subscription to available SDE units.

- C. The Participating Owners agree and acknowledge that the deferral, delay, or cancellation of one or more Front Ended Services under clause 4.B. may delay the completion of one or more Front Ended Services, which, in turn, may delay development of the Participating Owner's Lands and lands within the Benefitting Area.
- D. If the Town exercises its rights of deferral, delay, or cancellation under clause 4.B., the Town shall give 30 Business Days of Notice to each Participating Owner of the Front Ended Services it intends to delay, defer, or cancel, and the length of the delay, if known at the time the Notice is given.
- E. The Town and the Participating Owners agree and acknowledge that clauses 4.B. is for the sole benefit of the Town, and the Town may waive such clause, in whole or in part, or be modified from time to time and at any time by the Town in its sole and absolute discretion.
- F. Despite clause 4.A., the Town may, in its sole and absolute discretion, permit one or more of the Front Ended Services to be designed or constructed or both by one or more of the Participating Owners pursuant to the requirements outlined in clause 5.
- G. Despite clause 4.F., and despite the contents of Schedule "B", the Town may, in its sole and absolute discretion, change or delete Front Ended Services contained on Schedule "B". Schedule "B" is deemed conclusively to be amended without formal amendment to this Agreement. If the Town changes any of the Front Ended Services on Schedule "B", the Town shall give Notice to the Owner within 30 Business Days of making such change.

5 – Election by Front-Ending Owners to Construct Services

- A. The Participating Owners may elect to construct and install a part or the whole of the Front Ended Services in accordance with clause 5 of this Agreement through strict compliance with the requirements of clause 5.B. After such compliance and obtaining all necessary Government Approvals, subject to the terms of this Agreement, construction and installation of the Front Ended Services may be commenced. In the case of that part of the Front Ended Services which services only one Participating Owner, the election may be submitted by that Participating Owner alone. In the case of that part of the Front Ended Services which services more than one Participating Owner, the election shall only be considered by the Town if it is submitted by all Participating Owners serviced by those portions of the Front Ended Services.
- B. If any one or all of the Participating Owner(s) desire to construct all or any portion of the Front Ended Services as described in Schedule "B", they shall first apply to the Director for the following:
 - I. approval of the choice of the Engineer for the Participating Owner;
 - II. an up-to-date estimate of the cost of the portion to be installed and constructed, together with any additional requirements of the Director not provided for in this Agreement; and
 - III. the amount of the Security to guarantee the Front Ended Services to be installed and constructed. Security shall be prescribed by the Director in his sole and absolute discretion based upon the extent of the services to be installed and constructed, which amount will not be less than 110% and not more than 125% of the cost of the Front Ended Services to be installed and constructed. The Security shall be in the form attached hereto as Schedule "D".

Before commencing any installation or construction, the Participating Owner(s) shall deliver to the Director a Notice of election to proceed together with the following:

- IV. a description of the portion of the Front Ended Services to be installed and constructed which must be one of the portions described in Schedule "B",
 - V. a certified cheque equal to 15% of the up-to-date costs of the services to be installed and constructed as engineering fees; and,
 - VI. Security from a Canadian chartered bank in a form satisfactory to the Town in the amount prescribed by the Director. The Town, in its sole and absolute discretion, may require that the Security be from a Schedule "1" Canadian chartered bank. The Security will be held by the Town as Security for the obligations of the Participating Owner(s) in accordance with this Agreement.
- C. Notwithstanding anything else contained in this Agreement, Participating Owner(s) that comply with clause 5.B. shall be permitted to construct part or the whole of the Front Ended Services, if and only if the Town first grants its consent to such Participating Owner, in writing, which consent may be arbitrarily withheld (referred to hereinafter as the "Front Ender(s)").
 - D. The Front Ender(s) agree to retain a competent consulting engineer experienced in the municipal engineering field (the "Engineer"). The Engineer or his successor shall be approved by the Director and shall carry out all necessary engineering requirements in accordance with this Agreement and with the Guideline for Engineering Services to Municipalities. The Engineer shall be retained by the Front Ender until all requirements of this Agreement have been completed to the satisfaction of the Director.
 - E. The Front Ender(s) agree to construct the Front Ended Services as shown on a set of drawings approved and signed by the Director. The preparation of the drawings shall be undertaken according to the Town's design criteria, design standards and specifications and procedures as amended from time to time.
 - F. The Front Ender(s) agree not to let any contract for the performance of any of the works unless the contractor has been first approved by the Director, which approval may be unreasonably withheld. The contract(s) shall provide that the Director may inspect the construction of the Front Ended Services and shall have authority to instruct the contractor(s) to stop work should any construction be undertaken contrary to the provisions of this Agreement and the Town's design criteria, standards and specifications.
 - G. The Front Ender(s) agree to provide the Town with ten Business Days of Notice before commencing the installation or construction of the Front Ended Services.
 - H. The Front Ended Services shall be completed within a maximum of 18 months from commencement.
 - I. The Front Ender(s) agree that the Director may inspect the construction work under any contract, but such inspection shall in no way relieve the Front Ender(s) from its responsibility to inspect the work itself. If, at any time, the construction of all works is not, in the opinion of the Director, being carried out in accordance with the provisions of this Agreement, and in accordance with good engineering practices, the Director may issue instructions to the Front Ender(s) or to the Engineer to take such steps as deemed necessary to procure compliance with the provisions of this Agreement. Such instructions may be written, or may be verbal, in which case the Director shall confirm them in writing within 24 hours. In the event that neither the Front Ender(s) nor the Engineer is present at the site of the works to receive such verbal instructions, the Director may instruct the contractor(s) or workers to cease work forthwith.

- J. The Front Ender(s) shall undertake and pay for a sewer video inspection program for the Front Ended Services installed and constructed. These works shall be undertaken by a qualified company and be approved by the Director prior to the work being undertaken. The Front Ender(s) shall provide a copy of such video inspection and written reports to the Town in a format as specified by the Town. The sewer video inspection shall be carried out prior to acceptance for maintenance by the Town. The said video shall demonstrate to the Director's satisfaction that the Front Ended Services function to the Town's satisfaction, failing which the Front Ended Services shall be corrected to the satisfaction of the Director.
- H. The Front Ender(s) agree that all streets in the vicinity of construction of the Front Ended Services shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender or Parties employed by the Front Ender(s) in the construction of the Front Ended Services, or by contractors so employed, will be repaired or restored immediately.
- L. The Front Ender(s) agree not to foul any public streets and further agrees to provide the necessary persons and equipment, to be available on reasonable Notice at all times, to keep such streets clean. All trucks making deliveries to or taking materials from the construction site shall be adequately covered and reasonably loaded so as not to scatter refuse, rubbish, or debris on the abutting streets.
- M. If, in the opinion of the Director, these requirements are not complied with, the Town may do the work as required and upon demand, the Front Ender(s) shall forthwith pay to the Town the full cost thereof. If the Front Ender(s) fail to make the payment as required by the Town, such failure will constitute a Default and the Town may draw upon the Security.
- N. The Front Ender(s) agree that all public works on adjoining lands shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender(s) or parties employed by the Front Ender(s) during construction or by contractors so employed, will be repaired and restored immediately.
- O. When, after the Front Ender(s) have commenced construction of the Front Ended Services but before the assumption thereof by the Town, the Front Ended Services do not function, or do not function properly, and in the sole opinion of the Director, repairs are necessary to be made immediately to prevent damage or hardship to persons or property, the Front Ender agrees that the Town, its servants, employees or agents, may make whatever repairs may be deemed necessary. The Front Ender further covenants and agrees to reimburse the Town for any expense incurred in making the repairs. If the Front Ender(s) fail to make the payment as required by the Town, the Town may draw upon the Security.
- P. The Town agrees to give Notice to the Front Ender(s) within 2 Business Days from the date of entry by the Town of the nature and extent of the emergency and repairs which were necessary.
- Q. The Front Ender(s) agree to maintain and keep in a proper state of repair and operation the Front Ended Services installed and constructed by the Front Ender(s) for a minimum period of 24 months from the date of acceptance for maintenance by the Town.
- R. The Front Ender(s) agree that the whole or any part of the Front Ended Services, when constructed and assumed by the Town, shall vest in the Town and the Front Ender(s) shall have no claims or rights thereto other than those accruing to it as an owner of land abutting on streets on which services have been installed.
- S. Performance and maintenance guarantees:
 - I. The Security provided to the Town in accordance with clause 5.B.III or clause 6.B.II, as the case may be, and any additional security or moneys provided hereunder, may be drawn upon by the Town, at any time, for any Default by the Front Ender under this Agreement and for any other purpose specified in this Agreement. If any lien is filed or registered under the *Construction Act*, R.S.O. 1990, c. C.30, as amended, this shall constitute a Default. Upon such Default, the Town may draw upon the Security for



payment into court of the hold-back moneys, plus interest and costs, if deemed necessary by the solicitor for the Town to satisfy its requirements under the *Construction Act*.

- II. Notwithstanding anything else contained in this Agreement, the Security required pursuant to clause 6.B. shall be in the amounts set out in Schedule "C" and in the form set out in Schedule "D" to this Agreement and shall be posted immediately upon the execution of this Agreement and may be utilized by the Town, in its discretion for the construction and installation of the Front Ended Services at any time.
- III. The Front Ender(s), when not in Default of this Agreement, may apply for acceptance for maintenance by the Town of the Front Ended Services after completion of construction and compliance with clauses H., T., and U. Upon the Director approving such acceptance, any security held by the Town may be reduced up to 25% of the value of the work at the commencement of construction as estimated by the Director. Prior to the reduction of security held by the Town for any Front Ended Services, the Front Ender(s) must supply the Town with the following documentation:
 - i. statutory declaration of works completed and contractors and subcontractors having been paid;
 - ii. Workplace Safety and Insurance Board clearance certificate; and,
 - iii. expiration of the construction lien period.
- IV. Upon application by a Front Ender after the expiry of the maintenance period of 2 years, and after compliance with this Agreement satisfactory to the Director, the Town will release all Security held to secure the construction of the whole or the portion of the Front Ended Services for which assumption is granted.
- T. Before commencing any of the works provided for in this Agreement, the Front Ender(s) shall supply the Town with a liability insurance policy in the minimum amount of \$5,000,000.00 in a form satisfactory to the Town solicitor, indemnifying the Town from any loss arising from claims or damages, injury or otherwise in connection with the work done by or on behalf of the Front Ender. The policy shall contain a completed operations clause and shall have no exclusion for blasting. In the event any renewal premium is not paid, the Town, in order to prevent the lapse of such liability insurance policy, may pay the renewal premium or premiums and the Front Ender agrees to pay the cost of such renewal or renewals within 10 Business Days of the account therefor being rendered by the Town.
- U. Immediately prior to acceptance for maintenance by the Town of the Front Ended Services, the Front Ender(s) agree as follows:
 - I. to flush all sewers and manholes free of road materials, building debris, and other foreign matter; to clean such materials from the system; to provide video inspection as required under clause 5.J.; and to rectify any deficiencies the video inspection may reveal;
 - II. to sweep abutting roadway pavement, including sidewalks, clear of building debris and earth deposits, and to clean and remove all such material;
 - III. to rectify and repair all damages to adjacent public services;
 - IV. to rectify and repair all settlements, depressions or other defects on roadways, until assumption of the Front Ended Services, and
 - V. to furnish the Director with:

- i. a statutory declaration from the Front Ender that all contractors and subcontractors associated with the construction of public works have been paid;
 - ii. a certificate from the Engineer indicating the final construction costs for the public works based on the actual construction contract, and
 - iii. payment of additional engineering fees, if required by the Director, based on the final construction costs of the public works certified by the Engineer.
- V. The Town agrees that the acceptance for maintenance of the Front Ended Services shall take place upon fulfilment of the following conditions:
 - I. all sewers and manholes are clean and free of road materials, building debris and any other foreign matter;
 - II. all roadway pavements and sidewalks are clean and free of building debris and earth deposits;
 - III. all damage to adjacent services has been repaired or rectified to the satisfaction of the Director;
 - IV. all settlements, depressions or any other defects on roadways have been repaired to the satisfaction of the Director;
 - V. the Director has received:
 - i. a statutory declaration from the Front Ender that all contractors and subcontractors associated with the construction of the Front Ended Services have been paid;
 - ii. a satisfactory set of “as constructed digital files and drawings” of all works required to be done by this Agreement in a form that meet the Town specifications;
 - iii. a certificate from the Engineer indicating the final construction costs for Front Ended Services based on the actual construction contract; and,
 - iv. payment of additional engineering fees, if required by the Director, based on the final construction costs of the Front Ended Services certified by the Engineer;
 - v. the Front Enders(s) are not in Default of any terms or conditions of this Agreement.

6 – Election for Town to Construct Services

- A. If the Participating Owners do not elect to construct the Front Ended Services themselves pursuant to clause 5, or if the Town does not consent to the same pursuant to clause 5, the Town may construct and install the whole or part of the Front Ended Services in accordance with the requirements of clause 6.B.
- B. If the Town commences installation and construction of all or any portion of the Front Ended Services as described in Schedule “B”, the Participating Owners shall provide to the Director any additional requirements of the Director not provided for in this Agreement. The Town agrees to call tenders and commence construction and installation of a portion or the whole of the Front Ended Services within a reasonable time after providing the Participating Owners with Notice of the following:
 - I. a description of the portion of the Front Ended Services to be constructed which must be one of the portions referred to in Schedule “B”; and
 - II. confirmation that Security

from a Canadian chartered bank in a form satisfactory to the Town solicitor in the form set out in Schedule “D” to this Agreement was posted at the time that this Agreement was executed.

- C. In the event that the Participating Owners fail to provide any of the matters set out in clause 6.B., the Town shall be permitted to provide same itself and utilize the Security to pay for same. The Town may also draw upon the Security in its discretion to pay the Front Ended Service costs. If the amount of the Security is insufficient to pay for the total cost of the works, the Participating Owners who delivered the Notice of election, agree to immediately pay to the Town such deficiency or to deliver additional Security upon demand therefor and the Town may cease construction of, or prevent connection to the Front Ended Services, until such deficiency is paid. The Town shall return any unused Security in excess of the amount required to complete the Front Ended Services and to maintain the Front Ended Services for a minimum period of 5 years, in the discretion of the Director. The Security shall be issued by a Schedule “1” Canadian chartered bank.
- D. Whenever and to the extent that the Town shall be unable to fulfil, or shall be delayed or restricted in fulfilling its obligation to construct the Front Ended Services, for any cause beyond its control, the Town shall be relieved from its obligation during the period during which it is unable to fulfil or is delayed or restricted in fulfilling its obligations.

7 – Rights of Way

- A. All Front Ended Services installed and constructed under this Agreement shall be located in road allowances or easements approved by the Director and granted to the Town, free and clear of all encumbrances.
- B. In the event a Notice of election is delivered according to clause 5 or clause 6 of this Agreement, no installation and construction shall commence until the Town Solicitor is satisfied that all rights in land required by the Director have been conveyed to the Town or agreements to convey have been executed.
- C. Upon request from a Participating Owner who desires to construct services through lands approved by the Director, but owned by others, the Town shall assist, at the cost of such Participating Owner, in obtaining rights to construct and maintain services on such lands. For greater certainty, the Town is not obligated to commence expropriation proceedings to assist a Participating Owner in this clause.

8 – Front Ended Payments

- A. While this Agreement remains in force, the Town agrees to use its best efforts to impose the requirement of a Front Ended Payment by all owners of land in the Benefitting Area to be connected to the Front Ended Services (except for Participating Owners who shall pay the cost of the Front Ended Services upon execution of this Agreement) in the amount calculated according to clauses 8.E. and 8.F of this Agreement, and as a condition to any development approval referred to in s. 2(2) of the DCA.
- B. The Town agrees to place money received as Front Ended Payments in a special reserve account and, provided that a notice of election has been given and clause 5.B. has been complied with, the Town shall immediately, upon receipt of the money, by registered mail:
 - I. notify the appropriate Participating Owners who have paid the cost of the Front Ended Services that the money is available to be paid out, and,
 - II. advise the appropriate Participating Owners to whom the Town proposes to pay the delivery of the said money.

Upon the delivery of said Notice from all the Participating Owners who have paid the cost of the Front Ended Services, the Town shall pay to the person or persons named in the Notice without

interest, the proportion of the money received by the Town to which the party is entitled as set out in the Notice.

- C. The Parties confirm that the reasonable cost to the Town in processing the collection of front end payments while this Agreement remains in force is 3% of all such payments. Accordingly, there shall be deducted from all such payments paid into the special reserve account, an amount equal to 2% to cover the legal and administrative costs of the Town.
- D. The Town may, at any time prior to the giving of a Notice for any part or the whole of the Front Ended Services in accordance with clause 5 or clause 6 of this Agreement, approve limited development in any part of the Benefitting Lands not serviced by the Front Ended Services, which development will ultimately be required to connect to the Front Ended Services but which, in the opinion of the Director, may proceed on an interim basis with alternate sewerage and water facilities. In such event, the Town shall charge such development a front end payment calculated in accordance with clause 8.E. and such payment or payments shall be placed in a special reserve account and be applied to reduce the cost of front ending by the Parties.
- E. The Front Ended Payment to be charged against all development in the Benefitting Area to fund the Front Ended Services shall be calculated as set out in Schedule "C". Each Owner shall fund only the linear segment shown next to each Owner's name on Schedule "C". Where more than one Owner is shown for a single linear segment, each Owner shall pay only the "Percentage of Linear Segment Allocation" shown in the column of the table so labelled on Schedule "C" for the said linear segment.
- F. The Town, in its sole and absolute discretion, may adjust the front ended payment in clause 8.E. in the event that:
 - I. there is a Cost Change between the commencement of this Agreement and the conclusion of the Adjustment Period; or
 - II. one or more Front Ended Services are deferred, waived, cancelled, or removed pursuant to clauses 4.B or 4.G.
- G. The Town and the Participating Owners agree and acknowledge that the total amount of Front Ended payments with respect to each Participating Owner included therein are correctly described in Schedule "C" of this Agreement, subject to any adjustments under clause 8.F.
- H. Every payment made by a Participating Owner for the cost of the Front Ended Services shall entitle such Participating Owner to a reservation of available capacity, in the amount set out in the Allocation Agreements (expressed as SDEs).
- I. The total Front Ended Payments may be increased due to any Cost Changes and the Town shall give each Participating Owner Notice of its Relative Share of the increase. A Participating Owner shall have fifteen Business Days from the giving of the Notice to provide an increase to its Security under this Agreement for the amount set out in the Notice. If the payment is not received, the Town may defer, waive, cancel, or remove all or part of the Front End Services pursuant to clauses 4.B or 4.G. until the matter is remedied.
- J. Following any Cost Change, the Town shall provide a revised Schedule "C" as adjusted under clause 8.F to the Participating Owners. If any revisions are made hereunder, this Agreement shall be conclusively deemed to be amended by replacing Schedule "C" with the revised Schedule "C".
- K. If the Town determines that it does not require any of the Security it holds for the Front Ended Services, it shall release any excess Security it then holds.

9 – Benefitting Owner Payments

- A. From and after October 31, 2020, every Benefitting Owner shall pay, by certified cheque or

bank draft, to the Town upon the earlier of such Owner entering into a Subdivision Agreement, a Consent Agreement or a Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the Planning Act have been met, or obtaining a building permit for the development of the Benefitting Owner's land:

- I. for the Recoverable Amount per SDE in the Subdivision Agreement, Consent Agreement, Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the PA have been met, or permitted by the building permit plus interest in accordance with the *Development Charges Act, 1997*; and,
- II. all development charges payable under the DCB, as may be amended from time to time and any successor development charge by-laws.

10 – Participating Owner Recoveries

- A. Each Participating Owner shall recover its Front Ended Payments as described in Schedule "B" of this Agreement by receiving its Proportionate Share of Recoverable Amount.
- B. A projection of the time frame for recovery by the Participating Owners of the Front Ended Services is set out in Schedule "E". The Participating Owners acknowledge and agree:
 - I. Schedule "E" is for illustration purposes only;
 - II. the Town makes no representations or warranties of any kind whatsoever that the Participating Owners shall experience recoveries in the amounts and at the times shown on Schedules "E" and "G"; and,
 - III. their actual recoveries shall be dependent on the pace of residential development through-out the Town after October 31, 2020.
- C. The Participating Owners acknowledge and agree:
 - I. that the Town's DCB and payments thereunder, and as such by-law may be amended from time to time and any successor development charge by-laws, is fair and reasonable, provided nothing herein shall preclude the Participating Owner from appealing any amending or successor development charge by-law enacted after the commencement of this Agreement; and,
 - II. to pay or cause to be paid all of the development charges of the Town in respect of the Front Ended Services, in the amounts specified in the Allocation Agreement and this Agreement.
- D. All credits under this Agreement with respect to the Front Ended Services shall be granted and administered solely in accordance with each Participating Owner's Allocation Agreement.
- E. If and when the Town receives payments for the amounts described in clause 10.A., it shall refund semi-annually commencing upon the review by the Town Council of the Development Charges Reserve Statement to each Participating Owner, that Participating Owners "Refunded Share" (as defined below) of the amounts received by the Town, provided that Town has received from each such Participating Owner a Satisfaction Piece and Full and Final Mutual Release in the Form attached hereto as Schedule "F".
- F. The amount to be refunded to each Participating Owner pursuant to clause 10.E. above shall be calculated as follows:
 - I. the total amount of Front Ended Payment made by the Participating Owner; less

- II. the total amount of DC Credit available to the Participating Owners for the Front Ended Services; divided by
 - III. the total amount of the Front Ended Payment.
- ("Refunded Share")**

11 – Land Dedications

- A. The Town's Director, equivalent or delegate may, from time to time and at any time, give the Notice described in this clause. No later than 30 Business Days after written Notice is given under this clause to the Participating Owner by the Town's Director, successor, equivalent or delegate, the Participating Owner shall convey from the Participating Owner's Lands in fee simple to the Town, for nominal consideration and free and clear of all encumbrances and restrictions, all necessary lands, easements, other interests in land, approvals, rights, interests, licences and any other agreements of every kind whatsoever which are or may be required by the Town in order to give the Town, its employees, officers, sub-contractors, servants and agents the full right, power and authority to construct, install, operate (including permitting connections thereto), inspect, repair and replace the Front Ended Services and all related works and services.
- B. If the Participating Owner fails to convey the lands, easement other interests in land, approvals, rights, interests, licenses and any other agreements as identified by the Town's Director, his successor, equivalent or delegate as required by the Town, such failure shall be considered an event of Default to which clause 15 of this Agreement apply.

12 – Transfer of SDE Capacity

- A. The transfer of Capacity expressed in SDE shall be governed by the Allocation Agreement.
- B. The Participating Owner(s) and their respective heirs, administrators, successors and permitted assigns shall not transfer title to all or any part of the Participating Owner's Lands unless the transferee(s) of such lands agrees in writing to unconditionally assume the rights and obligations of the Participating Owner(s) pursuant to this Agreement and such agreement is delivered to the Town, whereupon the transferring Participating Owner(s) shall be automatically released and relieved from any further obligation under this Agreement. The rights and obligations of the Participating Owner(s) shall not be assigned by the Participating Owner(s) to a successor in title to all or a portion of the Front-ending Owner's Lands until such heirs, administrators, successors and permitted assigns have entered into an agreement with the Town agreeing to be bound by the provisions of this Agreement. Assignment shall only be permitted with the written approval of the Town, which approval may be arbitrarily withheld. The transfer of capacity granted within Erin Village may only be transferred to the lands within Erin Village and capacity granted within Hillsburgh may only be transferred to lands within Hillsburgh.

13 – Limitations and Conditions

- A. Despite anything in this Agreement to the contrary, the Town's obligations in respect of installation, construction, and operation of a 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 Participating Owner(s) in writing that the Town has elected not to proceed with the Front Ended Services. Upon the giving of such Notice, the provisions of clauses 4.B to 4.E. shall apply with all necessary modifications.
- B. The Participating Owners acknowledge and agree that this Agreement and the Allocation 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 Allocation Agreement.



14 – Representations and Warranties

- A.** The Participating 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 Participating Owner is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II.** the Participating 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 Participating Owner and constitutes a valid and binding obligation of the Participating Owner, enforceable against the Participating 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 Participating Owner; and,
 - V.** the Participating 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:
 - i.** 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
 - ii.** 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.
- C.** Each Participating Owner acknowledges that it has read, understood and obtained independent legal advice respecting Part III 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 III of the DCA.

15 – 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 18.
- B.** The Participating 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 Participating Owners shall first execute this Agreement;
 - II.** Each Participating Owners shall in accordance with Fee By-law No. 19-60 reimburse the Town for the administrative, legal, and consultant costs it incurred in connection with this Agreement and any amendments thereto; and
 - III.** If there are no Judicial or Administrative Proceedings as of the date upon which the Participating Owners execute the Agreement, the Town shall execute this Agreement within 5 Business Days of the Participating Owners execution of the Agreement.
- C.** If the Participating 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 20 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 Participating 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.
- D.** If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 15.C. or any extension thereof, then:
 - I.** the Town shall give Notice in writing to the Defaulting Owner and all other Participating Owners that the Participating Owner is a Defaulting Owner; and,
 - II.** a Participating Owner shall be deemed conclusively to be in Default of the Allocation Agreement and the Town shall have available to it all remedies available pursuant to the Allocation Agreement in order to remedy a Default under this Agreement.

16 – Enurement, 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.** Pursuant to section 56 of the DCA, the Town may register notice of this Agreement on the title to any of the Participating Owners' Lands with the intention that the provisions of this Agreement shall bind and run with title to the Participating Owner's Lands. The Participating Owner consents to such registration at its sole cost and expense.
- C.** The Participating Owner shall be entitled to have this Agreement released from title to:
 - I.** all or such part of the Participating Owner's Lands where the Participating Owner is not a Defaulting Owner or, if the Front-ending Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 15.C.; or
 - II.** all of the Participating Owner's Land following the final reconciliation and adjustments under the Allocation Agreement between the Participating Owner and the Town provided the Participating Owner is not a Defaulting Owner or, if the Participating Owner is a Defaulting Owner, the Participating Owner has cured the Default,

provided the Participating 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 except for the Town's obligation under clause 10.D. in the form and having the substance of the satisfaction piece and full and final release described in Schedule "F" hereto. Any such release from title shall be at the Participating Owner's sole cost and expense.

- D. In addition to the foregoing, a Participating Owner shall be entitled to have this Agreement released from title to any part of such Participating Owner's Lands which are to be transferred to the Town, a school board, utility, or any other applicable public authority. Any such release from title shall be at the Participating Owner's sole cost and expense.
- E. Where the Participating Owner is entitled to a release of this Agreement from title under clause 16.D., the Town shall deliver to the Participating Owner, within 20 Business Days of a written request from the owner, an executed release in registrable form discharging the Owner from its obligations under this Agreement.

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

- A. The Participating 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 or cancellation of the Front Ended Services under the provisions of this Agreement; and/or
 - II. the failure to make a full repayment.
- B. If the Town, by virtue of having entered into this Agreement or of carrying out any of the Front Ended Services or actions contemplated hereunder, is made a party to any Administrative or Judicial Proceedings commenced by or against a Participating Owner, the remaining Participating Owners 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 waiver under it is not enforceable for any reason whatsoever against the Town, the Participating Owner(s), Benefiting Owner(s) and/or any other person(s), the Participating Owners acknowledge and agree 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 Participating Owners acknowledge and agree that:
 - I. the Participating Owners 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 and incurred debt to fund part of the cost of the Front Ended Services;
 - III. the Participating Owner's Lands benefited from the Front Ended Services; and
 - IV. it would be unjust and inequitable for any Participating Owner to demand or receive repayment of any monies paid or contributed under this Agreement.
- 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.
- 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 the Agreement.

18 – Final Reconciliation of the Recoverable Amount

- A. For each Participating Owner, 6 months after the final remittance under clause 10, the Town shall prepare and send to the such Participating Owner a final reconciliation setting out the amount:
 - I. drawn from and remaining of the Security;
 - II. collected from Benefiting Owners; and,
 - III. remitted under clause 10.D. of this Agreement.

19 – 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.

20 – List of Schedules

The following schedules are attached and form part of this Agreement:

- A. Schedule "A" being a description of the Participating Owner Lands and the Benefitting Lands;
- B. Schedule "B" being a description of the Front Ended Services;
- C. Schedule "C" being an estimate of the costs of various portions of the Front Ended Services required to service the Front-ending Owners;
- D. Schedule "D" being the form of the Letter of Credit;
- E. Schedule "E" being a Projection of the Timeframe for Recovery by the Participating Owners; and,
- F. Schedule "F" being a Satisfaction Piece and Full and Final Release.

21 – Notice

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

I. to the Participating Owners as follows:

2584343 Ontario Inc.
[address]

Attention: Tom Dolson



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 Participating Owners; 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. if by telecopier transmittal, on the date of transmission delivery.

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

22 – 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 Agreement. 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, CAO
)
) 2584343 ONTARIO INC.
)
) Per: Tom Dolson
) Name: TOM DOLSON
) Title: President
)
) Per: [Signature]
) Name: JOACHIM DETTBARN
) Title: Secretary Treasurer
)
) I/We have authority to bind the corporation.
)

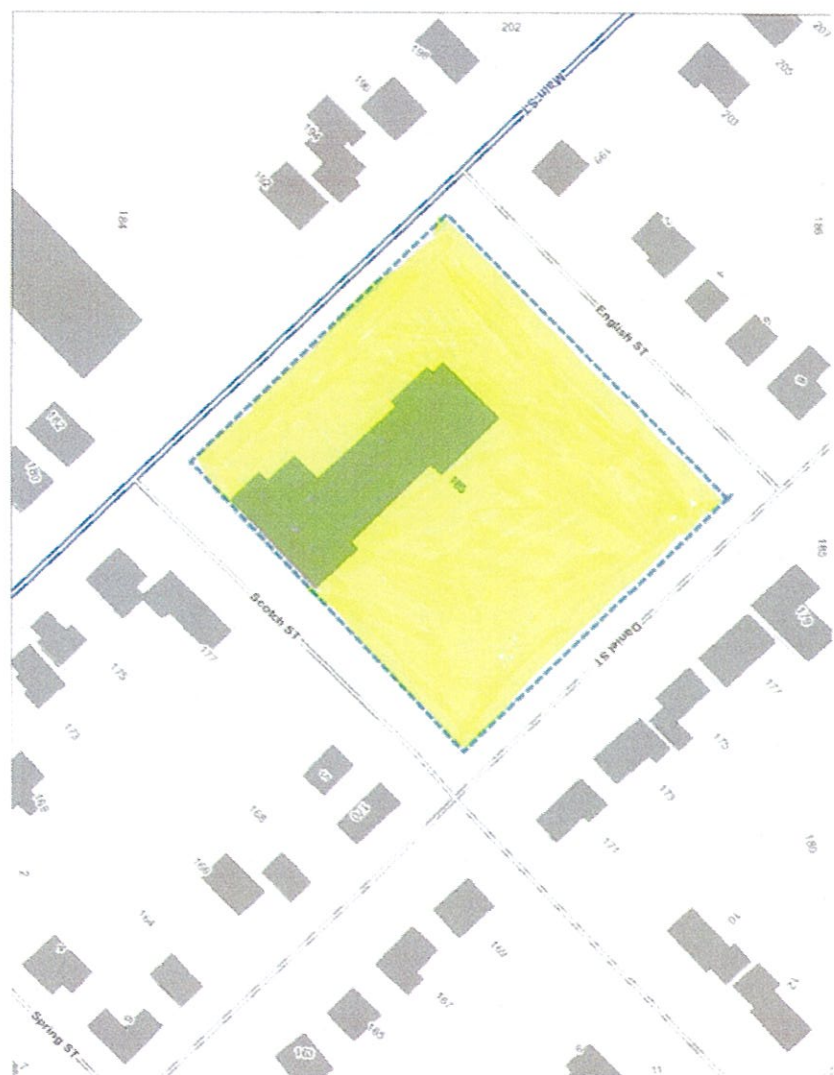
Oct 31/2020

[Signature]

Schedule “A”

The Participating Owner Lands

CONSOLIDATION OF VARIOUS PROPERTIES: LOT 21 PLAN 102 VILLAGE OF ERIN; TOWN OF ERIN (PIN: 71154-0233)



The Benefitting Lands

The Benefitting Lands are all lands located within the Town of Erin.

Schedule “B”

Description of Front Ended Services

1.	Linear Segment #1 (Shown in Schedule “B1”)	-	\$5,190.00 per SDE
2.	Linear Segment #2 (Shown in Schedule “B2”)	-	\$4,963.00 per SDE
3.	Linear Segment #3 (Shown in Schedule “B3”)	-	\$4,709.00 per SDE
4.	Linear Segment #4 (Shown in Schedule “B4”)	-	\$4,709.00 per SDE

Schedule “B1”

Description of Linear Segment #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 Plan



Schedule “B2”

Description of Linear Segment #2

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

Handwritten signature or initials in the bottom right corner of the page.

Schedule “B3”

Description of Linear Segment #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.

Handwritten signature or initials, possibly reading "D. 7/2".

Schedule "B4"**Description of Linear Segment #4**

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



Schedule “C”

Estimate of the Individual and Total Costs of the Fronted Ended Services

Schedule Date: February 25, 2021

Growth-Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation*	Landowner's Share of the Linear Segment Costs (2021\$)	D.C. Eligible Costs (75%)	Wastewater Collection D.C. Payable (2021\$)^	Total Wastewater Collection D.C. Payable (2021\$)	Total Front-Ended Wastewater Collection D.C. To Be Recovered from Other Development (2021\$)#	Total Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (75%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 5,129,591	\$ 3,607	\$ 4,826,166	\$ 303,425	\$ 5,129,591
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 1,077,291	\$ 3,607	\$ 1,013,567	\$ 63,724	\$ 1,077,291
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 943,717	\$ 3,607	\$ 1,316,555	\$ (372,838)	\$ 1,316,555
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 542,960	\$ 3,607	\$ 757,470	\$ (214,510)	\$ 757,470
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 646,381	\$ 3,607	\$ 901,750	\$ (255,369)	\$ 901,750
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 131,862	\$ 3,607	\$ 183,957	\$ (52,095)	\$ 183,957
3 + 4	Dominion Packers & Realties (Ballantry)	700	\$ 10,203,865	43.1%	\$ 4,395,511	\$ 3,296,633	\$ 3,607	\$ 2,524,900	\$ 771,733	\$ 3,296,633
	Chantler - Residential	148		9.1%	\$ 929,337	\$ 697,002	\$ 3,607	\$ 533,836	\$ 163,166	\$ 697,002
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 306,116	\$ 3,607	\$ 234,455	\$ 71,661	\$ 306,116
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 988,990	\$ 3,607	\$ 757,470	\$ 231,520	\$ 988,990
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 857,125	\$ 3,607	\$ 656,474	\$ 200,651	\$ 857,125
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 1,507,032	\$ 3,607	\$ 1,154,240	\$ 352,792	\$ 1,507,032
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 16,124,701		\$ 14,860,840	\$ 1,263,861	\$ 17,019,512

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^Note 2: The Wastewater Collection D.C. of \$3,413 have been indexed from 2019 to 2021 at 5.67%

#Note 3: The Total Payable is the greater amount between the D.C. Eligible Costs of the Linear Segment (G) and the D.C. Payable (I)

Schedule Date: February 25, 2021

Non-Growth Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation*	Landowner's Share of the Linear Segment Costs (2021\$)	Non-Growth Costs (25%)	Wastewater Collection Overcontrinutions Per SDE (2021\$)^†	Total Wastewater Collection Overcontributions (2021\$)	Total Non-Growth Shortfall to be Recovered (2021\$)	Total Non-Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (25%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 1,709,864	\$ 1,356	\$ 1,814,328	\$ (104,464)	\$ 1,814,328
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 359,097	\$ 1,356	\$ 381,036	\$ (21,939)	\$ 381,036
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 314,572	\$ 1,356	\$ 494,940	\$ (180,368)	\$ 494,940
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 180,987	\$ 1,356	\$ 284,760	\$ (103,773)	\$ 284,760
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 215,460	\$ 1,356	\$ 339,000	\$ (123,540)	\$ 339,000
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 43,954	\$ 1,356	\$ 69,156	\$ (25,202)	\$ 69,156
3 + 4	Dominion Packers & Realties (Ballantry)	700	\$ 10,203,865	43.1%	\$ 4,395,511	\$ 1,098,878	\$ 1,356	\$ 949,200	\$ 149,678	\$ 1,098,878
	Chantler - Residential	148		9.1%	\$ 929,337	\$ 232,334	\$ 1,356	\$ 200,688	\$ 31,646	\$ 232,334
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 102,039	\$ 1,356	\$ 88,140	\$ 13,899	\$ 102,039
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 329,663	\$ 1,356	\$ 284,760	\$ 44,903	\$ 329,663
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 285,708	\$ 1,356	\$ 246,792	\$ 38,916	\$ 285,708
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 502,344	\$ 1,356	\$ 433,920	\$ 68,424	\$ 502,344
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 5,374,900		\$ 5,586,720	\$ (211,820)	\$ 5,934,186

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

†Note 3: The Overcontribution amounts for the Wastewater Collection represents 18% of the total overcontributions per SDE

#Note 4: The Total Payable is the greater amount between the Non-Growth Costs of the Linear Segment (G) and the Overcontributions Payable (I)

Schedule "D"

Form of Letter of Credit

Not Applicable
Paid directly to
Town of Erin

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 Corporation of 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 Chief Administrative Officer 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 Town 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 _____.

Not Applicable
Paid directly to
Town of Erin

Handwritten initials 'JD' and a signature.

Schedule “E”

Projection of the Timeframe for Recovery

The Wastewater Collection system will be constructed in phases. The timing of each phase will depend on the completion of the previous phase. The order of construction will be as follows:

1. Linear Segment #1 as described in Schedule “B1” to the Agreement;
2. Linear Segment #2 as described in Schedule “B2” to the Agreement;
3. Linear Segment #3 as described in Schedule “B3” to the Agreement;
4. Linear Segment #4 as described in Schedule “B4” to the Agreement.

Schedule "F"

Satisfaction Piece and Release

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the payment by the [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 THE 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], 2020 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 .

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

BETWEEN:

2584343 ONTARIO 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:

2584343 Ontario Inc.
[address]

Attention: Tom Dolson

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 |

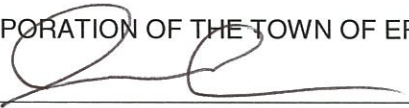



Schedule "E"	Satisfaction Piece and Full and Final Release
Schedule "F"	Letter of Credit
Schedule "G"	Front Ended Services Required to service the lands

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

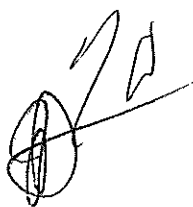
) THE CORPORATION OF THE TOWN OF ERIN
)
) Per: 
) Allan Ails, Mayor
)
) Per: 
) ~~Lisa Campion, Clerk~~
) Nathan Hyde, CAO
)
) 2584343 ONTARIO INC.
)
) Per: 
) Name: TOM DOLSON
) Title: President
)
) Per: 
) Name: JOACHIM DETTBARN
) Title: Secretary/Treasurer
)
) I/We have authority to bind the corporation.
)
) Oct 31 / 2020



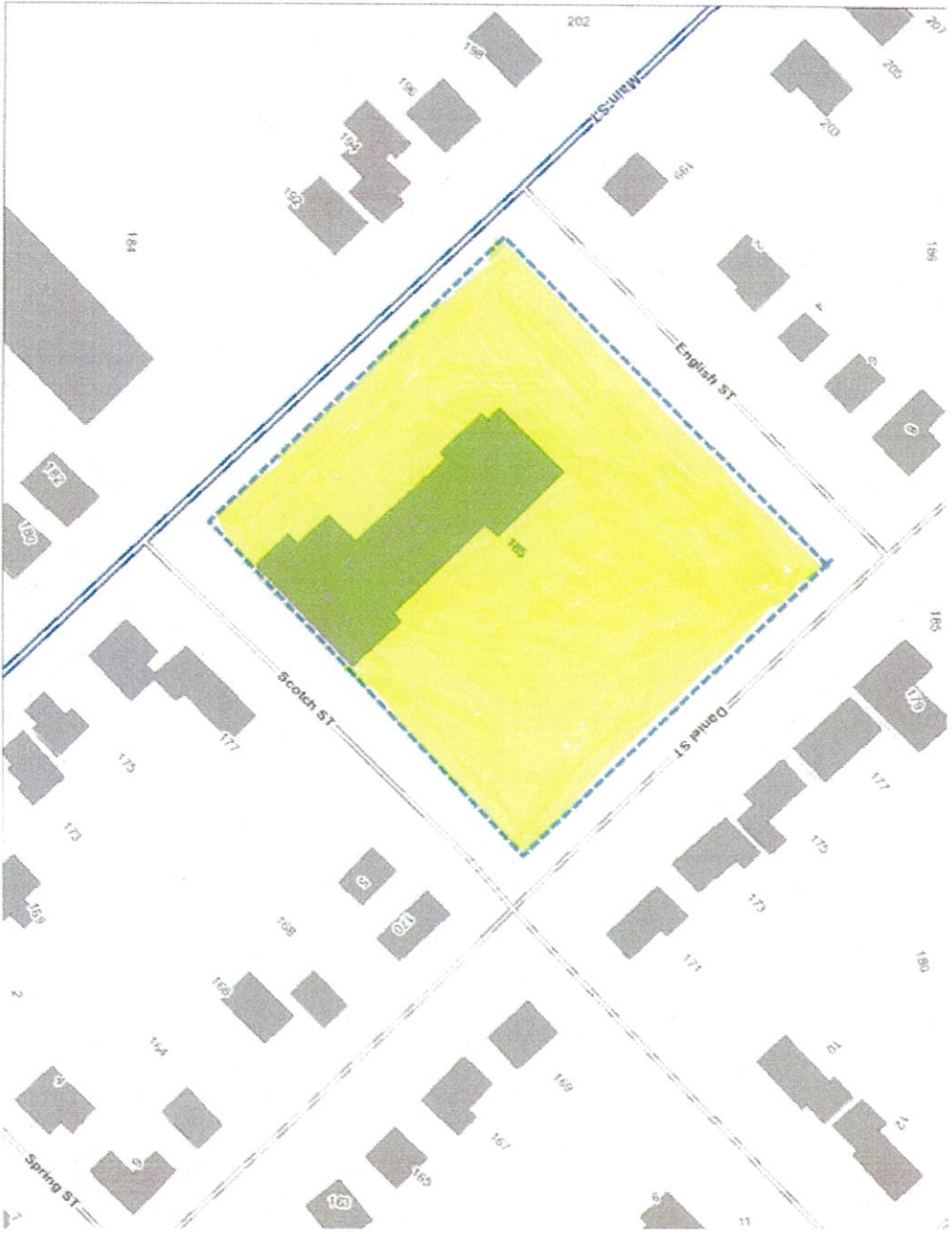
Schedule “A”

Legal Description of Owner’s Lands

CONSOLIDATION OF VARIOUS PROPERTIES: LOT 21 PLAN 102 VILLAGE OF ERIN; TOWN OF ERIN (PIN: 71154-0233)

Handwritten signature or initials in black ink, located in the bottom right corner of the page. It appears to be a stylized 'Z' or 'A' with a circular mark.

Schedule "B"
Sketch of The Owner's Lands



[Handwritten signature]

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 & Infill/Intensification	Existing Community & Infill/Intensification
SDEs Serviced	1,685	1,685	1,685	1,685
Cummulative 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
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Costs are presented in 2020 \$

Schedule “D”
Reservation of SDEs and DC Early Payment Instalments

Schedule Date: February 25, 2021

Development Charge (D.C.) Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Wastewater Treatment D.C. Per SDE (2021\$)^	Total Wastewater Treatment D.C. Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 10,548	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 10,548	\$ 14,113,224
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 10,548	\$ 2,963,988
10	Logel's Auto Parts Ltd.	-	\$ 10,548	\$ -
11	Town of Erin	-	\$ 10,548	\$ -
5	2779181 Ontario Ltd.	365	\$ 10,548	\$ 3,850,020
6	2779176 Ontario Ltd.	210	\$ 10,548	\$ 2,215,080
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 10,548	\$ 2,637,000
4	Dominion Packers & Realties (Ballantry)	700	\$ 10,548	\$ 7,383,600
16	Chantler - Residential	148	\$ 10,548	\$ 1,561,104
	Chantler - Non-Residential	65	\$ 10,548	\$ 685,620
3	Thomasfield Homes Ltd.	210	\$ 10,548	\$ 2,215,080
2	Carson Reid Homes Ltd.	182	\$ 10,548	\$ 1,919,736
1	D'Angelo	320	\$ 10,548	\$ 3,375,360
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 10,548	\$ 537,948
Subtotal		4,120		43,457,760

*Note 1: SDE = Single Detached Equivalent
^Note 2: The Wastewater Treatment D.C. of \$9,982 have been indexed from 2019 to 2021 at 5.67%

Schedule Date: February 25, 2021

Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Overcontributions Per SDE (2021\$)^+ #	Total Overcontribution Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 6,041	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 6,041	\$ 8,082,858
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 6,041	\$ 1,697,521
10	Logel's Auto Parts Ltd.	-	\$ 6,041	\$ -
11	Town of Erin	-	\$ 6,041	\$ -
5	2779181 Ontario Ltd.	365	\$ 6,041	\$ 2,204,965
6	2779176 Ontario Ltd.	210	\$ 6,041	\$ 1,268,610
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 6,041	\$ 1,510,250
4	Dominion Packers & Realities (Ballantry)	700	\$ 8,644	\$ 6,050,800
16	Chantler - Residential	148	\$ 6,041	\$ 894,068
	Chantler - Non-Residential	65	\$ 6,041	\$ 392,665
3	Thomasfield Homes Ltd.	210	\$ 8,644	\$ 1,815,240
2	Carson Reid Homes Ltd.	182	\$ 8,644	\$ 1,573,208
1	D'Angelo	320	\$ 8,644	\$ 2,766,080
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 6,041	\$ 308,091
Subtotal		4,120		28,564,356

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

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

#Note 4: The Overcontribution amounts for the Hillsburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

Schedule Date: February 25, 2021

Total Wastewater Treatment D.C. and Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE) *	Wastewater Treatment Plant D.C. and Overcontributions Per SDE (2021\$) ^+ #	Total Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 16,589	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 16,589	\$ 22,196,082
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 16,589	\$ 4,661,509
10	Logel's Auto Parts Ltd.	-	\$ 16,589	\$ -
11	Town of Erin	-	\$ 16,589	\$ -
5	2779181 Ontario Ltd.	365	\$ 16,589	\$ 6,054,985
6	2779176 Ontario Ltd.	210	\$ 16,589	\$ 3,483,690
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 16,589	\$ 4,147,250
4	Dominion Packers & Realties (Ballantry)	700	\$ 19,192	\$ 13,434,400
16	Chantler - Residential	148	\$ 16,589	\$ 2,455,172
	Chantler - Non-Residential	65	\$ 16,589	\$ 1,078,285
3	Thomasfield Homes Ltd.	210	\$ 19,192	\$ 4,030,320
2	Carson Reid Homes Ltd.	182	\$ 19,192	\$ 3,492,944
1	D'Angelo	320	\$ 19,192	\$ 6,141,440
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 16,589	\$ 846,039
Subtotal		4,120		72,022,116

*Note 1: SDE = Single Detached Equivalent

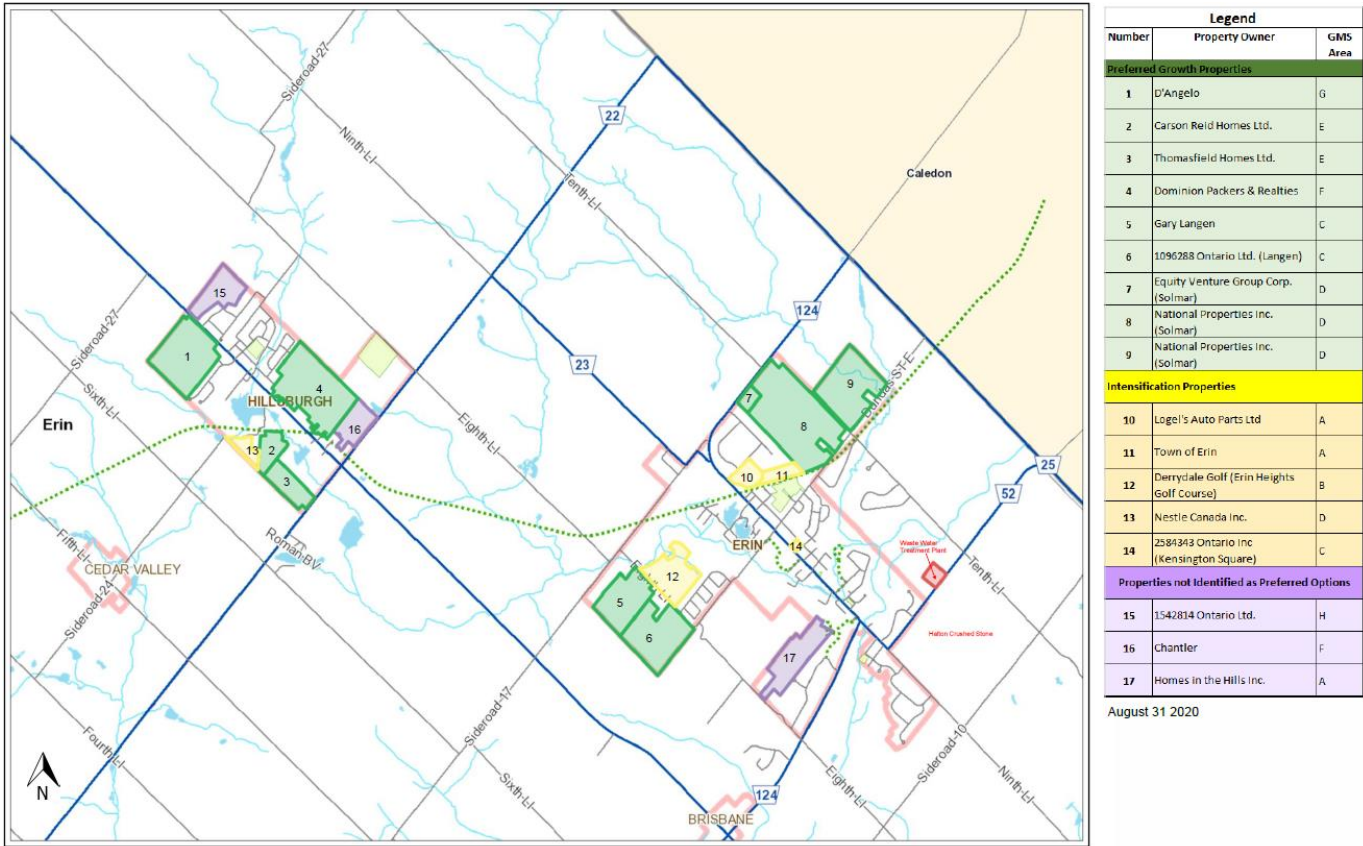
^Note 2: The Wastewater Treatment D.C. and Overcontributions amounts have been indexed from 2019 to 2021 at 5.67%

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

#Note 4: The Overcontribution amounts for the Hillsburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

Conversion Factor for Single Detached Equivalent (SDE) Units				
Unit Type	Persons Per Unit (Based on the 2019 D.C. Background Study)	Equivalent SDE	Wastewater Treatment D.C. Payable as of January 1, 2021	Wastewater Treatment Overcontribution (2021\$)
Singles and Semi Detached	3.193	1.00	\$10,548 Per Unit	\$6,041 Per Unit
Multiples	2.314	0.72	\$7,644 Per Unit	\$4,378 Per Unit
Apartments: 2 Bedrooms or more	1.618	0.51	\$5,345 Per Unit	\$3,061 Per Unit
Apartments: Bachelor and 1 Bedroom	1.375	0.43	\$4,542 Per Unit	\$2,602 Per Unit
Special Care/ Special Dwelling	1.100	0.34	\$3,634 Per Unit	\$2,081 Per Unit
Non-Residential			\$3.56 Per sq.ft.	\$0.00 Per sq.ft.

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

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 CORPORTATION 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

Not Applicable
Pd Directly to
Town of Erin

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.

THIS FRONT-ENDING AGREEMENT is made this 10th day of March, 2021.

BETWEEN:

THOMASFIELD HOMES LIMITED

(the “Participating Owner”)

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWN OF ERIN

(the “Town”)

OF THE SECOND PART

WHEREAS:

1. In 2015, the Town completed the Urban Centre Wastewater Servicing Class EA, the purpose of which was to identify the preferred wastewater servicing solution to the existing residents and future development within the communities of Erin Village and Hillsburgh (collectively, the Communities”);
2. The Class EA recommended a wastewater collection system conveying all wastewater flows to a single wastewater treatment plant (“Wastewater Collection System”), to meet the existing Communities wastewater servicing needs and to support future population growth. The preferred solution further presented that the wastewater treatment plant would be located at the intersection of 10th Line and Wellington Road 52 south of Erin village, with treated effluent being discharged to the West Credit River on the west side of the bridge on Winston Churchill Boulevard on Wellington Road 52;
3. The Town has completed a study under the Development Charges Act, 1997, S.O. 1997, c. 27 (the “DCA”), that relates to the provision of services for which there will be an increased need as a result of development within the Communities and the Town proposes to enact a new Development Charge By-law to implement that study’s recommendations;
4. The study under the DCA included the estimated costs of the initial services and studies necessary to be front ended in order to consider the registration of plans of subdivision in that part of the Communities described in Schedule “A”, (the “Benefitting Lands”), the costs of which services and studies include:
 - A. the costs of all necessary studies and engineering design required to commence servicing of the Benefitting Lands, and
 - B. the cost of designing and constructing the Wastewater Collection System which will convey sanitary sewage to the proposed wastewater treatment plant, and which are required to service the Benefitting Lands.

These services and studies are more particularly described in clause 2.C. and Schedule “B” of this Agreement (the “Front Ended Services”);

5. The Director of Infrastructure Services and Engineering (the “Director”) has allocated the estimated costs of the Front Ended Services into the portions necessary to service each of the lands owned by the Front-Ending Owners in accordance with Schedule “C”;
6. The Parties have agreed to enter into this Agreement for the purpose of providing for the construction, installation and financing of the Front Ended Services and the financing thereof, including the immediate payment of all costs by the Front-Ending Owners before any construction

of the Front Ended Services commences and the collection of front ended payments from owners of the Benefitting Lands who may wish to connect to the Front Ended Services and who are not parties to this Agreement;

7. Council of the Town at its meeting of March 16, 2021 authorized the execution of this Agreement;

IN CONSIDERATION of the covenants expressed in this Agreement and other good and valuable consideration, the Parties covenant and agree, one with the other, 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 have the following meanings:

- a. **“Agreement”** means this Agreement and the Schedules hereto;
- b. **“Allocation Agreement”** means the Agreement, and schedules thereto, made under section 27 of the DCA between the Participating Owner and the Town and **“Allocation Agreements”** means all of them;
- c. **“Benefitting Area”** means all land located in the Town;
- d. **“Benefitting Lands”** means benefitting lands as defined in Recital 4.
- e. **“Benefitting Owner”** means an owner of Benefitting Lands intended for development;
- f. **“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;
- g. **“Capacity”** means Wastewater Services capacity expressed in SDEs;
- h. **“Consent Agreement”** means an agreement under subsection 53(12) of the PA;
- i. **“Construction Security”** shall mean the Security posted in accordance with clause 5.B;
- j. **“Cost Change”** means the difference between the total costs of the Front Ended Services as per the contracts awarded by the Town, or the updated estimates for the Front Ended Services, and the total estimated costs of the Front Ended Services as shown in Schedule “C” and includes changes resulting from the addition, deletion, deferral, or delay of Front Ended Services;
- k. **“DC”** means the development charges under the DCB;
- l. **“DCA”** means the Development Charges Act, 1997, S.O. 1997, c. 27, as amended or revised from time to time and any successor legislation;
- m. **“DCB”** means By-law No. 19-32, as may be amended from time to time and any successor by-law;
- n. **“Default”** means a failure by the Participating Owner to comply with an obligation of a Participating Owner under this Agreement by the date for complying;

- o. **"Defaulting Owner"** means the Participating Owner who is in Default;
- p. **"Director"** means the director as defined in Recital 5;
- q. **"Engineer"** means the engineer as defined in clause 5.D.;
- r. **"Financing Security"** means the Security that is provided in accordance with clause 6.B.II;
- s. **"Front Ender"** means the front ender as defined in clause 5.C.;
- t. **"Front Ended Payment"** means front ended payments as defined in clause 2.C.;
- u. **"Front Ended Services"** means the front ended services as described in Recital 4;
- v. **"Government Approval"** means any approval, permission, licence, permit or any other approval of any kind whatsoever required from the federal or provincial government or any agency or board thereof or a conservation authority for the construction and operation of the Projects;
- w. **"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;
- x. **"Judicial and/or Administrative Proceedings"** means any judicial or administrative applications, actions, proceedings, appeals or reviews of any kind whatsoever related indirectly or directly to the subject matter of this Agreement;
- y. **"Letter of Credit"** means an unconditional and irrevocable 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 "D" hereto provided both the financial institution and letter of credit are acceptable to the Town;
- z. **"Linear Segment #1"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B1" of the Agreement;
- aa. **"Linear Segment #2"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B2" of the Agreement;
- bb. **"Linear Segment #3"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B3" of the Agreement;
- cc. **"Linear Segment #4"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B4" of the Agreement;
- dd. **"Notice"** means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- ee. **"Planning Act"** means the Planning Act, R.S.O. 1990, c.P.13 as amended or revised from time to time and any successor legislation;
- ff. **"Participating Owner Lands"** means the lands of the Participating Owner described in Schedule "A" hereto and depicted in the sketch attached hereto as Schedule "A" hereto;
- gg. **"Parties"** means the Participating Owner and the Town;

- hh. **“Proportionate Share”** means the ratio obtained when the number of SDE reserved to the Participating Owner as shown in Schedule “B” hereto is divided by the total number of SDE available;
- ii. **“Recoverable Amount”** means the costs described in Schedule “B” per SDE and as may be adjusted from time to time and at any time, and which Recoverable Amount does not include any component of the costs of Front Ended Services that benefit the Participating Owner Lands;
- jj. **“Refunded Share”** means the refunded share as defined in clause 10.F.;
- kk. **“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;
- ll. **“Security”** means one or more Letter(s) of Credit in the form attached as Schedule “D” to this Agreement;
- mm. **“Site Plan”** means a plan under section 41 of the Planning Act;
- nn. **“Site Plan Agreement”** means an agreement under section 41(7) of the Planning Act;
- oo. **“Subdivision Agreement”** means an agreement under clause 51(25)(d) of the Planning Act;
- pp. **“Substantial Completion”** means a Front Ended Service is ready for use or is being used for purposes intended as certified in writing by the Town Director, his or her successor, equivalent or delegate;
- qq. **“Third Party Participating Owner(s)”** means an Owner of land in the Benefitting Area who has entered into a separate front ending agreement
- rr. **“Town”** means The Corporation of the Town of Erin;
- ss. **“Wastewater Collection Overcontribution”** means the Wastewater Collection Overcontribution referred to in Clause 2.C.IV. and as set out in Schedule “C”;
- tt. **“Wastewater Collection System”** means Linear Segments #1, #2, #3, and #4 which will convey sanitary sewage to the proposed Wastewater Treatment Plant;
- uu. **“Wastewater Treatment Plant”** means the Wastewater Treatment Plant approved by the urban Centre Wastewater Servicing Class EA in 2015.

2 – Front Ending Agreement

- A. The Participating Owner acknowledges and agrees that the Town has the statutory authority to enter into this Agreement and the Participating Owner agrees that it shall not challenge the validity of this Agreement before a court of law or the Local Planning Appeal Tribunal.
- B. The Parties agree that the Front Ended Services are not local services as defined in s. 2(5) of the DCA, and are services which are:
 - I. required to enable the Participating Owners Lands and the balance of the lands within the Benefitting Area to be developed;

- II. services for which development charges are payable under the development charge by-law; and,
 - III. eligible for inclusion in a front-ending agreement under the DCA.
- C. The Parties agree that all costs of design, construction and installation of the Front Ended Services used for the purpose of calculating the Front Ended Payments by the Participating Owner and the Benefitting Owners shall be the reasonable costs of such construction and installation incurred by the Town or the Front-Ending Owners, as the case may be. For greater certainty such costs shall include the following:
- I. all payments on contracts entered into for such design, construction or installation, as certified and accepted by the Director;
 - II. the cost of all acquisition of land or rights in land required to be acquired from owners not front-ending;
 - III. all engineering and other consulting fees, and all legal fees, whether paid to consultants or to the Town; and,
 - IV. the payment of part of the cost of any studies and design required by this Agreement. Such costs shall not include:
 - i. any indirect overhead expense of a Participating Owner;
 - ii. any financing cost of a Participating Owner;
 - iii. the cost of any Security required by this Agreement; and
 - iv. the Wastewater Collection Overcontribution.

These costs shall form the basis of the payments which the Participating Owner and Benefitting Owners shall pay to the Town in accordance with clause 8 and clause 9 of this Agreement (the "Front Ended Payment").

3 – Allocation Agreement

- A. The Participating Owner shall execute an Allocation Agreement for all of the Participating Owners Lands at the same time as the Participating Owner executes this Agreement with the Town. It shall be a condition precedent to the validity of this Agreement that the Participating Owner has also executed an Allocation Agreement to the satisfaction of the Town.
- B. In order to be in good standing pursuant to this Agreement, the Participating Owner must not be in Default under:
 - I. this Agreement; or
 - II. the Allocation Agreement.

4 – Timing and Construction of the Front Ended Services

- A. Despite any payments by the Front-Ending Owners under this Agreement pursuant to clause 8., and subject to clause 10., the Town shall:

- I. be responsible for the design, engineering, tender, construction, installation, operation and maintenance of the Front Ended Services;
 - II. own the Front Ended Services; and,
 - III. be entitled to impose, from time to time and at any time, such fees and charges directly and indirectly related to the collection, transmission, treatment and disposal of wastewater as the Town considers necessary or desirable under Part XII (Fees and Charges) of the MA, 2001, or any other user fee or charge permitted by statute.
- B. The Town may delay, defer, or cancel one or more of the Front Ended Services, in its sole and absolute discretion, and in whole or in part, if the Participating Owner fails to:
- I. execute this Agreement;
 - II. execute the Allocation Agreement;
 - III. subscribe to all of the available SDE units, in whole or in part.

The Town and the Participating Owner agree to undertake best efforts to work together to address any shortfall respecting subscription to available SDE units.

- C. The Participating Owner agrees and acknowledges that the deferral, delay, or cancellation of one or more Front Ended Services under clause 4.B. may delay the completion of one or more Front Ended Services, which, in turn, may delay development of the Participating Owners Lands and lands within the Benefitting Area.
- D. If the Town exercises its rights of deferral, delay, or cancellation under clause 4.B., the Town shall give 30 Business Days of Notice to the Participating Owner of the Front Ended Services it intends to delay, defer, or cancel, and the length of the delay, if known at the time the Notice is given.
- E. The Town the Participating Owner agrees and acknowledges that clause 4.B. is for the sole benefit of the Town, and the Town may waive such clause, in whole or in part, or be modified from time to time and at any time by the Town in its sole and absolute discretion.
- F. Despite clause 4.A., the Town may, in its sole and absolute discretion, permit one or more of the Front Ended Services to be designed or constructed or both by one or more of the Participating Owner or Third Party Participating Owners pursuant to the requirements outlined in clause 5.
- G. Despite clause 4.F., and despite the contents of Schedule "B", the Town may, in its sole and absolute discretion, change or delete Front Ended Services contained on Schedule "B". Schedule "B" is deemed conclusively to be amended without formal amendment to this Agreement. If the Town changes any of the Front Ended Services on Schedule "B", the Town shall give Notice to the Owner within 30 Business Days of making such change.

5 – Election by Front-Ending Owners to Construct Services

- A. The Participating Owner may elect to construct and install a part or the whole of the Front Ended Services in accordance with clause 5 of this Agreement through strict compliance with the requirements of clause 5.B. After such compliance and obtaining all necessary Government Approvals, subject to the terms of this Agreement, construction and installation of the Front Ended Services may be commenced. In the case of that part of the Front Ended Services which services only the Participating Owner, the election may be submitted by that Participating Owner alone. In the case of that part of the Front Ended Services which services Third Party Participating Owners in addition to the Participating Owner, the election shall only be considered by the Town if it is submitted by all of the Third Party Participating Owners and the

Participating Owner serviced by those portions of the Front Ended Services.

- B.** If any one or all of the Participating Owner and Third Party Participating Owners desire to construct all or any portion of the Front Ended Services as described in Schedule "B", they shall first apply to the Director for the following:
- I.** approval of the choice of the Engineer for the Participating Owner and/or Third Party Participating Owner;
 - II.** an up-to-date estimate of the cost of the portion to be installed and constructed, together with any additional requirements of the Director not provided for in this Agreement; and
 - III.** the amount of the Security required to be posted in order to guarantee the Front Ended Services to be installed and constructed ("**Construction Security**"). The quantum of the Construction Security shall be prescribed by the Director in his sole and absolute discretion based upon the extent of the services to be installed and constructed, which amount will not be less than 110% and not more than 125% of the cost of the Front Ended Services to be installed and constructed. The Construction Security shall be in the form attached hereto as Schedule "D".

Before commencing any installation or construction, the Participating Owner shall together with the Third Party Participating Owner(s) deliver to the Director a Notice of election to proceed together with the following:

- IV.** a description of the portion of the Front Ended Services to be installed and constructed which must be one of the portions described in Schedule "B",
 - V.** a certified cheque equal to 15% of the up-to-date costs of the services to be installed and constructed as engineering fees; and,
 - VI.** Construction Security from a Canadian chartered bank in a form satisfactory to the Town in the amount prescribed by the Director. The Town, in its sole and absolute discretion, may require that the Security be from a Schedule "1" Canadian chartered bank. The Construction Security will be held by the Town as Security for the obligations of the Participating Owner in accordance with this Agreement.
- C.** Notwithstanding anything else contained in this Agreement, the Participating Owner and Third Party Participating Owner(s) that comply with clause 5.B. shall be permitted to construct part or the whole of the Front Ended Services, if and only if the Town first grants its consent to such Participating Owner together with the applicable Third party Participating Owner(s) (referred to hereinafter as the "Front Ender(s)"), in writing, which consent may be arbitrarily withheld.
- D.** The Front Ender(s) agree to retain a competent consulting engineer experienced in the municipal engineering field (the "Engineer"). The Engineer or his successor shall be approved by the Director and shall carry out all necessary engineering requirements in accordance with this Agreement and with the Guideline for Engineering Services to Municipalities. The Engineer shall be retained by the Front Ender until all requirements of this Agreement have been completed to the satisfaction of the Director.
- E.** The Front Ender(s) agree to construct the Front Ended Services as shown on a set of drawings approved and signed by the Director. The preparation of the drawings shall be undertaken according to the Town's design criteria, design standards and specifications and procedures as amended from time to time.
- F.** The Front Ender(s) agree not to let any contract for the performance of any of the works unless the contractor has been first approved by the Director, which approval may be unreasonably withheld. The contract(s) shall provide that the Director may inspect the construction of the Front Ended Services and shall have authority to instruct the contractor(s) to stop work should

any construction be undertaken contrary to the provisions of this Agreement and the Town's design criteria, standards and specifications.

- G. The Front Ender(s) agree to provide the Town with ten Business Days of Notice before commencing the installation or construction of the Front Ended Services.
- H. The Front Ended Services shall be completed within a maximum of 18 months from commencement.
- I. The Front Ender(s) agree that the Director may inspect the construction work under any contract, but such inspection shall in no way relieve the Front Ender(s) from its responsibility to inspect the work itself. If, at any time, the construction of all works is not, in the opinion of the Director, being carried out in accordance with the provisions of this Agreement, and in accordance with good engineering practices, the Director may issue instructions to the Front Ender(s) or to the Engineer to take such steps as deemed necessary to procure compliance with the provisions of this Agreement. Such instructions may be written, or may be verbal, in which case the Director shall confirm them in writing within 24 hours. In the event that neither the Front Ender(s) nor the Engineer is present at the site of the works to receive such verbal instructions, the Director may instruct the contractor(s) or workers to cease work forthwith.
- J. The Front Ender(s) shall undertake and pay for a sewer video inspection program for the Front Ended Services installed and constructed. These works shall be undertaken by a qualified company and be approved by the Director prior to the work being undertaken. The Front Ender(s) shall provide a copy of such video inspection and written reports to the Town in a format as specified by the Town. The sewer video inspection shall be carried out prior to acceptance for maintenance by the Town. The said video shall demonstrate to the Director's satisfaction that the Front Ended Services function to the Town's satisfaction, failing which the Front Ended Services shall be corrected to the satisfaction of the Director.
- K. The Front Ender(s) agree that all streets in the vicinity of construction of the Front Ended Services shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender or Parties employed by the Front Ender(s) in the construction of the Front Ended Services, or by contractors so employed, will be repaired or restored immediately.
- L. The Front Ender(s) agree not to foul any public streets and further agrees to provide the necessary persons and equipment, to be available on reasonable Notice at all times, to keep such streets clean. All trucks making deliveries to or taking materials from the construction site shall be adequately covered and reasonably loaded so as not to scatter refuse, rubbish, or debris on the abutting streets.
- M. If, in the opinion of the Director, these requirements are not complied with, the Town may do the work as required and upon demand, the Front Ender(s) shall forthwith pay to the Town the full cost thereof. If the Front Ender(s) fail to make the payment as required by the Town, such failure will constitute a Default and the Town may, subject to meeting the requirements of clauses 15.C and 15.D, draw upon the Construction Security.
- N. The Front Ender(s) agree that all public works on adjoining lands shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender(s) or parties employed by the Front Ender(s) during construction or by contractors so employed, will be repaired and restored immediately.
- O. When, after the Front Ender(s) have commenced construction of the Front Ended Services but before the assumption thereof by the Town, the Front Ended Services do not function, or do not function properly, and in the sole opinion of the Director, repairs are necessary to be made immediately to prevent damage or hardship to persons or property, the Front Ender agrees that the Town, its servants, employees or agents, may make whatever repairs may be deemed necessary. The Front Ender further covenants and agrees to reimburse the Town for any expense incurred in making the repairs. If the Front Ender(s) fail to make the payment as required by the Town, the Town may, subject to meeting the requirements of clauses 15.C and 15.D, draw upon the Construction Security.

- P. The Town agrees to give Notice to the Front Ender(s) within 2 Business Days from the date of entry by the Town of the nature and extent of the emergency and repairs which were necessary.
- Q. The Front Ender(s) agree to maintain and keep in a proper state of repair and operation the Front Ended Services installed and constructed by the Front Ender(s) for a minimum period of 24 months from the date of acceptance for maintenance by the Town.
- R. The Front Ender(s) agree that the whole or any part of the Front Ended Services, when constructed and assumed by the Town, shall vest in the Town and the Front Ender(s) shall have no claims or rights thereto other than those accruing to it as an owner of land abutting on streets on which services have been installed.
- S. Performance and maintenance guarantees:
- I. The Security provided to the Town in accordance with clause 5.B.III and 5.B.VI may be, subject to clauses 15.C and 15.D, drawn upon by the Town for any Default by the Front Ender under this Agreement and for any other purpose specified in this Agreement. If any lien is filed or registered under the *Construction Act*, R.S.O. 1990, c. C.30, as amended, this shall constitute a Default. Upon such Default, the Town may draw upon the Security for payment into court of the hold-back moneys, plus interest and costs, if deemed necessary by the solicitor for the Town to satisfy its requirements under the *Construction Act*.
 - II. The Front Ender(s), when not in Default of this Agreement, may apply for acceptance for maintenance by the Town of the Front Ended Services after completion of construction and compliance with clauses H., T., and U. Upon the Director approving such acceptance, any security held by the Town may be reduced up to 25% of the value of the work at the commencement of construction as estimated by the Director. Prior to the reduction of security held by the Town for any Front Ended Services, the Front Ender(s) must supply the Town with the following documentation:
 - i. statutory declaration of works completed and contractors and subcontractors having been paid;
 - ii. Workplace Safety and Insurance Board clearance certificate; and,
 - iii. expiration of the construction lien period.
 - IV. Upon application by a Front Ender after the expiry of the maintenance period of 2 years, and after compliance with this Agreement satisfactory to the Director, the Town will release all Security held to secure the construction of the whole or the portion of the Front Ended Services for which assumption is granted.
- T. Before commencing any of the works provided for in this Agreement, the Front Ender(s) shall supply the Town with a liability insurance policy in the minimum amount of \$5,000,000.00 in a form satisfactory to the Town solicitor, indemnifying the Town from any loss arising from claims or damages, injury or otherwise in connection with the work done by or on behalf of the Front Ender. The policy shall contain a completed operations clause and shall have no exclusion for blasting. In the event any renewal premium is not paid, the Town, in order to prevent the lapse of such liability insurance policy, may pay the renewal premium or premiums and the Front Ender agrees to pay the cost of such renewal or renewals within 10 Business Days of the account therefor being rendered by the Town.
- U. Immediately prior to acceptance for maintenance by the Town of the Front Ended Services, the Front Ender(s) agree as follows:

- I. to flush all sewers and manholes free of road materials, building debris, and other foreign matter; to clean such materials from the system; to provide video inspection as required under clause 5.J.; and to rectify any deficiencies the video inspection may reveal;
 - II. to sweep abutting roadway pavement, including sidewalks, clear of building debris and earth deposits, and to clean and remove all such material;
 - III. to rectify and repair all damages to adjacent public services;
 - IV. to rectify and repair all settlements, depressions or other defects on roadways, until assumption of the Front Ended Services, and
 - V. to furnish the Director with:
 - i. a statutory declaration from the Front Ender(s) that all contractors and subcontractors associated with the construction of public works have been paid;
 - ii. a certificate from the Engineer indicating the final construction costs for the public works based on the actual construction contract, and
 - iii. payment of additional engineering fees, if required by the Director, based on the final construction costs of the public works certified by the Engineer.
- V. The Town agrees that the acceptance for maintenance of the Front Ended Services shall take place upon fulfilment of the following conditions:
- I. all sewers and manholes are clean and free of road materials, building debris and any other foreign matter;
 - II. all roadway pavements and sidewalks are clean and free of building debris and earth deposits;
 - III. all damage to adjacent services has been repaired or rectified to the satisfaction of the Director;
 - IV. all settlements, depressions or any other defects on roadways have been repaired to the satisfaction of the Director;
 - V. the Director has received:

- i. a statutory declaration from the Front Ender(s) that all contractors and subcontractors associated with the construction of the Front Ended Services have been paid;
- ii. a satisfactory set of “as constructed digital files and drawings” of all works required to be done by this Agreement in a form that meet Town specifications;
- iii. a certificate from the Engineer indicating the final construction costs for Front Ended Services based on the actual construction contract; and,
- iv. payment of additional engineering fees, if required by the Director, based on the final construction costs of the Front Ended Services certified by the Engineer;
- v. the Front Enders(s) are not in Default of any terms or conditions of this Agreement.

6 – Election for Town to Construct Services

- A.** If the Participating Owner does not elect to construct the Front Ended Services itself pursuant to clause 5, or if the Town does not consent to the same pursuant to clause 5, the Town may construct and install the whole or part of the Front Ended Services in accordance with the requirements of clause 6.B.
- B.** If the Town commences installation and construction of all or any portion of the Front Ended Services as described in Schedule “B”, the Participating Owner shall provide to the Director any additional requirements of the Director not provided for in this Agreement. The Town agrees to call tenders and commence construction and installation of a portion or the whole of the Front Ended Services within a reasonable time after providing the Participating Owner with Notice of the following:
 - I. a description of the portion of the Front Ended Services to be constructed which must be one of the portions referred to in Schedule “B”; and
 - II. confirmation that Security from a Canadian chartered bank in a form satisfactory to the Town solicitor in the form set out in Schedule “D” to this Agreement was posted by the Participating Owner at the time that this Agreement was executed.
- C.** Notwithstanding anything else contained in this Agreement, the Security required pursuant to clause 6.B. shall be in the amounts set out in Schedule “C” and in the form set out in Schedule “D” to this Agreement and shall be posted immediately upon the execution of this Agreement and may be utilized by the Town, in its discretion for the construction and installation of the Front Ended Services at any time.
- D.** In the event that the Participating Owner fails to provide any of the matters set out in clause 6.B., the Town shall be permitted to provide same itself and utilize the Security to pay for same. The Town may also draw upon the Security in its discretion to pay the Front Ended Service costs. If the amount of the Security is insufficient to pay for the total cost of the works, the Participating Owner who delivered the Notice of election, agrees to immediately pay to the Town such deficiency or to deliver additional Security upon demand therefor and the Town may cease construction of, or prevent connection to the Front Ended Services, until such deficiency is paid. The Town shall return any unused Security in excess of the amount required to complete the Front Ended Services and to maintain the Front Ended Services for a minimum period of 5 years, in the discretion of the Director. The Security shall be issued by a Schedule “1” Canadian chartered bank.
- E.** Whenever and to the extent that the Town shall be unable to fulfil, or shall be delayed or restricted in fulfilling its obligation to construct the Front Ended Services, for any cause beyond its control, the Town shall be relieved from its obligation during the period during which it is unable to fulfil or is delayed or restricted in fulfilling its obligations.

- F. Notwithstanding anything else to the contrary herein, the Town shall use reasonable efforts to ensure that the design, tender and construction of the Wastewater Treatment Plant and Linear Segments 1, 2, 3, and 4 progresses in an active, continuous and diligent manner following the date of this Agreement.

7 – Rights of Way

- A. All Front Ended Services installed and constructed under this Agreement shall be located in road allowances or easements approved by the Director and granted to the Town, free and clear of all encumbrances.
- B. In the event a Notice of election is delivered according to clause 5 or clause 6 of this Agreement, no installation and construction shall commence until the Town Solicitor is satisfied that all rights in land required by the Director have been conveyed to the Town or agreements to convey have been executed.
- C. Upon request from a Participating Owner who desires to construct services through lands approved by the Director, but owned by others, the Town shall assist, at the cost of such Participating Owner, in obtaining rights to construct and maintain services on such lands. For greater certainty, the Town is not obligated to commence expropriation proceedings to assist a Participating Owner in this clause.

8 – Front Ended Payments

- A. While this Agreement remains in force, the Town agrees to use its best efforts to impose the requirement of a Front Ended Payment by all owners of land in the Benefitting Area to be connected to the Front Ended Services (except for Participating Owner who shall pay the cost of the Front Ended Services upon execution of this Agreement) in the amount calculated according to clauses 8.E. and 8.F of this Agreement, and as a condition to any development approval referred to in s. 2(2) of the DCA.
- B. The Town agrees to place money received as Front Ended Payments in a special reserve account and, provided that a notice of election has been given and clause 5.B. has been complied with, the Town shall immediately, upon receipt of the money, by registered mail:
- I. notify the appropriate Participating Owners who have paid the cost of the Front Ended Services that the money is available to be paid out, and,
 - II. advise the Participating Owners to whom the Town proposes to pay the delivery of the said money.

Upon the delivery of said Notice from all the Participating Owners who have paid the cost of the Front Ended Services, the Town shall pay to the person or persons named in the Notice without interest, the proportion of the money received by the Town to which the party is entitled as set out in the Notice.

- C. The Parties confirm that the reasonable cost to the Town in processing the collection of front end payments while this Agreement remains in force is 3% of all such payments. Accordingly, there shall be deducted from all such payments paid into the special reserve account, an amount equal to 2% to cover the legal and administrative costs of the Town.
- D. The Town may, at any time prior to the giving of a Notice for any part or the whole of the Front Ended Services in accordance with clause 5 or clause 6 of this Agreement, approve limited development in any part of the Benefitting Lands not serviced by the Front Ended Services, which development will ultimately be required to connect to the Front Ended Services but which, in the opinion of the Director, may proceed on an interim basis with alternate sewerage and water facilities. In such event, the Town shall charge such development a front end payment calculated in accordance with clause 8.E. and such payment or payments shall be placed in a

special reserve account and be applied to reduce the cost of front ending by the Parties.

- E. The Front Ended Payment to be charged against all development in the Benefitting Area to fund the Front Ended Services shall be calculated as set out in Schedule "C". The Participating Owner shall fund only the linear segment shown next to the Participating Owner's name on Schedule "C".
- F. The Town, in its sole and absolute discretion, may adjust the front ended payment in clause 8.E. in the event that:
 - I. there is a Cost Change between the commencement of this Agreement and the conclusion of the Adjustment Period; or
 - II. one or more Front Ended Services are deferred, waived, cancelled, or removed pursuant to clauses 4.B or 4.G.
- G. The Town and the Participating Owner agree and acknowledge that the total amount of Front Ended payments with respect to each Participating Owner included therein are correctly described in Schedule "C" of this Agreement, subject to any adjustments under clause 8.F.
- H. Every payment made by a Participating Owner for the cost of the Front Ended Services shall entitle such Participating Owner to a reservation of available capacity, in the amount set out in the Allocation Agreements (expressed as SDEs).
- I. The total Front Ended Payments may be increased due to any Cost Changes and the Town shall give each Participating Owner Notice of its Relative Share of the increase. A Participating Owner shall have fifteen Business Days from the giving of the Notice to provide an increase to its Security under this Agreement for the amount set out in the Notice. If the payment is not received, the Town may defer, waive, cancel, or remove all or part of the Front End Services pursuant to clauses 4.B or 4.G. until the matter is remedied.
- J. Following any Cost Change, the Town shall provide a revised Schedule "C" as adjusted under clause 8.F to the Participating Owners. If any revisions are made hereunder, this Agreement shall be conclusively deemed to be amended by replacing Schedule "C" with the revised Schedule "C".
- K. If the Town determines that it does not require any of the Security it holds for the Front Ended Services, it shall release any excess Security it then holds.

9 – Benefitting Owner Payments

- A. From and after March 16, 2021, every Benefitting Owner shall pay, by certified cheque or bank draft, to the Town upon the earlier of such Owner entering into a Subdivision Agreement, a Consent Agreement or a Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the Planning Act have been met, or obtaining a building permit for the development of the Benefitting Owner's land:
 - I. for the Recoverable Amount per SDE in the Subdivision Agreement, Consent Agreement, Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the PA have been met, or permitted by the building permit plus interest in accordance with the *Development Charges Act, 1997*; and,
 - II. all development charges payable under the DCB, as may be amended from time to time and any successor development charge by-laws.

10 – Participating Owner Recoveries

- A. Each Participating Owner shall recover its Front Ended Payments as described in Schedule “B” of this Agreement by receiving its Proportionate Share of Recoverable Amount.

- B. A projection of the time frame for recovery by the Participating Owners of the Front Ended Services is set out in Schedule “E”. The Participating Owners acknowledge and agree:
 - I. Schedule “E” is for illustration purposes only;

 - II. the Town makes no representations or warranties of any kind whatsoever that the Participating Owners shall experience recoveries in the amounts and at the times shown on Schedules “E” and “G”; and,

 - III. their actual recoveries shall be dependent on the pace of residential development through-out the Town after March 16, 2021.

- C. The Participating Owners acknowledge and agree:
 - I. that the Town’s DCB and payments thereunder, and as such by-law may be amended from time to time and any successor development charge by-laws, is fair and reasonable, provided nothing herein shall preclude the Participating Owner from appealing any amending or successor development charge by-law enacted after the commencement of this Agreement; and,

 - II. to pay or cause to be paid all of the development charges of the Town in respect of the Front Ended Services, in the amounts specified in the Allocation Agreement and this Agreement.

- D. All credits under this Agreement with respect to the Front Ended Services shall be granted and administered solely in accordance with each Participating Owner’s Allocation Agreement.

- E. If and when the Town receives payments for the amounts described in clause 10.A., it shall refund semi-annually commencing upon the review by the Town Council of the Development Charges Reserve Statement to each Participating Owner that Participating Owners “Refunded Share” (as defined below) of the amounts received by the Town, provided that Town has received from each such Participating Owner a Satisfaction Piece and Full and Final Mutual Release in the Form attached hereto as Schedule “F”.

- F. The amount to be refunded to each Participating Owner pursuant to clause 10.E. above shall be calculated as follows:
 - I. the total amount of Front Ended Payment made by the or Participating Owner; less

 - II. the total amount of DC Credit available to the Participating Owners for the Front Ended Services; divided by

 - III. the total amount of the Front Ended Payment.

(“Refunded Share”)

11 – Land Dedications

- A. The Town’s Director, equivalent or delegate may, from time to time and at any time, give the Notice described in this clause. No later than 30 Business Days after written Notice is given under this clause to the Participating Owner by the Town’s Director, successor, equivalent or

delegate, the Participating Owner shall convey from the Participating Owner's Lands in fee simple to the Town, for nominal consideration and free and clear of all encumbrances and restrictions, all necessary lands, easements, other interests in land, approvals, rights, interests, licences and any other agreements of every kind whatsoever which are or may be required by the Town in order to give the Town, its employees, officers, sub-contractors, servants and agents the full right, power and authority to construct, install, operate (including permitting connections thereto), inspect, repair and replace the Front Ended Services and all related works and services.

- B. If the Participating Owner fails to convey the lands, easement other interests in land, approvals, rights, interests, licenses and any other agreements as identified by the Town's Director, his successor, equivalent or delegate as required by the Town, such failure shall be considered an event of Default to which clause 15 of this Agreement apply.

12 – Transfer of SDE Capacity

- A. The transfer of Capacity expressed in SDE shall be governed by the Allocation Agreement.
- B. The Participating Owner and their respective heirs, administrators, successors and permitted assigns shall not transfer title to all or any part of the Participating Owner's Lands unless the transferee(s) of such lands agrees in writing to unconditionally assume the rights and obligations of the Participating Owner pursuant to this Agreement and such agreement is delivered to the Town, whereupon the transferring Participating Owner shall be automatically released and relieved from any further obligation under this Agreement. The rights and obligations of the Participating Owner shall not be assigned by the Participating Owner to a successor in title to all or a portion of the Front-ending Owner's Lands until such heirs, administrators, successors and permitted assigns have entered into an agreement with the Town agreeing to be bound by the provisions of this Agreement. Assignment shall only be permitted with the written approval of the Town, which approval may be arbitrarily withheld. The transfer of capacity granted within Erin Village may only be transferred to the lands within Erin Village and capacity granted within Hillsburgh may only be transferred to lands within Hillsburgh.

13 – Limitations and Conditions

- A. Despite anything in this Agreement to the contrary, the Town's obligations in respect of installation, construction, and operation of a 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 Participating Owner(s) in writing that the Town has elected not to proceed with the Front Ended Services. Upon the giving of such Notice, the provisions of clauses 4.B to 4.E. shall apply with all necessary modifications.
- B. The Participating Owner acknowledges and agrees that this Agreement and the Allocation 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 Allocation Agreement.

14 – Representations and Warranties

- A. The Participating 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 Participating Owner is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II. the Participating 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 Participating Owner and constitutes a valid and binding obligation of the Participating Owner, enforceable against the Participating 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 Participating Owner; and,
 - V. the Participating Owner is the registered owner of the Participating 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:
 - i. 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
 - ii. 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.
- D. Each Participating Owner acknowledges that it has read, understood and obtained independent legal advice respecting Part III 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 III of the DCA.

15 – 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 18.
- B. The Participating Owner and the Town agree that this Agreement shall be of no force and effect until the following conditions are satisfied:
 - I. The Participating Owner shall first execute this Agreement;
 - II. The Participating Owner shall in accordance with Fee By-law No. 19-60 reimburse the

Town for the administrative, legal, and consultant costs it incurred in connection with this Agreement and any amendments thereto;

- II. If there are no Judicial or Administrative Proceedings as of the date upon which the Participating Owner executes the Agreement, the Town shall execute this Agreement within 5 Business Days of the Participating Owner's execution of the Agreement; and,
 - IV. there is enough take up by the owners in Hillsburgh to build either a full 75% of the Wastewater Treatment Plant, or a full 100% of the plant, but nothing in between.
- C. If the Participating 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 20 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 Participating 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.
- D. If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 15.C. or any extension thereof, then:
- I. the Town shall give Notice in writing to the Defaulting Owner that the Participating Owner is a Defaulting Owner; and,
 - II. the Participating Owner shall be deemed conclusively to be in Default of the Allocation Agreement and the Town shall have available to it all remedies available pursuant to the Allocation Agreement in order to remedy a Default under this Agreement.
- E. Notwithstanding anything else to the contrary in this Agreement the Participating Owner may terminate this Agreement and the Town shall return all unused securities to the Participating Owner in full within 30 days of the said termination with no further recourse or claim against the Participating Owner if at the time that the Town issues a tender for the construction of the first phase (i.e. 50%) of the Waste Water Treatment Plant and for the construction of Linear Segment #1 and Linear Segment #2:
- I. the said tender does not also include the tender for the construction of Linear Segment #3 and Linear Segment #4 under the same tender timeframe; or,
 - II. if the Participating Owner determines that the tender price for Linear Segment #3 and/or Linear Segment #4 is too high to proceed once tenders are received.

The right to terminate under this clause may only be exercised up to three (3) days following the opening of tenders by the Town and delivery of notice of the results of such tenders by the Town to the Participating Owner. The right to terminate must be exercised by the Participating Owner by providing written notice to the Town in accordance with clause 21.

- F. Notwithstanding anything else to the contrary in this Agreement, in the event that, for any reason, other than the default of the Participating Owner or reasons out of the control of the Town, construction of Linear Segment #3 and Linear Segment #4 is not awarded and a contract is not signed therefor, by December 31, 2022:
- I. The Participating Owner shall have the right to elect to front end the cost of constructing such Segments on behalf of the Town in accordance with clause 5 and can make use of the unused posted Financing Security held by the Town (from the Participating Owner and others) to undertake such front ended construction by a firm approved by the Town and to the Town's design and

construction standards and to the Town’s direction and satisfaction (which includes approval of the form of construction contract, the location of the works, the approval of the design and the construction techniques to be utilized therefor); or,

- II. The Participating Owner may terminate this agreement with written notice to the Town in accordance with clause 21 and the Town shall return all unused Financing Security and front ended costs to the Participating Owner, in full, within 30 days of the said termination with no further recourse or claim against the Participating Owner.

For clarity, in the event that the Participating Owner elects to terminate this Agreement pursuant to clause 15.F.II above, the Participating Owner shall not be entitled to any return of any securities posted for the construction of the Wastewater Treatment Plant, but only to a return of residual unused securities for the construction of Segments #3 and #4 of the Wastewater Collection System.

16 – Enurement, 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. Pursuant to section 56 of the DCA, the Town may register notice of this Agreement on the title to any of the Participating Owners Lands with the intention that the provisions of this Agreement shall bind and run with title to the Participating Owners Lands. The Participating Owner consents to such registration and agrees that such registration shall be at its sole cost and expense.
- C. The Participating Owner shall be entitled to have this Agreement released from title to:
 - I. all or such part of the Participating Owner’s Lands where the Participating Owner is not a Defaulting Owner or, if the Participating Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 15.C.; or
 - II. all of the Participating Owners Lands following the final reconciliation and adjustments under the Allocation Agreement between the Participating Owner and the Town provided the Participating Owner is not a Defaulting Owner or, if the Participating Owner is a Defaulting Owner, the Participating Owner has cured the Default,

provided the Participating 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 except for the Town’s obligation under clause 10.D. in the form and having the substance of the satisfaction piece and full and final release described in Schedule “F” hereto. Any such release from title shall be at the Participating Owner’s sole cost and expense as the case may be.

- D. In addition to the foregoing, the Owner shall be entitled to have this Agreement released from title to any part of such Participating Owners Lands which are to be transferred to the Town, a school board, utility, or any other applicable public authority. Any such release from title shall be at the Participating Owner’s sole cost and expense.
- E. Where the Participating Owner is entitled to a release of this Agreement from title under clause 16.D., the Town shall deliver to the Owner, within 20 Business Days of a written request from the Owner, an executed release in registrable form discharging the Participating Owner from its obligations under this Agreement.

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

- A.** The Participating Owner hereby release and forever discharge 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 Participating Owner has had, has or may in future have directly or indirectly arising from or in any way connected with:
 - I.** a delay, deferral or cancellation of the Front Ended Services under the provisions of this Agreement; and/or
 - II.** the failure to make a full repayment.
- B.** If the Town, by virtue of having entered into this Agreement or of carrying out any of the Front Ended Services or actions contemplated hereunder, is made a party to any Administrative or Judicial Proceedings commenced by or against a Participating Owner, the remaining Participating 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 waiver under it is not enforceable for any reason whatsoever against the Town, Participating Owner, Benefiting Owner(s) and/or any other person(s), the Participating 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 and the Participating Owner acknowledge and agree that:
 - I.** the Participating 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 and incurred debt to fund part of the cost of the Front Ended Services;
 - III.** the Participating Owner's Lands benefited from the Front Ended Services; and
 - IV.** it would be unjust and inequitable for any Participating Owner to demand or receive repayment of any monies paid or contributed under this Agreement.
- 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.
- G.** The Participating 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 the Agreement.

18 – Final Reconciliation of the Recoverable Amount

- A. For each Participating Owner, 6 months after the final remittance under clause 10, the Town shall prepare and send to the such Participating Owner a final reconciliation setting out the amount:
- I. drawn from and remaining of the Security;
 - II. collected from Benefiting Owners; and,
 - III. remitted under clause 10.D. of this Agreement.

19 – General

- A. The Parties agree that the recitals herein are true and accurate and form part of this Agreement.
- B. The Participating 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.

20 – List of Schedules

The following schedules are attached and form part of this Agreement:

- A. Schedule “A” being a description of the Participating Owner Lands and the Benefitting Lands;
- B. Schedule “B” being a description of the Front Ended Services;
- C. Schedule “C” being an estimate of the costs of various portions of the Front Ended Services required to service the Front-ending Owners;
- D. Schedule “D” being the form of the Letter of Credit;
- E. Schedule “E” being a Projection of the Timeframe for Recovery by the Participating Owner; and,
- F. Schedule “F” being a Satisfaction Piece and Full and Final Release.

21 – Notice

- A. Any Notice shall be given in writing and shall be given by personal delivery, regular mail, courier or telecopier transmittal and addressed:
 - I. to the Participating Owner as follows:

Thomasfield Homes Limited
295 Southgate Dr.
Guelph, Ontario, N1G 3M5

Attention: ~~Tom McLoughlin / Tom Kirzan~~
TOM M-~~LAUGHLIN~~ / TOM KRIZAN

with copies to:
Brattys LLP
7501 Keele Street, Suite 200
Vaughan, Ontario L4K 1Y2

or such change of address and other particulars as the Participating 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 Participating Owners; and

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.** if by telecopier transmittal, on the date of transmission delivery.

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

22 – 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 Agreement. 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: 
~~Nathan Hyde, CAO~~
 Lisa Campion, Clerk

THOMASFIELD HOMES LIMITED

Per: _____
Name: VP FINANCE
Title: TOM McLAUGHLIN.

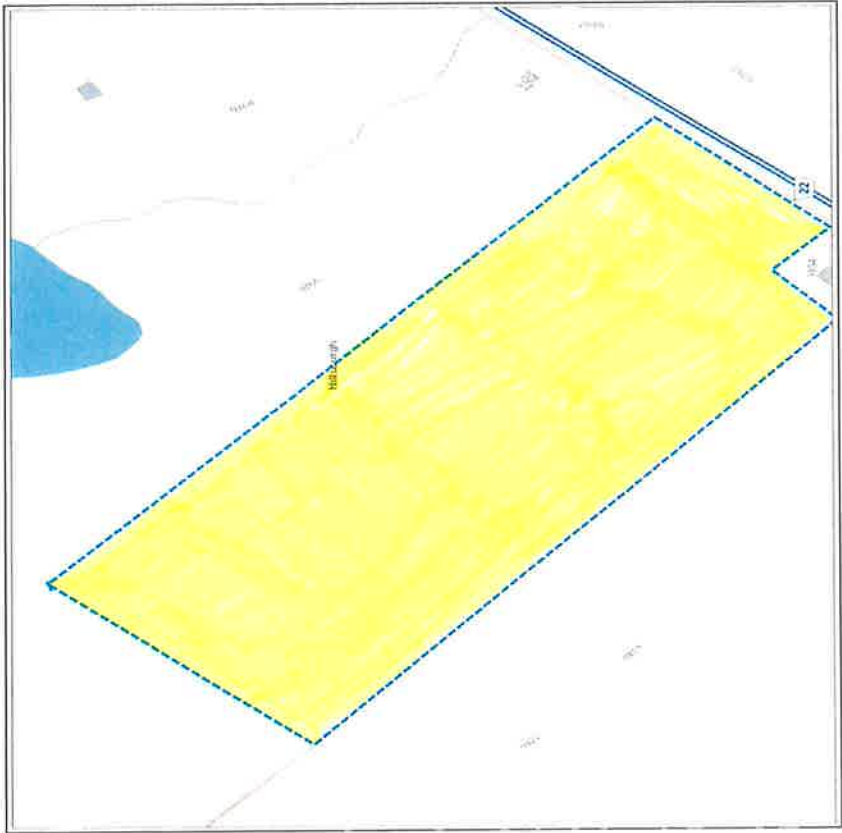
Per: _____
Name: _____
Title: _____

I/We have authority to bind the corporation.

Schedule “A”

The Participating Owner Lands

PT LT 23 CON 7 ERIN AS IN ROS540131, EXCEPT PT 5 61R1913; ERIN (PIN: 71143-0459 (LT)).



The Benefitting Lands

The Benefitting Lands are all lands located within the Town of Erin.

Schedule “B”

Description of Front Ended Services

1.	Linear Segment #1 (Shown in Schedule “B1”)	-	\$5,190.00 per SDE
2.	Linear Segment #2 (Shown in Schedule “B2”)	-	\$4,963.00 per SDE
3.	Linear Segment #3 (Shown in Schedule “B3”)	-	\$4,709.00 per SDE
4.	Linear Segment #4 (Shown in Schedule “B4”)	-	\$4,709.00 per SDE

Schedule “B1”

Description of Linear Segment #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.

Schedule “B2”

Description of Linear Segment #2

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

Schedule “B3”

Description of Linear Segment #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.

Schedule “B4”

Description of Linear Segment #4

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

Schedule “C”

Estimate of the Individual and Total Costs of the Fronted Ended Services

Schedule Date: February 25, 2021

Growth-Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation *	Landowner's Share of the Linear Segment Costs (2021\$)	D.C. Eligible Costs (75%)	Wastewater Collection D.C. Payable (2021\$) ^v	Total Wastewater Collection D.C. Payable (2021\$)	Wastewater Collection D.C. To Be Recovered from Other Development (2021\$)#	Total Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (75%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 5,129,591	\$ 3,607	\$ 4,826,166	\$ 303,425	\$ 5,129,591
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 1,077,291	\$ 3,607	\$ 1,013,567	\$ 63,724	\$ 1,077,291
	2779181 Ontario Ltd.	365		41.7%	\$ 1,258,289	\$ 943,717	\$ 3,607	\$ 1,316,555	\$ (372,838)	\$ 1,316,555
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 542,960	\$ 3,607	\$ 757,470	\$ (214,510)	\$ 757,470
2	Derrydale Golf (Erin Heights Golf Course)	250	\$ 3,019,894	28.5%	\$ 861,842	\$ 646,381	\$ 3,607	\$ 901,750	\$ (255,369)	\$ 901,750
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 131,862	\$ 3,607	\$ 183,957	\$ (52,095)	\$ 183,957
3 + 4	Dominion Packers & Realties (Ballantry)	700		43.1%	\$ 4,395,511	\$ 3,296,633	\$ 3,607	\$ 2,524,900	\$ 771,733	\$ 3,296,633
	Chanler - Residential	148		9.1%	\$ 929,337	\$ 697,002	\$ 3,607	\$ 533,836	\$ 163,166	\$ 697,002
	Chanler - Non-Residential	65	\$ 10,203,865	4.0%	\$ 408,155	\$ 306,116	\$ 3,607	\$ 234,455	\$ 71,661	\$ 306,116
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 988,990	\$ 3,607	\$ 757,470	\$ 231,520	\$ 988,990
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 857,125	\$ 3,607	\$ 656,474	\$ 200,651	\$ 857,125
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 1,507,032	\$ 3,607	\$ 1,154,240	\$ 352,792	\$ 1,507,032
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 16,124,701	\$ 14,860,840	\$ 1,263,861	\$ 17,019,512	

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner
vNote 2: The Wastewater Collection D.C. of \$3,413 have been indexed from 2019 to 2021 at 5.67%
#Note 3: The Total Payable is the greater amount between the D.C. Eligible Costs of the Linear Segment (g) and the D.C. Payable (i)

Schedule Date: February 25, 2021

Non-Growth Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation*	Landowner's Share of the Linear Segment Costs (2021\$)	Non-Growth Costs (25%)	Wastewater Collection Overcontributions Per SDE (2021\$)* [†]	Total Wastewater Collection Overcontributions (2021\$)	Total Non-Growth Shortfall to be Recovered (2021\$)	Total Non-Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (25%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	1,338	\$ 8,275,842							
				82.6%	\$ 6,839,454	\$ 1,709,864	\$ 1,356	\$ 1,814,328	\$ (104,464)	\$ 1,814,328
				17.4%	\$ 1,436,388	\$ 359,097	\$ 1,356	\$ 381,036	\$ (21,939)	\$ 381,036
				41.7%	\$ 1,258,289	\$ 314,572	\$ 1,356	\$ 494,940	\$ (180,368)	\$ 494,940
				24.0%	\$ 723,947	\$ 180,987	\$ 1,356	\$ 284,760	\$ (103,773)	\$ 284,760
2	Derrydale Golf (Erin Heights Golf Course) 2584343 Ontario Inc. (Kensington Square)	250	\$ 3,019,894							
				28.5%	\$ 861,842	\$ 215,460	\$ 1,356	\$ 339,000	\$ (123,540)	\$ 339,000
				5.8%	\$ 175,816	\$ 43,954	\$ 1,356	\$ 69,156	\$ (25,202)	\$ 69,156
				43.1%	\$ 4,395,511	\$ 1,098,878	\$ 1,356	\$ 949,200	\$ 149,678	\$ 1,098,878
				9.1%	\$ 929,337	\$ 232,334	\$ 1,356	\$ 200,688	\$ 31,646	\$ 232,334
3 + 4	Chantler - Residential Chantler - Non-Residential Thomasfield Homes Ltd. Carson Reid Homes Ltd. D'Angelo	148	\$ 10,203,865							
		65		4.0%	\$ 408,155	\$ 102,039	\$ 1,356	\$ 88,140	\$ 13,899	\$ 102,039
		210		12.9%	\$ 1,318,653	\$ 329,663	\$ 1,356	\$ 284,760	\$ 44,903	\$ 329,663
		182		11.2%	\$ 1,142,833	\$ 285,708	\$ 1,356	\$ 246,792	\$ 38,916	\$ 285,708
		320		19.7%	\$ 2,009,376	\$ 502,344	\$ 1,356	\$ 433,920	\$ 68,424	\$ 502,344
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 5,374,900	\$ 5,586,720	\$ 5,586,720	\$ (211,820)	\$ 5,934,186

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

†Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

†Note 3: The Overcontribution amounts for the Wastewater Collection represents 18% of the total overcontributions per SDE

†Note 4: The Total Payable is the greater amount between the Non-Growth Costs of the Linear Segment (G) and the Overcontributions Payable (I)

Schedule “D”

Form of 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 Corporation of 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 Chief Administrative Officer 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 Town 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 “E”

Projection of the Timeframe for Recovery

The Wastewater Collection system will be constructed in phases. The timing of each phase will depend on the completion of the previous phase. The order of construction will be as follows:

- 1. Linear Segment #1 as described in Schedule “B1” to the Agreement;
- 2. Linear Segment #2 as described in Schedule “B2” to the Agreement;
- 3. Linear Segment #3 as described in Schedule “B3” to the Agreement;
- 4. Linear Segment #4 as described in Schedule “B4” to the Agreement.

Schedule “F”

Satisfaction Piece and Release

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the payment by the [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 THE 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], 2020 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 .

THIS EARLY PAYMENT AND ALLOCATION AGREEMENT is made this 10th day of March, 2021.

BETWEEN:

THOMASFIELD HOMES LIMITED
(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 March 16, 2021 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 the 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 Treatment 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 March 10th, 2021 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. **“Linear Segment #1”** means the sanitary sewer and related infrastructure described in Schedules “B” and “B1” of the Front Ending Agreement;
- U. **“Linear Segment #2”** means the sanitary sewer and related infrastructure described in Schedules “B” and “B2” of the Front Ending Agreement;
- V. **“Linear Segment #3”** means the sanitary sewer and related infrastructure described in Schedules “B” and “B3” of the Front Ending Agreement;
- W. **“Linear Segment #4”** means the sanitary sewer and related infrastructure described in Schedules “B” and “B4” of the Front Ending Agreement;
- X. **“Notice”** means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- Y. **“Owner’s Lands”** means the lands of the Owner described in Schedule “A” hereto and depicted on the sketch in Schedule “B” hereto;
- Z. **“Planning Act”** means the *Planning Act*, R.S.O. 1990 c. P.13;

- AA. **“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;
- BB. **“Reserved Capacity”** means Wastewater Services capacity expressed in SDEs, reserved under clause 4;
- CC. **“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.D.;
- DD. **“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;
- EE. **“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;
- FF. **“Security”** means a Letter of Credit in the form set out in Schedule “F” to this Agreement, certified cheque, or bank draft;
- GG. **“Site Plan”** means a plan under section 41 of the Planning Act;
- HH. **“Subdivision Agreement”** means an agreement under clause 51(25)(d) of the Planning Act;
- II. **“Town”** means The Town of Erin;
- JJ. **“Wastewater Treatment Plant”** means the Wastewater Treatment Plant approved by the Urban Centre Wastewater Servicing Class EA in 2015;
- KK. **“Treasurer”** means the Town Treasurer, his successor, equivalent or delegate;
- LL. **“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;
- MM. **“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 and Construction of Works

- 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. The Owner shall be given reasonable prior written notice of any drawdown of its Security in accordance with this Agreement and shall have the option of remitting cash payment in lieu of said drawdown following receipt of said notice in accordance with clause 2.G.
- I. For greater certainty, the Security for the Wastewater Treatment Overcontribution amounts shall be posted at the time that all other Security is posted, being immediately upon execution of this Agreement. The 2020 Wastewater Treatment Overcontribution amounts are as follows: \$10,000.00 per SDE, consisting of \$8675.00 per SDE for the Wastewater Treatment Plant and \$1325.00 per SDE for Linear Segment #3.

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 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, as may be amended from time to time.

- F. The Owner acknowledges and agrees that the DC Early Payment:
- I. is 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, , except for the credits set out above.
- 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".
- H. Notwithstanding anything else to the contrary herein, the Town shall use reasonable efforts to ensure that the design, tender and construction of the Wastewater Treatment Plant and Linear Segments 1, 2, 3, and 4 progress in an active, continuous and diligent manner following the date of this Agreement.

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 Owner 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.C., 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 15 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. The 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 Owner's Lands.
- 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 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;
 - V. the Owner is the registered owner of the Owner's Lands in fee simple; and,
 - VI. the Owner authorizes and consents to the registration of this Agreement on title to the Owner's Lands.
- B. The Town represents and warrants as of the date above first written as follows and acknowledges that the Owner are 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. The 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 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 Owner and the Town agree that this Agreement shall be of no force and effect until the following conditions are satisfied:
 - I. The Owner shall first execute this Agreement and the Front Ending Agreement;
 - II. The 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 Owner's execution of the Front Ending Agreement.

- III. there is enough financial take up by the landowners in Hillsburgh to build either a full 75% of the Wastewater Treatment Plant, or a full 100% of the plant, but nothing in between.
- C. If the Owner is a Defaulting Owner, the Town shall give to such party 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 Defaulting 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.
 - D. If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 9.C. or any extension thereof, then:
 - I. the Town shall give Notice in writing to the Defaulting Owner and all other parties that the Owner is a Defaulting Owner; and,
 - II. the 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:
 - i. the person who acquires the Revoked SDE shall cure the Default; and,
 - ii. 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 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.D.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.
 - E. Notwithstanding anything else to the contrary in this Agreement, the Owner may terminate this Agreement and the Town shall return all unused securities to the Owner in full within 30 days of the said termination with no further recourse or claim against the Owner if at the time that the Town issues a tender for the construction of the first phase (i.e. 50%) of the Waste Water Treatment Plant and for the construction of Linear Segment #1 and Linear Segment #2:
 - I. the said tender does not also include the tender for the construction of Linear Segment #3 and Linear Segment #4 under the same tender timeframe; or,
 - II. if the Owner determines that the tender price for Linear Segment #3 and/or Linear Segment #4 is too high to proceed once tenders are received.

The right to terminate under this clause may only be exercised up to three (3) days following the opening of tenders by the Town and delivery of notice of the results of such tenders by the Town to the Owner. The right to terminate must be exercised by the Owner by providing written notice to

the Town in accordance with clause 13.

- F. Notwithstanding anything else to the contrary in this Agreement, in the event that, for any reason, other than the Default of the Owner or reasons out of the control of the Town, construction of Linear Segment #3 and Linear Segment #4 is not awarded and a contract is not signed therefor, by December 31, 2022:
 - I. The Owner shall have the right to elect to front end the cost of constructing such Segments 3 and/or 4 on behalf of the Town and can make use of the unused posted Security held by the Town (from the Owner and others) to undertake such front ended construction by a firm approved by the Town and to the Town's design and construction standards and to the Town's direction and satisfaction (which includes approval of the form of construction contract, the location of the works, the approval of the design and the construction techniques to be utilized therefor); or,
 - II. The Owner may terminate this Agreement with written notice to the Town in accordance with clause 13 and the Town shall return all unused Security and front-ended costs to the Owner, in full, within 30 days of the said termination with no further recourse or claim against the Owner.

For clarity, in the event that the Owner elects to terminate this Agreement pursuant to clause 9F.II above, the Owner shall not be entitled to any return of any securities posted for the construction of the Wastewater Treatment Plant, but only to a return of residual unused securities for the construction of Segments 3 and 4 of the Collection System.

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.C; 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.C,

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 discharge 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 have 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, and incurred debt to fund part of the cost of the Front Ended Services, 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:

Thomasfield Homes Limited
295 Southgate Dr.
Guelph, Ontario, N1G 3M5

Attention: ~~Tom McLoughlin / Tom Kirzan~~
TOM MCLAUGHLIN / TOM KRIZAN

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

Brattys LLP
7501 Keele Street, Suite 200
Vaughan, Ontario L4K 1Y2
Attention: Helen Mihailidi

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: [Signature]
Allan Ails, Mayor

Per: Nathan Hyde
Nathan Hyde, GAO
Lisa Campion, Clerk

THOMASFIELD HOMES LIMITED

Per: _____
Name: TOM McLAUGHN
Title: VP FINANCE

Per:____
Name:____
Title:____

I/We have authority to bind the corporation.

I/We have authority to bind the corporation.

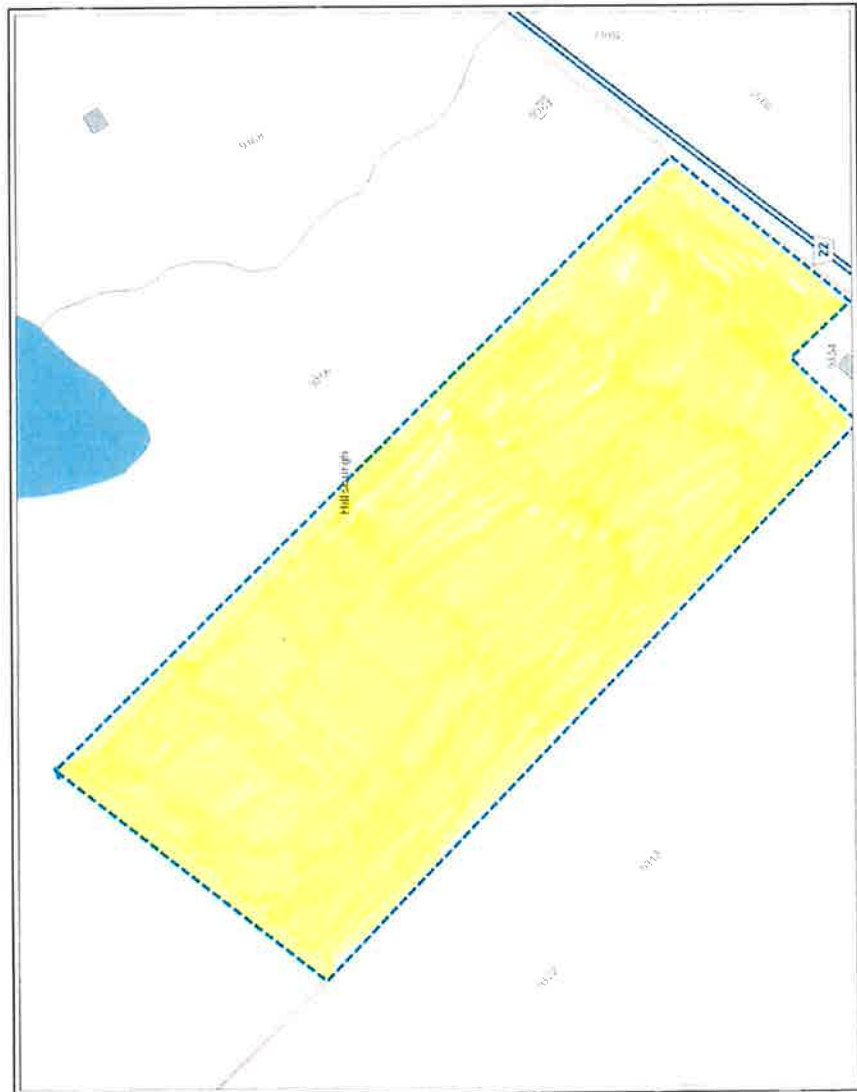
Schedule “A”

Legal Description of Owner's Lands

PT LT 23 CON 7 ERIN AS IN ROS540131, EXCEPT PT 5 61R1913; ERIN (PIN: 71143-0459 (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 & Infill/Intensification	Existing Community & Infill/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
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Costs are presented in 2020 \$

Schedule “D”
Reservation of SDEs and DC Early Payment Instalments

Schedule Date: February 25, 2021				
		Development Charge (D.C.) Payable		
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Wastewater Treatment D.C. Per SDE (2021\$)^	Total Wastewater Treatment D.C. Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 10,548	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 10,548	\$ 14,113,224
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 10,548	\$ 2,963,988
	Logel's Auto Parts Ltd.	-	\$ 10,548	\$ -
10	Logel's Auto Parts Ltd.	-	\$ 10,548	\$ -
11	Town of Erin	-	\$ 10,548	\$ -
5	2779181 Ontario Ltd.	365	\$ 10,548	\$ 3,850,020
6	2779176 Ontario Ltd.	210	\$ 10,548	\$ 2,215,080
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 10,548	\$ 2,637,000
4	Dominion Packers & Realities (Ballantry)	700	\$ 10,548	\$ 7,383,600
16	Chantler - Residential	148	\$ 10,548	\$ 1,561,104
	Chantler - Non-Residential	65	\$ 10,548	\$ 685,620
3	Thomasfield Homes Ltd.	210	\$ 10,548	\$ 2,215,080
2	Carson Reid Homes Ltd.	182	\$ 10,548	\$ 1,919,736
1	D'Angelo	320	\$ 10,548	\$ 3,375,360
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 10,548	\$ 537,948
Subtotal		4,120		43,457,760

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Wastewater Treatment D.C. of \$9,982 have been indexed from 2019 to 2021 at 5.67%

Schedule Date: February 25, 2021

Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Overcontributions Per SDE (2021\$) ^,#	Total Overcontribution Payable (2021\$)
17	Homes in the Hill Inc.	-	6,041	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	6,041	\$ 8,082,858
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	6,041	\$ 1,697,521
	Logel's Auto Parts Ltd.	-	6,041	\$ -
	Town of Erin	-	6,041	\$ -
10				
11				
5	2779181 Ontario Ltd.	365	6,041	\$ 2,204,965
6	2779176 Ontario Ltd.	210	6,041	\$ 1,268,610
12	Derrydale Golf (Erin Heights Golf Course)	250	6,041	\$ 1,510,250
4	Dominion Packers & Realities (Ballantry)	700	8,644	\$ 6,050,800
16	Chantler - Residential	148	6,041	\$ 894,068
	Chantler - Non-Residential	65	6,041	\$ 392,665
3	Thomasfield Homes Ltd.	210	8,644	\$ 1,815,240
2	Carson Reid Homes Ltd.	182	8,644	\$ 1,573,208
1	D'Angelo	320	8,644	\$ 2,766,080
14	2584343 Ontario Inc. (Kensington Square)	51	6,041	\$ 308,091
Subtotal		4,120		28,564,356

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

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

#Note 4: The Overcontribution amounts for the Hillsburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

Schedule Date: February 25, 2021

Total Wastewater Treatment D.C. and Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Wastewater Treatment Plant D.C. and Overcontributions Per SDE (2021\$) ^{^,†}	Total Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 16,589	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 16,589	\$ 22,196,082
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 16,589	\$ 4,661,509
	Logel's Auto Parts Ltd.	-	\$ 16,589	\$ -
	Town of Erin	-	\$ 16,589	\$ -
10				
11				
5	2779181 Ontario Ltd.	365	\$ 16,589	\$ 6,054,985
6	2779176 Ontario Ltd.	210	\$ 16,589	\$ 3,483,690
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 16,589	\$ 4,147,250
4	Dominion Packers & Realities (Ballantry)	700	\$ 19,192	\$ 13,434,400
16	Chantler - Residential	148	\$ 16,589	\$ 2,455,172
	Chantler - Non-Residential	65	\$ 16,589	\$ 1,078,285
3	Thomasfield Homes Ltd.	210	\$ 19,192	\$ 4,030,320
2	Carson Reid Homes Ltd.	182	\$ 19,192	\$ 3,492,944
1	D'Angelo	320	\$ 19,192	\$ 6,141,440
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 16,589	\$ 846,039
Subtotal		4,120		72,022,116

*Note 1: SDE = Single Detached Equivalent

[^]Note 2: The Wastewater Treatment D.C. and Overcontributions amounts have been indexed from 2019 to 2021 at 5.67%

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

[#]Note 4: The Overcontribution amounts for the Hillsburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

Conversion Factor for Single Detached Equivalent (SDE) Units			
Unit Type	Persons Per Unit (Based on the 2019 D.C. Background Study)	Equivalent SDE	Wastewater Treatment D.C. Payable as of January 1, 2021
Singles and Semi Detached	3.193	1.00	\$10,548 Per Unit
Multiples	2.314	0.72	\$7,644 Per Unit
Apartments: 2 Bedrooms or more	1.618	0.51	\$5,345 Per Unit
Apartments: Bachelor and 1 Bedroom	1.375	0.43	\$4,542 Per Unit
Special Care/ Special Dwelling	1.100	0.34	\$3,634 Per Unit
Non-Residential			\$3.56 Per sq.ft.
			\$6,041 Per Unit
			\$4,378 Per Unit
			\$3,061 Per Unit
			\$2,602 Per Unit
			\$2,081 Per Unit
			\$0.00 Per sq.ft.

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

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 CORPORTATION 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.

THIS FRONT-ENDING AGREEMENT is made this 15 day of March, 2021.

BETWEEN:

CARSON REID HOMES (2000) LTD.

(the "Participating Owner")

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWN OF ERIN

(the "Town")

OF THE SECOND PART

WHEREAS:

1. In 2015, the Town completed the Urban Centre Wastewater Servicing Class EA, the purpose of which was to identify the preferred wastewater servicing solution to the existing residents and future development within the communities of Erin Village and Hillsburgh (collectively, the Communities");
2. The Class EA recommended a wastewater collection system conveying all wastewater flows to a single wastewater treatment plant ("Wastewater Collection System"), to meet the existing Communities wastewater servicing needs and to support future population growth. The preferred solution further presented that the wastewater treatment plant would be located at the intersection of 10th Line and Wellington Road 52 south of Erin village, with treated effluent being discharged to the West Credit River on the west side of the bridge on Winston Churchill Boulevard on Wellington Road 52;
3. The Town has completed a study under the Development Charges Act, 1997, S.O. 1997, c. 27 (the "DCA"), that relates to the provision of services for which there will be an increased need as a result of development within the Communities and the Town proposes to enact a new Development Charge By-law to implement that study's recommendations;
4. The study under the DCA included the estimated costs of the initial services and studies necessary to be front ended in order to consider the registration of plans of subdivision in that part of the Communities described in Schedule "A", (the "Benefitting Lands"), the costs of which services and studies include:
 - A. the costs of all necessary studies and engineering design required to commence servicing of the Benefitting Lands, and
 - B. the cost of designing and constructing the Wastewater Collection System which will convey sanitary sewage to the proposed wastewater treatment plant, and which are required to service the Benefitting Lands.

These services and studies are more particularly described in clause 2.C. and Schedule "B" of this Agreement (the "Front Ended Services");

5. The Director of Infrastructure Services and Engineering (the "Director") has allocated the estimated costs of the Front Ended Services into the portions necessary to service each of the lands owned by the Front-Ending Owners in accordance with Schedule "C";
6. The Parties have agreed to enter into this Agreement for the purpose of providing for the construction, installation and financing of the Front Ended Services and the financing thereof, including the immediate payment of all costs by the Front-Ending Owners before any construction

of the Front Ended Services commences and the collection of front ended payments from owners of the Benefitting Lands who may wish to connect to the Front Ended Services and who are not parties to this Agreement;

7. Council of the Town at its meeting of March 16, 2021 authorized the execution of this Agreement;

IN CONSIDERATION of the covenants expressed in this Agreement and other good and valuable consideration, the Parties covenant and agree, one with the other, 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 have the following meanings:

- a. **“Agreement”** means this Agreement and the Schedules hereto;
- b. **“Allocation Agreement”** means the Agreement, and schedules thereto, made under section 27 of the DCA between the Participating Owner and the Town and **“Allocation Agreements”** means all of them;
- c. **“Benefitting Area”** means all land located in the Town;
- d. **“Benefitting Lands”** means benefitting lands as defined in Recital 4.
- e. **“Benefitting Owner”** means an owner of Benefitting Lands intended for development;
- f. **“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;
- g. **“Capacity”** means Wastewater Services capacity expressed in SDEs;
- h. **“Consent Agreement”** means an agreement under subsection 53(12) of the PA;
- i. **“Construction Security”** shall mean the Security posted in accordance with clause 5.B;
- j. **“Cost Change”** means the difference between the total costs of the Front Ended Services as per the contracts awarded by the Town, or the updated estimates for the Front Ended Services, and the total estimated costs of the Front Ended Services as shown in Schedule “C” and includes changes resulting from the addition, deletion, deferral, or delay of Front Ended Services;
- k. **“DC”** means the development charges under the DCB;
- l. **“DCA”** means the Development Charges Act, 1997, S.O. 1997, c. 27, as amended or revised from time to time and any successor legislation;
- m. **“DCB”** means By-law No. 19-32, as may be amended from time to time and any successor by-law;
- n. **“Default”** means a failure by the Participating Owner to comply with an obligation of a Participating Owner under this Agreement by the date for complying;

- o. **"Defaulting Owner"** means the Participating Owner who is in Default;
- p. **"Director"** means the director as defined in Recital 5;
- q. **"Engineer"** means the engineer as defined in clause 5.D.;
- r. **"Financing Security"** means the Security that is provided in accordance with clause 6.B.II;
- s. **"Front Ender"** means the front ender as defined in clause 5.C.;
- t. **"Front Ended Payment"** means front ended payments as defined in clause 2.C.;
- u. **"Front Ended Services"** means the front ended services as described in Recital 4;
- v. **"Government Approval"** means any approval, permission, licence, permit or any other approval of any kind whatsoever required from the federal or provincial government or any agency or board thereof or a conservation authority for the construction and operation of the Projects;
- w. **"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;
- x. **"Judicial and/or Administrative Proceedings"** means any judicial or administrative applications, actions, proceedings, appeals or reviews of any kind whatsoever related indirectly or directly to the subject matter of this Agreement;
- y. **"Letter of Credit"** means an unconditional and irrevocable 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 "D" hereto provided both the financial institution and letter of credit are acceptable to the Town;
- z. **"Linear Segment #1"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B1" of the Agreement;
- aa. **"Linear Segment #2"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B2" of the Agreement;
- bb. **"Linear Segment #3"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B3" of the Agreement;
- cc. **"Linear Segment #4"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B4" of the Agreement;
- dd. **"Notice"** means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- ee. **"Planning Act"** means the Planning Act, R.S.O. 1990, c.P.13 as amended or revised from time to time and any successor legislation;
- ff. **"Participating Owner Lands"** means the lands of the Participating Owner described in Schedule "A" hereto and depicted in the sketch attached hereto as Schedule "A" hereto;
- gg. **"Parties"** means the Participating Owner and the Town;

- hh. **“Proportionate Share”** means the ratio obtained when the number of SDE reserved to the Participating Owner as shown in Schedule “B” hereto is divided by the total number of SDE available;
- ii. **“Recoverable Amount”** means the costs described in Schedule “B” per SDE and as may be adjusted from time to time and at any time, and which Recoverable Amount does not include any component of the costs of Front Ended Services that benefit the Participating Owner Lands;
- jj. **“Refunded Share”** means the refunded share as defined in clause 10.F.;
- kk. **“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;
- ll. **“Security”** means one or more Letter(s) of Credit in the form attached as Schedule “D” to this Agreement;
- mm. **“Site Plan”** means a plan under section 41 of the Planning Act;
- nn. **“Site Plan Agreement”** means an agreement under section 41(7) of the Planning Act;
- oo. **“Subdivision Agreement”** means an agreement under clause 51(25)(d) of the Planning Act;
- pp. **“Substantial Completion”** means a Front Ended Service is ready for use or is being used for purposes intended as certified in writing by the Town Director, his or her successor, equivalent or delegate;
- qq. **“Third Party Participating Owner(s)”** means an Owner of land in the Benefitting Area who has entered into a separate front ending agreement
- rr. **“Town”** means The Corporation of the Town of Erin;
- ss. **“Wastewater Collection Overcontribution”** means the Wastewater Collection Overcontribution referred to in Clause 2.C.IV. and as set out in Schedule “C”;
- tt. **“Wastewater Collection System”** means Linear Segments #1, #2, #3, and #4 which will convey sanitary sewage to the proposed Wastewater Treatment Plant;
- uu. **“Wastewater Treatment Plant”** means the Wastewater Treatment Plant approved by the urban Centre Wastewater Servicing Class EA in 2015.

2 – Front Ending Agreement

- A. The Participating Owner acknowledges and agrees that the Town has the statutory authority to enter into this Agreement and the Participating Owner agrees that it shall not challenge the validity of this Agreement before a court of law or the Local Planning Appeal Tribunal.
- B. The Parties agree that the Front Ended Services are not local services as defined in s. 2(5) of the DCA, and are services which are:
 - I. required to enable the Participating Owners Lands and the balance of the lands within the Benefitting Area to be developed;

- II. services for which development charges are payable under the development charge by-law; and,
 - III. eligible for inclusion in a front-ending agreement under the DCA.
- C. The Parties agree that all costs of design, construction and installation of the Front Ended Services used for the purpose of calculating the Front Ended Payments by the Participating Owner and the Benefitting Owners shall be the reasonable costs of such construction and installation incurred by the Town or the Front-Ending Owners, as the case may be. For greater certainty such costs shall include the following:
- I. all payments on contracts entered into for such design, construction or installation, as certified and accepted by the Director;
 - II. the cost of all acquisition of land or rights in land required to be acquired from owners not front-ending;
 - III. all engineering and other consulting fees, and all legal fees, whether paid to consultants or to the Town; and,
 - IV. the payment of part of the cost of any studies and design required by this Agreement. Such costs shall not include:
 - i. any indirect overhead expense of a Participating Owner;
 - ii. any financing cost of a Participating Owner;
 - iii. the cost of any Security required by this Agreement; and
 - iv. the Wastewater Collection Overcontribution.

These costs shall form the basis of the payments which the Participating Owner and Benefitting Owners shall pay to the Town in accordance with clause 8 and clause 9 of this Agreement (the "Front Ended Payment").

3 – Allocation Agreement

- A. The Participating Owner shall execute an Allocation Agreement for all of the Participating Owners Lands at the same time as the Participating Owner executes this Agreement with the Town. It shall be a condition precedent to the validity of this Agreement that the Participating Owner has also executed an Allocation Agreement to the satisfaction of the Town.
- B. In order to be in good standing pursuant to this Agreement, the Participating Owner must not be in Default under:
 - I. this Agreement; or
 - II. the Allocation Agreement.

4 – Timing and Construction of the Front Ended Services

- A. Despite any payments by the Front-Ending Owners under this Agreement pursuant to clause 8., and subject to clause 10., the Town shall:

- I. be responsible for the design, engineering, tender, construction, installation, operation and maintenance of the Front Ended Services;
 - II. own the Front Ended Services; and,
 - III. be entitled to impose, from time to time and at any time, such fees and charges directly and indirectly related to the collection, transmission, treatment and disposal of wastewater as the Town considers necessary or desirable under Part XII (Fees and Charges) of the MA, 2001, or any other user fee or charge permitted by statute.
- B.** The Town may delay, defer, or cancel one or more of the Front Ended Services, in its sole and absolute discretion, and in whole or in part, if the Participating Owner fails to:
- I. execute this Agreement;
 - II. execute the Allocation Agreement;
 - III. subscribe to all of the available SDE units, in whole or in part.

The Town and the Participating Owner agree to undertake best efforts to work together to address any shortfall respecting subscription to available SDE units.

- C.** The Participating Owner agrees and acknowledges that the deferral, delay, or cancellation of one or more Front Ended Services under clause 4.B. may delay the completion of one or more Front Ended Services, which, in turn, may delay development of the Participating Owners Lands and lands within the Benefitting Area.
- D.** If the Town exercises its rights of deferral, delay, or cancellation under clause 4.B., the Town shall give 30 Business Days of Notice to the Participating Owner of the Front Ended Services it intends to delay, defer, or cancel, and the length of the delay, if known at the time the Notice is given.
- E.** The Town the Participating Owner agrees and acknowledges that clause 4.B. is for the sole benefit of the Town, and the Town may waive such clause, in whole or in part, or be modified from time to time and at any time by the Town in its sole and absolute discretion.
- F.** Despite clause 4.A., the Town may, in its sole and absolute discretion, permit one or more of the Front Ended Services to be designed or constructed or both by one or more of the Participating Owner or Third Party Participating Owners pursuant to the requirements outlined in clause 5.
- G.** Despite clause 4.F., and despite the contents of Schedule "B", the Town may, in its sole and absolute discretion, change or delete Front Ended Services contained on Schedule "B". Schedule "B" is deemed conclusively to be amended without formal amendment to this Agreement. If the Town changes any of the Front Ended Services on Schedule "B", the Town shall give Notice to the Owner within 30 Business Days of making such change.

5 – Election by Front-Ending Owners to Construct Services

- A.** The Participating Owner may elect to construct and install a part or the whole of the Front Ended Services in accordance with clause 5 of this Agreement through strict compliance with the requirements of clause 5.B. After such compliance and obtaining all necessary Government Approvals, subject to the terms of this Agreement, construction and installation of the Front Ended Services may be commenced. In the case of that part of the Front Ended Services which services only the Participating Owner, the election may be submitted by that Participating Owner alone. In the case of that part of the Front Ended Services which services Third Party Participating Owners in addition to the Participating Owner, the election shall only be considered by the Town if it is submitted by all of the Third Party Participating Owners and the

Participating Owner serviced by those portions of the Front Ended Services.

- B. If any one or all of the Participating Owner and Third Party Participating Owners desire to construct all or any portion of the Front Ended Services as described in Schedule "B", they shall first apply to the Director for the following:
- I. approval of the choice of the Engineer for the Participating Owner and/or Third Party Participating Owner;
 - II. an up-to-date estimate of the cost of the portion to be installed and constructed, together with any additional requirements of the Director not provided for in this Agreement; and
 - III. the amount of the Security required to be posted in order to guarantee the Front Ended Services to be installed and constructed ("**Construction Security**"). The quantum of the Construction Security shall be prescribed by the Director in his sole and absolute discretion based upon the extent of the services to be installed and constructed, which amount will not be less than 110% and not more than 125% of the cost of the Front Ended Services to be installed and constructed. The Construction Security shall be in the form attached hereto as Schedule "D".

Before commencing any installation or construction, the Participating Owner shall together with the Third Party Participating Owner(s) deliver to the Director a Notice of election to proceed together with the following:

- IV. a description of the portion of the Front Ended Services to be installed and constructed which must be one of the portions described in Schedule "B",
 - V. a certified cheque equal to 15% of the up-to-date costs of the services to be installed and constructed as engineering fees; and,
 - VI. Construction Security from a Canadian chartered bank in a form satisfactory to the Town in the amount prescribed by the Director. The Town, in its sole and absolute discretion, may require that the Security be from a Schedule "1" Canadian chartered bank. The Construction Security will be held by the Town as Security for the obligations of the Participating Owner in accordance with this Agreement.
- C. Notwithstanding anything else contained in this Agreement, the Participating Owner and Third Party Participating Owner(s) that comply with clause 5.B. shall be permitted to construct part or the whole of the Front Ended Services, if and only if the Town first grants its consent to such Participating Owner together with the applicable Third party Participating Owner(s) (referred to hereinafter as the "Front Ender(s)"), in writing, which consent may be arbitrarily withheld.
- D. The Front Ender(s) agree to retain a competent consulting engineer experienced in the municipal engineering field (the "Engineer"). The Engineer or his successor shall be approved by the Director and shall carry out all necessary engineering requirements in accordance with this Agreement and with the Guideline for Engineering Services to Municipalities. The Engineer shall be retained by the Front Ender until all requirements of this Agreement have been completed to the satisfaction of the Director.
- E. The Front Ender(s) agree to construct the Front Ended Services as shown on a set of drawings approved and signed by the Director. The preparation of the drawings shall be undertaken according to the Town's design criteria, design standards and specifications and procedures as amended from time to time.
- F. The Front Ender(s) agree not to let any contract for the performance of any of the works unless the contractor has been first approved by the Director, which approval may be unreasonably withheld. The contract(s) shall provide that the Director may inspect the construction of the Front Ended Services and shall have authority to instruct the contractor(s) to stop work should

any construction be undertaken contrary to the provisions of this Agreement and the Town's design criteria, standards and specifications.

- G. The Front Ender(s) agree to provide the Town with ten Business Days of Notice before commencing the installation or construction of the Front Ended Services.
- H. The Front Ended Services shall be completed within a maximum of 18 months from commencement.
- I. The Front Ender(s) agree that the Director may inspect the construction work under any contract, but such inspection shall in no way relieve the Front Ender(s) from its responsibility to inspect the work itself. If, at any time, the construction of all works is not, in the opinion of the Director, being carried out in accordance with the provisions of this Agreement, and in accordance with good engineering practices, the Director may issue instructions to the Front Ender(s) or to the Engineer to take such steps as deemed necessary to procure compliance with the provisions of this Agreement. Such instructions may be written, or may be verbal, in which case the Director shall confirm them in writing within 24 hours. In the event that neither the Front Ender(s) nor the Engineer is present at the site of the works to receive such verbal instructions, the Director may instruct the contractor(s) or workers to cease work forthwith.
- J. The Front Ender(s) shall undertake and pay for a sewer video inspection program for the Front Ended Services installed and constructed. These works shall be undertaken by a qualified company and be approved by the Director prior to the work being undertaken. The Front Ender(s) shall provide a copy of such video inspection and written reports to the Town in a format as specified by the Town. The sewer video inspection shall be carried out prior to acceptance for maintenance by the Town. The said video shall demonstrate to the Director's satisfaction that the Front Ended Services function to the Town's satisfaction, failing which the Front Ended Services shall be corrected to the satisfaction of the Director.
- K. The Front Ender(s) agree that all streets in the vicinity of construction of the Front Ended Services shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender or Parties employed by the Front Ender(s) in the construction of the Front Ended Services, or by contractors so employed, will be repaired or restored immediately.
- L. The Front Ender(s) agree not to foul any public streets and further agrees to provide the necessary persons and equipment, to be available on reasonable Notice at all times, to keep such streets clean. All trucks making deliveries to or taking materials from the construction site shall be adequately covered and reasonably loaded so as not to scatter refuse, rubbish, or debris on the abutting streets.
- M. If, in the opinion of the Director, these requirements are not complied with, the Town may do the work as required and upon demand, the Front Ender(s) shall forthwith pay to the Town the full cost thereof. If the Front Ender(s) fail to make the payment as required by the Town, such failure will constitute a Default and the Town may, subject to meeting the requirements of clauses 15.C and 15.D, draw upon the Construction Security.
- N. The Front Ender(s) agree that all public works on adjoining lands shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender(s) or parties employed by the Front Ender(s) during construction or by contractors so employed, will be repaired and restored immediately.
- O. When, after the Front Ender(s) have commenced construction of the Front Ended Services but before the assumption thereof by the Town, the Front Ended Services do not function, or do not function properly, and in the sole opinion of the Director, repairs are necessary to be made immediately to prevent damage or hardship to persons or property, the Front Ender agrees that the Town, its servants, employees or agents, may make whatever repairs may be deemed necessary. The Front Ender further covenants and agrees to reimburse the Town for any expense incurred in making the repairs. If the Front Ender(s) fail to make the payment as required by the Town, the Town may, subject to meeting the requirements of clauses 15.C and 15.D, draw upon the Construction Security.

- P. The Town agrees to give Notice to the Front Ender(s) within 2 Business Days from the date of entry by the Town of the nature and extent of the emergency and repairs which were necessary.
- Q. The Front Ender(s) agree to maintain and keep in a proper state of repair and operation the Front Ended Services installed and constructed by the Front Ender(s) for a minimum period of 24 months from the date of acceptance for maintenance by the Town.
- R. The Front Ender(s) agree that the whole or any part of the Front Ended Services, when constructed and assumed by the Town, shall vest in the Town and the Front Ender(s) shall have no claims or rights thereto other than those accruing to it as an owner of land abutting on streets on which services have been installed.
- S. Performance and maintenance guarantees:
- I. The Security provided to the Town in accordance with clause 5.B.III and 5.B.VI may be, subject to clauses 15.C and 15.D, drawn upon by the Town for any Default by the Front Ender under this Agreement and for any other purpose specified in this Agreement. If any lien is filed or registered under the *Construction Act*, R.S.O. 1990, c. C.30, as amended, this shall constitute a Default. Upon such Default, the Town may draw upon the Security for payment into court of the hold-back moneys, plus interest and costs, if deemed necessary by the solicitor for the Town to satisfy its requirements under the *Construction Act*.
 - II. The Front Ender(s), when not in Default of this Agreement, may apply for acceptance for maintenance by the Town of the Front Ended Services after completion of construction and compliance with clauses H., T., and U. Upon the Director approving such acceptance, any security held by the Town may be reduced up to 25% of the value of the work at the commencement of construction as estimated by the Director. Prior to the reduction of security held by the Town for any Front Ended Services, the Front Ender(s) must supply the Town with the following documentation:
 - i. statutory declaration of works completed and contractors and subcontractors having been paid;
 - ii. Workplace Safety and Insurance Board clearance certificate; and,
 - iii. expiration of the construction lien period.
 - IV. Upon application by a Front Ender after the expiry of the maintenance period of 2 years, and after compliance with this Agreement satisfactory to the Director, the Town will release all Security held to secure the construction of the whole or the portion of the Front Ended Services for which assumption is granted.
- T. Before commencing any of the works provided for in this Agreement, the Front Ender(s) shall supply the Town with a liability insurance policy in the minimum amount of \$5,000,000.00 in a form satisfactory to the Town solicitor, indemnifying the Town from any loss arising from claims or damages, injury or otherwise in connection with the work done by or on behalf of the Front Ender. The policy shall contain a completed operations clause and shall have no exclusion for blasting. In the event any renewal premium is not paid, the Town, in order to prevent the lapse of such liability insurance policy, may pay the renewal premium or premiums and the Front Ender agrees to pay the cost of such renewal or renewals within 10 Business Days of the account therefor being rendered by the Town.
- U. Immediately prior to acceptance for maintenance by the Town of the Front Ended Services, the Front Ender(s) agree as follows:

- I. to flush all sewers and manholes free of road materials, building debris, and other foreign matter; to clean such materials from the system; to provide video inspection as required under clause 5.J.; and to rectify any deficiencies the video inspection may reveal;
 - II. to sweep abutting roadway pavement, including sidewalks, clear of building debris and earth deposits, and to clean and remove all such material;
 - III. to rectify and repair all damages to adjacent public services;
 - IV. to rectify and repair all settlements, depressions or other defects on roadways, until assumption of the Front Ended Services, and
 - V. to furnish the Director with:
 - i. a statutory declaration from the Front Ender(s) that all contractors and subcontractors associated with the construction of public works have been paid;
 - ii. a certificate from the Engineer indicating the final construction costs for the public works based on the actual construction contract, and
 - iii. payment of additional engineering fees, if required by the Director, based on the final construction costs of the public works certified by the Engineer.
- V. The Town agrees that the acceptance for maintenance of the Front Ended Services shall take place upon fulfilment of the following conditions:
- I. all sewers and manholes are clean and free of road materials, building debris and any other foreign matter;
 - II. all roadway pavements and sidewalks are clean and free of building debris and earth deposits;
 - III. all damage to adjacent services has been repaired or rectified to the satisfaction of the Director;
 - IV. all settlements, depressions or any other defects on roadways have been repaired to the satisfaction of the Director;
 - V. the Director has received:

- i. a statutory declaration from the Front Ender(s) that all contractors and subcontractors associated with the construction of the Front Ended Services have been paid;
- ii. a satisfactory set of “as constructed digital files and drawings” of all works required to be done by this Agreement in a form that meet Town specifications;
- iii. a certificate from the Engineer indicating the final construction costs for Front Ended Services based on the actual construction contract; and,
- iv. payment of additional engineering fees, if required by the Director, based on the final construction costs of the Front Ended Services certified by the Engineer;
- v. the Front Enders(s) are not in Default of any terms or conditions of this Agreement.

6 – Election for Town to Construct Services

- A.** If the Participating Owner does not elect to construct the Front Ended Services itself pursuant to clause 5, or if the Town does not consent to the same pursuant to clause 5, the Town may construct and install the whole or part of the Front Ended Services in accordance with the requirements of clause 6.B.
- B.** If the Town commences installation and construction of all or any portion of the Front Ended Services as described in Schedule “B”, the Participating Owner shall provide to the Director any additional requirements of the Director not provided for in this Agreement. The Town agrees to call tenders and commence construction and installation of a portion or the whole of the Front Ended Services within a reasonable time after providing the Participating Owner with Notice of the following:
 - I. a description of the portion of the Front Ended Services to be constructed which must be one of the portions referred to in Schedule “B”; and
 - II. confirmation that Security from a Canadian chartered bank in a form satisfactory to the Town solicitor in the form set out in Schedule “D” to this Agreement was posted by the Participating Owner at the time that this Agreement was executed.
- C.** Notwithstanding anything else contained in this Agreement, the Security required pursuant to clause 6.B. shall be in the amounts set out in Schedule “C” and in the form set out in Schedule “D” to this Agreement and shall be posted immediately upon the execution of this Agreement and may be utilized by the Town, in its discretion for the construction and installation of the Front Ended Services at any time.
- D.** In the event that the Participating Owner fails to provide any of the matters set out in clause 6.B., the Town shall be permitted to provide same itself and utilize the Security to pay for same. The Town may also draw upon the Security in its discretion to pay the Front Ended Service costs. If the amount of the Security is insufficient to pay for the total cost of the works, the Participating Owner who delivered the Notice of election, agrees to immediately pay to the Town such deficiency or to deliver additional Security upon demand therefor and the Town may cease construction of, or prevent connection to the Front Ended Services, until such deficiency is paid. The Town shall return any unused Security in excess of the amount required to complete the Front Ended Services and to maintain the Front Ended Services for a minimum period of 5 years, in the discretion of the Director. The Security shall be issued by a Schedule “1” Canadian chartered bank.
- E.** Whenever and to the extent that the Town shall be unable to fulfil, or shall be delayed or restricted in fulfilling its obligation to construct the Front Ended Services, for any cause beyond its control, the Town shall be relieved from its obligation during the period during which it is unable to fulfil or is delayed or restricted in fulfilling its obligations.

- F. Notwithstanding anything else to the contrary herein, the Town shall use reasonable efforts to ensure that the design, tender and construction of the Wastewater Treatment Plant and Linear Segments 1, 2, 3, and 4 progresses in an active, continuous and diligent manner following the date of this Agreement.

7 – Rights of Way

- A. All Front Ended Services installed and constructed under this Agreement shall be located in road allowances or easements approved by the Director and granted to the Town, free and clear of all encumbrances.
- B. In the event a Notice of election is delivered according to clause 5 or clause 6 of this Agreement, no installation and construction shall commence until the Town Solicitor is satisfied that all rights in land required by the Director have been conveyed to the Town or agreements to convey have been executed.
- C. Upon request from a Participating Owner who desires to construct services through lands approved by the Director, but owned by others, the Town shall assist, at the cost of such Participating Owner, in obtaining rights to construct and maintain services on such lands. For greater certainty, the Town is not obligated to commence expropriation proceedings to assist a Participating Owner in this clause.

8 – Front Ended Payments

- A. While this Agreement remains in force, the Town agrees to use its best efforts to impose the requirement of a Front Ended Payment by all owners of land in the Benefitting Area to be connected to the Front Ended Services (except for Participating Owner who shall pay the cost of the Front Ended Services upon execution of this Agreement) in the amount calculated according to clauses 8.E. and 8.F of this Agreement, and as a condition to any development approval referred to in s. 2(2) of the DCA.
- B. The Town agrees to place money received as Front Ended Payments in a special reserve account and, provided that a notice of election has been given and clause 5.B. has been complied with, the Town shall immediately, upon receipt of the money, by registered mail:
- I. notify the appropriate Participating Owners who have paid the cost of the Front Ended Services that the money is available to be paid out, and,
 - II. advise the Participating Owners to whom the Town proposes to pay the delivery of the said money.

Upon the delivery of said Notice from all the Participating Owners who have paid the cost of the Front Ended Services, the Town shall pay to the person or persons named in the Notice without interest, the proportion of the money received by the Town to which the party is entitled as set out in the Notice.

- C. The Parties confirm that the reasonable cost to the Town in processing the collection of front end payments while this Agreement remains in force is 3% of all such payments. Accordingly, there shall be deducted from all such payments paid into the special reserve account, an amount equal to 2% to cover the legal and administrative costs of the Town.
- D. The Town may, at any time prior to the giving of a Notice for any part or the whole of the Front Ended Services in accordance with clause 5 or clause 6 of this Agreement, approve limited development in any part of the Benefitting Lands not serviced by the Front Ended Services, which development will ultimately be required to connect to the Front Ended Services but which, in the opinion of the Director, may proceed on an interim basis with alternate sewerage and water facilities. In such event, the Town shall charge such development a front end payment calculated in accordance with clause 8.E. and such payment or payments shall be placed in a

special reserve account and be applied to reduce the cost of front ending by the Parties.

- E. The Front Ended Payment to be charged against all development in the Benefitting Area to fund the Front Ended Services shall be calculated as set out in Schedule "C". The Participating Owner shall fund only the linear segment shown next to the Participating Owner's name on Schedule "C".
- F. The Town, in its sole and absolute discretion, may adjust the front ended payment in clause 8.E. in the event that:
 - I. there is a Cost Change between the commencement of this Agreement and the conclusion of the Adjustment Period; or
 - II. one or more Front Ended Services are deferred, waived, cancelled, or removed pursuant to clauses 4.B or 4.G.
- G. The Town and the Participating Owner agree and acknowledge that the total amount of Front Ended payments with respect to each Participating Owner included therein are correctly described in Schedule "C" of this Agreement, subject to any adjustments under clause 8.F.
- H. Every payment made by a Participating Owner for the cost of the Front Ended Services shall entitle such Participating Owner to a reservation of available capacity, in the amount set out in the Allocation Agreements (expressed as SDEs).
- I. The total Front Ended Payments may be increased due to any Cost Changes and the Town shall give each Participating Owner Notice of its Relative Share of the increase. A Participating Owner shall have fifteen Business Days from the giving of the Notice to provide an increase to its Security under this Agreement for the amount set out in the Notice. If the payment is not received, the Town may defer, waive, cancel, or remove all or part of the Front End Services pursuant to clauses 4.B or 4.G. until the matter is remedied.
- J. Following any Cost Change, the Town shall provide a revised Schedule "C" as adjusted under clause 8.F to the Participating Owners. If any revisions are made hereunder, this Agreement shall be conclusively deemed to be amended by replacing Schedule "C" with the revised Schedule "C".
- K. If the Town determines that it does not require any of the Security it holds for the Front Ended Services, it shall release any excess Security it then holds.

9 – Benefitting Owner Payments

- A. From and after March 16, 2021, every Benefitting Owner shall pay, by certified cheque or bank draft, to the Town upon the earlier of such Owner entering into a Subdivision Agreement, a Consent Agreement or a Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the Planning Act have been met, or obtaining a building permit for the development of the Benefitting Owner's land:
 - I. for the Recoverable Amount per SDE in the Subdivision Agreement, Consent Agreement, Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the PA have been met, or permitted by the building permit plus interest in accordance with the *Development Charges Act, 1997*; and,
 - II. all development charges payable under the DCB, as may be amended from time to time and any successor development charge by-laws.

10 – Participating Owner Recoveries

- A. Each Participating Owner shall recover its Front Ended Payments as described in Schedule “B” of this Agreement by receiving its Proportionate Share of Recoverable Amount.
- B. A projection of the time frame for recovery by the Participating Owners of the Front Ended Services is set out in Schedule “E”. The Participating Owners acknowledge and agree:
 - I. Schedule “E” is for illustration purposes only;
 - II. the Town makes no representations or warranties of any kind whatsoever that the Participating Owners shall experience recoveries in the amounts and at the times shown on Schedules “E” and “G”; and,
 - III. their actual recoveries shall be dependent on the pace of residential development through-out the Town after March 16, 2021.
- C. The Participating Owners acknowledge and agree:
 - I. that the Town’s DCB and payments thereunder, and as such by-law may be amended from time to time and any successor development charge by-laws, is fair and reasonable, provided nothing herein shall preclude the Participating Owner from appealing any amending or successor development charge by-law enacted after the commencement of this Agreement; and,
 - II. to pay or cause to be paid all of the development charges of the Town in respect of the Front Ended Services, in the amounts specified in the Allocation Agreement and this Agreement.
- D. All credits under this Agreement with respect to the Front Ended Services shall be granted and administered solely in accordance with each Participating Owner’s Allocation Agreement.
- E. If and when the Town receives payments for the amounts described in clause 10.A., it shall refund semi-annually commencing upon the review by the Town Council of the Development Charges Reserve Statement to each Participating Owner that Participating Owners “Refunded Share” (as defined below) of the amounts received by the Town, provided that Town has received from each such Participating Owner a Satisfaction Piece and Full and Final Mutual Release in the Form attached hereto as Schedule “F”.
- F. The amount to be refunded to each Participating Owner pursuant to clause 10.E. above shall be calculated as follows:
 - I. the total amount of Front Ended Payment made by the or Participating Owner; less
 - II. the total amount of DC Credit available to the Participating Owners for the Front Ended Services; divided by
 - III. the total amount of the Front Ended Payment.

(“Refunded Share”)

11 – Land Dedications

- A. The Town’s Director, equivalent or delegate may, from time to time and at any time, give the Notice described in this clause. No later than 30 Business Days after written Notice is given under this clause to the Participating Owner by the Town’s Director, successor, equivalent or

delegate, the Participating Owner shall convey from the Participating Owner's Lands in fee simple to the Town, for nominal consideration and free and clear of all encumbrances and restrictions, all necessary lands, easements, other interests in land, approvals, rights, interests, licences and any other agreements of every kind whatsoever which are or may be required by the Town in order to give the Town, its employees, officers, sub-contractors, servants and agents the full right, power and authority to construct, install, operate (including permitting connections thereto), inspect, repair and replace the Front Ended Services and all related works and services.

- B. If the Participating Owner fails to convey the lands, easement other interests in land, approvals, rights, interests, licenses and any other agreements as identified by the Town's Director, his successor, equivalent or delegate as required by the Town, such failure shall be considered an event of Default to which clause 15 of this Agreement apply.

12 – Transfer of SDE Capacity

- A. The transfer of Capacity expressed in SDE shall be governed by the Allocation Agreement.
- B. The Participating Owner and their respective heirs, administrators, successors and permitted assigns shall not transfer title to all or any part of the Participating Owner's Lands unless the transferee(s) of such lands agrees in writing to unconditionally assume the rights and obligations of the Participating Owner pursuant to this Agreement and such agreement is delivered to the Town, whereupon the transferring Participating Owner shall be automatically released and relieved from any further obligation under this Agreement. The rights and obligations of the Participating Owner shall not be assigned by the Participating Owner to a successor in title to all or a portion of the Front-ending Owner's Lands until such heirs, administrators, successors and permitted assigns have entered into an agreement with the Town agreeing to be bound by the provisions of this Agreement. Assignment shall only be permitted with the written approval of the Town, which approval may be arbitrarily withheld. The transfer of capacity granted within Erin Village may only be transferred to the lands within Erin Village and capacity granted within Hillsburgh may only be transferred to lands within Hillsburgh.

13 – Limitations and Conditions

- A. Despite anything in this Agreement to the contrary, the Town's obligations in respect of installation, construction, and operation of a 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 Participating Owner(s) in writing that the Town has elected not to proceed with the Front Ended Services. Upon the giving of such Notice, the provisions of clauses 4.B to 4.E. shall apply with all necessary modifications.
- B. The Participating Owner acknowledges and agrees that this Agreement and the Allocation 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 Allocation Agreement.

14 – Representations and Warranties

- A. The Participating 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 Participating Owner is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II. the Participating 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 Participating Owner and constitutes a valid and binding obligation of the Participating Owner, enforceable against the Participating 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 Participating Owner; and,
 - V. the Participating Owner is the registered owner of the Participating 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:
 - i. 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
 - ii. 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.
- D. Each Participating Owner acknowledges that it has read, understood and obtained independent legal advice respecting Part III 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 III of the DCA.

15 – 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 18.
- B. The Participating Owner and the Town agree that this Agreement shall be of no force and effect until the following conditions are satisfied:
 - I. The Participating Owner shall first execute this Agreement;
 - II. The Participating Owner shall in accordance with Fee By-law No. 19-60 reimburse the

Town for the administrative, legal, and consultant costs it incurred in connection with this Agreement and any amendments thereto;

- II. If there are no Judicial or Administrative Proceedings as of the date upon which the Participating Owner executes the Agreement, the Town shall execute this Agreement within 5 Business Days of the Participating Owner's execution of the Agreement; and,
 - IV. there is enough take up by the owners in Hillsburgh to build either a full 75% of the Wastewater Treatment Plant, or a full 100% of the plant, but nothing in between.
- C. If the Participating 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 20 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 Participating 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.
- D. If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 15.C. or any extension thereof, then:
- I. the Town shall give Notice in writing to the Defaulting Owner that the Participating Owner is a Defaulting Owner; and,
 - II. the Participating Owner shall be deemed conclusively to be in Default of the Allocation Agreement and the Town shall have available to it all remedies available pursuant to the Allocation Agreement in order to remedy a Default under this Agreement.
- E. Notwithstanding anything else to the contrary in this Agreement the Participating Owner may terminate this Agreement and the Town shall return all unused securities to the Participating Owner in full within 30 days of the said termination with no further recourse or claim against the Participating Owner if at the time that the Town issues a tender for the construction of the first phase (i.e. 50%) of the Waste Water Treatment Plant and for the construction of Linear Segment #1 and Linear Segment #2:
- I. the said tender does not also include the tender for the construction of Linear Segment #3 and Linear Segment #4 under the same tender timeframe; or,
 - II. if the Participating Owner determines that the tender price for Linear Segment #3 and/or Linear Segment #4 is too high to proceed once tenders are received.

The right to terminate under this clause may only be exercised up to three (3) days following the opening of tenders by the Town and delivery of notice of the results of such tenders by the Town to the Participating Owner. The right to terminate must be exercised by the Participating Owner by providing written notice to the Town in accordance with clause 21.

- F. Notwithstanding anything else to the contrary in this Agreement, in the event that, for any reason, other than the default of the Participating Owner or reasons out of the control of the Town, construction of Linear Segment #3 and Linear Segment #4 is not awarded and a contract is not signed therefor, by December 31, 2022:
- I. The Participating Owner shall have the right to elect to front end the cost of constructing such Segments on behalf of the Town in accordance with clause 5 and can make use of the unused posted Financing Security held by the Town (from the Participating Owner and others) to undertake such front ended construction by a firm approved by the Town and to the Town's design and

construction standards and to the Town's direction and satisfaction (which includes approval of the form of construction contract, the location of the works, the approval of the design and the construction techniques to be utilized therefor); or,

- II. The Participating Owner may terminate this agreement with written notice to the Town in accordance with clause 21 and the Town shall return all unused Financing Security and front ended costs to the Participating Owner, in full, within 30 days of the said termination with no further recourse or claim against the Participating Owner.

For clarity, in the event that the Participating Owner elects to terminate this Agreement pursuant to clause 15.F.II above, the Participating Owner shall not be entitled to any return of any securities posted for the construction of the Wastewater Treatment Plant, but only to a return of residual unused securities for the construction of Segments #3 and #4 of the Wastewater Collection System.

16 – Enurement, 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. Pursuant to section 56 of the DCA, the Town may register notice of this Agreement on the title to any of the Participating Owners Lands with the intention that the provisions of this Agreement shall bind and run with title to the Participating Owners Lands. The Participating Owner consents to such registration and agrees that such registration shall be at its sole cost and expense.
- C. The Participating Owner shall be entitled to have this Agreement released from title to:
 - I. all or such part of the Participating Owner's Lands where the Participating Owner is not a Defaulting Owner or, if the Participating Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 15.C.; or
 - II. all of the Participating Owners Lands following the final reconciliation and adjustments under the Allocation Agreement between the Participating Owner and the Town provided the Participating Owner is not a Defaulting Owner or, if the Participating Owner is a Defaulting Owner, the Participating Owner has cured the Default,

provided the Participating 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 except for the Town's obligation under clause 10.D. in the form and having the substance of the satisfaction piece and full and final release described in Schedule "F" hereto. Any such release from title shall be at the Participating Owner's sole cost and expense as the case may be.

- D. In addition to the foregoing, the Owner shall be entitled to have this Agreement released from title to any part of such Participating Owners Lands which are to be transferred to the Town, a school board, utility, or any other applicable public authority. Any such release from title shall be at the Participating Owner's sole cost and expense.
- E. Where the Participating Owner is entitled to a release of this Agreement from title under clause 16.D., the Town shall deliver to the Owner, within 20 Business Days of a written request from the Owner, an executed release in registrable form discharging the Participating Owner from its obligations under this Agreement.

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

- A.** The Participating Owner hereby release and forever discharge 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 Participating Owner has had, has or may in future have directly or indirectly arising from or in any way connected with:
- I.** a delay, deferral or cancellation of the Front Ended Services under the provisions of this Agreement; and/or
 - II.** the failure to make a full repayment.
- B.** If the Town, by virtue of having entered into this Agreement or of carrying out any of the Front Ended Services or actions contemplated hereunder, is made a party to any Administrative or Judicial Proceedings commenced by or against a Participating Owner, the remaining Participating 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 waiver under it is not enforceable for any reason whatsoever against the Town, Participating Owner, Benefiting Owner(s) and/or any other person(s), the Participating 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 and the Participating Owner acknowledge and agree that:
- I.** the Participating 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 and incurred debt to fund part of the cost of the Front Ended Services;
 - III.** the Participating Owner's Lands benefited from the Front Ended Services; and
 - IV.** it would be unjust and inequitable for any Participating Owner to demand or receive repayment of any monies paid or contributed under this Agreement.
- 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.
- G.** The Participating 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 the Agreement.

18 – Final Reconciliation of the Recoverable Amount

- A.** For each Participating Owner, 6 months after the final remittance under clause 10, the Town shall prepare and send to the such Participating Owner a final reconciliation setting out the amount:
- I. drawn from and remaining of the Security;
 - II. collected from Benefiting Owners; and,
 - III. remitted under clause 10.D. of this Agreement.

19 – General

- A.** The Parties agree that the recitals herein are true and accurate and form part of this Agreement.
- B.** The Participating 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.

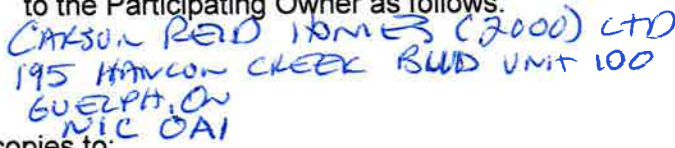
20 – List of Schedules

The following schedules are attached and form part of this Agreement:

- A. Schedule “A” being a description of the Participating Owner Lands and the Benefitting Lands;
- B. Schedule “B” being a description of the Front Ended Services;
- C. Schedule “C” being an estimate of the costs of various portions of the Front Ended Services required to service the Front-ending Owners;
- D. Schedule “D” being the form of the Letter of Credit;
- E. Schedule “E” being a Projection of the Timeframe for Recovery by the Participating Owner; and,
- F. Schedule “F” being a Satisfaction Piece and Full and Final Release.

21 – Notice

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

I. to the Participating Owner as follows:

☒ with copies to:
Brattys LLP
7501 Keele Street, Suite 200
Vaughan, Ontario L4K 1Y2

or such change of address and other particulars as the Participating 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

Participating Owners; and

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.** if by telecopier transmittal, on the date of transmission delivery.

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

22 – 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 Agreement. 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: 
Nathan Hyde, CAO
Lisa Campion, Clerk

CARSON REID HOMES (2000) LTD.

Per: Carson Reid
Name: CARSON REID
Title: PRE3

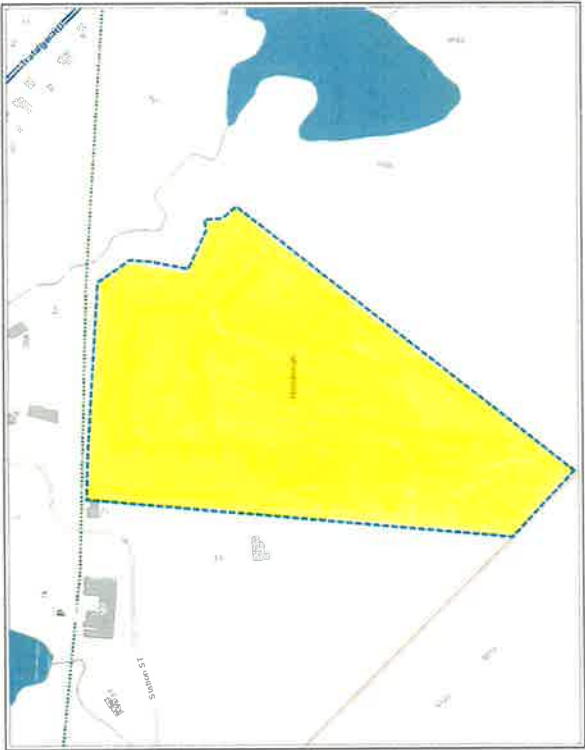
Per: _____
Name: _____
Title: _____

I/We have authority to bind the corporation.

Schedule “A”

The Participating Owner Lands

LT 53 PL 276 ERIN; LT 54 PL 276 ERIN; LT 55 PL 276 ERIN; LT 56 PL 276 ERIN; LT 57 PL 276 ERIN; LT 58 PL 276 ERIN; LT 59 PL 276 ERIN; LT 60 PL 276 ERIN; LT 61 PL 276 ERIN; LT 62 PL 276 ERIN; LT 63 PL 276 ERIN; LT 64 PL 276 ERIN; LT 65 PL 276 ERIN; LT 73 PL 276 ERIN; LT 74 PL 276 ERIN; LT 75 PL 276 ERIN; LT 76 PL 276 ERIN; LT 77 PL 276 ERIN; LT 78 PL 276 ERIN; LT 79 PL 276 ERIN; LT 80 PL 276 ERIN; LT 81 PL 276 ERIN; LT 82 PL 276 ERIN; PT LT 66 PL 276 ERIN; PT LT 83 PL 276 ERIN; PT UNNAMED ST PL 276 ERIN CLOSED BY ORDER DS9146; PT LANE PL 276 ERIN CLOSED BY ORDER DS9146; PT LT 24 CON 7 ERIN PARTS 1, 3, 4, 61R6555; ERIN (PIN: 71143-0510 (LT)).



The Benefitting Lands

The Benefitting Lands are all lands located within the Town of Erin.

Schedule “B”

Description of Front Ended Services

1.	Linear Segment #1 (Shown in Schedule “B1”)	-	\$5,190.00 per SDE
2.	Linear Segment #2 (Shown in Schedule “B2”)	-	\$4,963.00 per SDE
3.	Linear Segment #3 (Shown in Schedule “B3”)	-	\$4,709.00 per SDE
4.	Linear Segment #4 (Shown in Schedule “B4”)	-	\$4,709.00 per SDE

Schedule “B1”

Description of Linear Segment #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.

Schedule “B2”

Description of Linear Segment #2

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

Schedule “B3”

Description of Linear Segment #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.

Schedule “B4”

Description of Linear Segment #4

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

Schedule “C”

Estimate of the Individual and Total Costs of the Fronted Ended Services

Schedule Date: February 25, 2021

Growth-Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation*	Landowner's Share of the Linear Segment Costs (2021\$)	D.C. Eligible Costs (75%)	Wastewater Collection D.C. Payable (2021\$)^	Total Wastewater Collection D.C. Payable (2021\$)	Total Front-Ended Wastewater Collection D.C. To Be Recovered from Other Development (2021\$)#	Total Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (75%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 5,129,591	\$ 3,607	\$ 4,826,166	\$ 303,425	\$ 5,129,591
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 1,077,291	\$ 3,607	\$ 1,013,567	\$ 63,724	\$ 1,077,291
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 943,717	\$ 3,607	\$ 1,316,555	\$ (372,838)	\$ 1,316,555
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 542,960	\$ 3,607	\$ 757,470	\$ (214,510)	\$ 757,470
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 646,381	\$ 3,607	\$ 901,750	\$ (255,369)	\$ 901,750
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 131,862	\$ 3,607	\$ 183,957	\$ (52,095)	\$ 183,957
3 + 4	Dominion Packers & Realities (Ballantry)	700	\$ 10,203,865	43.1%	\$ 4,395,511	\$ 3,296,633	\$ 3,607	\$ 2,524,900	\$ 771,733	\$ 3,296,633
	Chantler - Residential	148		9.1%	\$ 929,337	\$ 697,002	\$ 3,607	\$ 533,836	\$ 163,166	\$ 697,002
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 306,116	\$ 3,607	\$ 234,455	\$ 71,661	\$ 306,116
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 988,990	\$ 3,607	\$ 757,470	\$ 231,520	\$ 988,990
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 857,125	\$ 3,607	\$ 656,474	\$ 200,651	\$ 857,125
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 1,507,032	\$ 3,607	\$ 1,154,240	\$ 352,792	\$ 1,507,032
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 16,124,701		\$ 14,860,840	\$ 1,263,861	\$ 17,019,512

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^Note 2: The Wastewater Collection D.C. of \$3,413 have been indexed from 2019 to 2021 at 5.67%

#Note 3: The Total Payable is the greater amount between the D.C. Eligible Costs of the Linear Segment (G) and the D.C. Payable (I)

Schedule Date: February 25, 2021

Non-Growth Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation*	Landowner's Share of the Linear Segment Costs (2021\$)	Non-Growth Costs (25%)	Wastewater Collection Overcontributions Per SDE (2021\$)^*	Total Wastewater Collection Overcontributions (2021\$)	Total Non-Growth Shortfall to be Recovered (2021\$)	Total Non-Growth-Related Payable (2021\$)#
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (25%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K) = The greater amount between (G) and (I)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 1,709,864	\$ 1,356	\$ 1,814,328	\$ (104,464)	\$ 1,814,328
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 359,097	\$ 1,356	\$ 381,036	\$ (21,939)	\$ 381,036
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 314,572	\$ 1,356	\$ 494,940	\$ (180,368)	\$ 494,940
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 180,987	\$ 1,356	\$ 284,760	\$ (103,773)	\$ 284,760
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 215,460	\$ 1,356	\$ 339,000	\$ (123,540)	\$ 339,000
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 43,954	\$ 1,356	\$ 69,156	\$ (25,202)	\$ 69,156
3 + 4	Dominion Packers & Realities (Ballantry)	700	\$ 10,203,865	43.1%	\$ 4,395,511	\$ 1,098,878	\$ 1,356	\$ 949,200	\$ 149,678	\$ 1,098,878
	Chantler - Residential	148		9.1%	\$ 929,337	\$ 232,334	\$ 1,356	\$ 200,688	\$ 31,646	\$ 232,334
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 102,039	\$ 1,356	\$ 88,140	\$ 13,899	\$ 102,039
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 329,663	\$ 1,356	\$ 284,760	\$ 44,903	\$ 329,663
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 285,708	\$ 1,356	\$ 246,792	\$ 38,916	\$ 285,708
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 502,344	\$ 1,356	\$ 433,920	\$ 68,424	\$ 502,344
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 5,374,900		\$ 5,586,720	\$ (211,820)	\$ 5,934,186

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

*Note 3: The Overcontribution amounts for the Wastewater Collection represents 18% of the total overcontributions per SDE

#Note 4: The Total Payable is the greater amount between the Non-Growth Costs of the Linear Segment (G) and the Overcontributions Payable (I)

Schedule “D”

Form of 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 Corporation of 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 Chief Administrative Officer 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 Town 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 “E”

Projection of the Timeframe for Recovery

The Wastewater Collection system will be constructed in phases. The timing of each phase will depend on the completion of the previous phase. The order of construction will be as follows:

1. Linear Segment #1 as described in Schedule “B1” to the Agreement;
2. Linear Segment #2 as described in Schedule “B2” to the Agreement;
3. Linear Segment #3 as described in Schedule “B3” to the Agreement;
4. Linear Segment #4 as described in Schedule “B4” to the Agreement.

Schedule “F”

Satisfaction Piece and Release

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the payment by the [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 THE 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], 2020 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 .

THIS FRONT-ENDING AGREEMENT is made this 4 day of March, 2021.

BETWEEN:

DOMINION PACKERS & REALTIES LTD.

(the "Participating Owner")

OF THE FIRST PART

- and -

BEACHCROFT INVESTMENTS INC.

(the "Participating Purchaser")

OF THE SECOND PART

- and -

THE CORPORATION OF THE TOWN OF ERIN

(the "Town")

OF THE THIRD PART

WHEREAS:

1. In 2015, the Town completed the Urban Centre Wastewater Servicing Class EA, the purpose of which was to identify the preferred wastewater servicing solution to the existing residents and future development within the communities of Erin Village and Hillsburgh (collectively, the Communities);
2. The Class EA recommended a wastewater collection system conveying all wastewater flows to a single wastewater treatment plant ("Wastewater Collection System"), to meet the existing Communities wastewater servicing needs and to support future population growth. The preferred solution further presented that the wastewater treatment plant would be located at the intersection of 10th Line and Wellington Road 52 south of Erin village, with treated effluent being discharged to the West Credit River on the west side of the bridge on Winston Churchill Boulevard on Wellington Road 52;
3. The Town has completed a study under the Development Charges Act, 1997, S.O. 1997, c. 27 (the "DCA"), that relates to the provision of services for which there will be an increased need as a result of development within the Communities and the Town proposes to enact a new Development Charge By-law to implement that study's recommendations;

4. The study under the DCA included the estimated costs of the initial services and studies necessary to be front ended in order to consider the registration of plans of subdivision in that part of the Communities described in Schedule "A", (the "Benefitting Lands"), the costs of which services and studies include:
 - A. the costs of all necessary studies and engineering design required to commence servicing of the Benefitting Lands, and
 - B. the cost of designing and constructing the Wastewater Collection System which will convey sanitary sewage to the proposed wastewater treatment plant, and which are required to service the Benefitting Lands.

These services and studies are more particularly described in clause 2.C. and Schedule "B" of this Agreement (the "Front Ended Services");

5. The Director of Infrastructure Services and Engineering (the "Director") has allocated the estimated costs of the Front Ended Services into the portions necessary to service each of the lands owned by the Front-Ending Owners in accordance with Schedule "C";
6. The Participating Purchaser has entered into an agreement of purchase and sale with the Participating Owner to acquire the Participating Purchaser Lands, as defined in Section 1 of this Agreement;
7. The Parties have agreed to enter into this Agreement for the purpose of providing for the construction, installation and financing of the Front Ended Services and the financing thereof, including the immediate payment of all costs by the Front-Ending Owners before any construction of the Front Ended Services commences and the collection of front ended payments from owners of the Benefitting Lands who may wish to connect to the Front Ended Services and who are not parties to this Agreement;
8. Council of the Town at its meeting of March 16, 2021 authorized the execution of this Agreement;

IN CONSIDERATION of the covenants expressed in this Agreement and other good and valuable consideration, the Parties covenant and agree, one with the other, 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 have the following meanings:

- a. **"Agreement"** means this Agreement and the Schedules hereto;

- b. **"Allocation Agreement"** means the Agreement, and schedules thereto, made under section 27 of the DCA between the Participating Owner, the Participating Purchaser and the Town and "Allocation Agreements" means all of them;
- c. **"Benefitting Area"** means all land located in the Town;
- d. **"Benefitting Lands"** means benefitting lands as defined in Recital 4.
- e. **"Benefitting Owner"** means an owner of Benefitting Lands intended for development;
- f. **"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;
- g. **"Capacity"** means Wastewater Services capacity expressed in SDEs;
- h. **"Consent Agreement"** means an agreement under subsection 53(12) of the PA;
- i. **"Construction Security"** shall mean the Security posted in accordance with clause 5.B;
- j. **"Cost Change"** means the difference between the total costs of the Front Ended Services as per the contracts awarded by the Town, or the updated estimates for the Front Ended Services, and the total estimated costs of the Front Ended Services as shown in Schedule "C" and includes changes resulting from the addition, deletion, deferral, or delay of Front Ended Services;
- k. **"DC"** means the development charges under the DCB;
- l. **"DCA"** means the Development Charges Act, 1997, S.O. 1997, c. 27, as amended or revised from time to time and any successor legislation;
- m. **"DCB"** means By-law No. 19-32, as may be amended from time to time and any successor by-law;
- n. **"Default"** means a failure by the Participating Purchaser or Participating Owner to comply with an obligation of a Participating Purchaser or Participating Owner as the case may be under this Agreement by the date for complying;
- o. **"Defaulting Owner"** means the Participating Purchaser or Participating Owner who is in Default;



- p. **"Director"** means the director as defined in Recital 5;
- q. **"Engineer"** means the engineer as defined in clause 5.D.;
- r. **"Financing Security"** means the Security that is provided in accordance with clause 6.B.II;
- s. **"Front Ender"** means the front ender as defined in clause 5.C.;
- t. **"Front Ended Payment"** means front ended payments as defined in clause 2.C.;
- u. **"Front Ended Services"** means the front ended services as described in Recital 4;
- v. **"Government Approval"** means any approval, permission, licence, permit or any other approval of any kind whatsoever required from the federal or provincial government or any agency or board thereof or a conservation authority for the construction and operation of the Projects;
- w. **"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;
- x. **"Judicial and/or Administrative Proceedings"** means any judicial or administrative applications, actions, proceedings, appeals or reviews of any kind whatsoever related indirectly or directly to the subject matter of this Agreement;
- y. **"Letter of Credit"** means an unconditional and irrevocable 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 "D" hereto provided both the financial institution and letter of credit are acceptable to the Town;
- z. **"Linear Segment #1"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B1" of the Agreement;
- aa. **"Linear Segment #2"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B2" of the Agreement;
- bb. **"Linear Segment #3"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B3" of the Agreement;
- cc. **"Linear Segment #4"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B4" of the Agreement;
- dd. **"Notice"** means any Notice, demand, acceptance, request or other

communication permitted or required to be given hereunder;

- ee. **"Planning Act"** means the Planning Act, R.S.O. 1990, c.P.13 as amended or revised from time to time and any successor legislation;
- ff. **"Participating Owner Lands"** means the lands of the Participating Owner described in Schedule "A" hereto and depicted in the sketch attached hereto as Schedule "A" hereto;
- gg. **"Parties"** means all of the Participating Purchaser, the Participating Owner and the Town;
- hh. **"Proportionate Share"** means the ratio obtained when the number of SDE reserved to the Participating Purchaser/Participating Owner as shown in Schedule "B" hereto is divided by the total number of SDE available;
- ii. **"Recoverable Amount"** means the costs described in Schedule "B" per SDE and as may be adjusted from time to time and at any time, and which Recoverable Amount does not include any component of the costs of Front Ended Services that benefit the Participating Owner Lands;
- jj. **"Refunded Share"** means the refunded share as defined in clause 10.F.;
- kk. **"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;
- ll. **"Security"** means one or more Letter(s) of Credit in the form attached as Schedule "D" to this Agreement;
- mm. **"Site Plan"** means a plan under section 41 of the Planning Act;
- nn. **"Site Plan Agreement"** means an agreement under section 41(7) of the Planning Act;
- oo. **"Subdivision Agreement"** means an agreement under clause 51(25)(d) of the Planning Act;
- pp. **"Substantial Completion"** means a Front Ended Service is ready for use or is being used for purposes intended as certified in writing by the Town Director, his or her successor, equivalent or delegate;
- qq. **"Third Party Participating Owner(s)"** means an Owner of land in the

Benefitting Area who has entered into a separate front ending agreement

- rr. **"Town"** means The Corporation of the Town of Erin;
- ss. **"Wastewater Collection Overcontribution"** means the Wastewater Collection Overcontribution referred to in Clause 2.C.IV. and as set out in Schedule "C";
- tt. **"Wastewater Collection System"** means Linear Segments #1, #2, #3, and #4 which will convey sanitary sewage to the proposed Wastewater Treatment Plant;
- uu. **"Wastewater Treatment Plant"** means the Wastewater Treatment Plant approved by the urban Centre Wastewater Servicing Class EA in 2015.

2 – Front Ending Agreement

- A. The Participating Owner and Participating Purchaser each acknowledge and agree that the Town has the statutory authority to enter into this Agreement and the Participating Owner and Participating Purchaser agree that they shall not challenge the validity of this Agreement before a court of law or the Local Planning Appeal Tribunal.

- B. The Parties agree that the Front Ended Services are not local services as defined in s. 2(5) of the DCA, and are services which are:
 - I. required to enable the Participating Owners Lands and the balance of the lands within the Benefitting Area to be developed;

 - II. services for which development charges are payable under the development charge by-law; and,

 - III. eligible for inclusion in a front-ending agreement under the DCA.

- C. The Parties agree that all costs of design, construction and installation of the Front Ended Services used for the purpose of calculating the Front Ended Payments by the Participating Purchaser/Participating Owner and the Benefitting Owners shall be the reasonable costs of such construction and installation incurred by the Town or the Front-Ending Owners, as the case may be. For greater certainty such costs shall include the following:
 - I. all payments on contracts entered into for such design, construction or installation, as certified and accepted by the Director;

 - II. the cost of all acquisition of land or rights in land required to be acquired from owners not front-ending;

 - III. all engineering and other consulting fees, and all legal fees, whether paid to consultants or to the Town; and,

 - IV. the payment of part of the cost of any studies and design required by this Agreement. Such costs shall not include:
 - i. any indirect overhead expense of a Participating Purchaser/Participating Owner;

 - ii. any financing cost of a Participating Purchaser/Participating Owner;

 - iii. the cost of any Security required by this Agreement; and

 - iv. the Wastewater Collection Overcontribution.

These costs shall form the basis of the payments which the Participating Purchaser/Participating Owner and Benefitting Owners shall pay to the Town in accordance with clause 8 and clause 9 of this Agreement (the "Front Ended Payment").

3 – Allocation Agreement

- A. The Participating Owner and the Participating Purchaser shall execute an Allocation Agreement for all of the Participating Owners Lands at the same time as the Participating Owner and the Participating Purchaser execute this Agreement with the Town. It shall be a condition precedent to the validity of this Agreement that the Participating Owner and Participating Purchaser have also executed an Allocation Agreement to the satisfaction of the Town.

- B. In order to be in good standing pursuant to this Agreement, the Participating Owner and Participating Purchaser must not be in Default under:
 - I. this Agreement; or
 - II. the Allocation Agreement.

4 – Timing and Construction of the Front Ended Services

- A. Despite any payments by the Front-Ending Owners under this Agreement pursuant to clause 8., and subject to clause 10., the Town shall:
 - I. be responsible for the design, engineering, tender, construction, installation, operation and maintenance of the Front Ended Services;
 - II. own the Front Ended Services; and,
 - III. be entitled to impose, from time to time and at any time, such fees and charges directly and indirectly related to the collection, transmission, treatment and disposal of wastewater as the Town considers necessary or desirable under Part XII (Fees and Charges) of the MA, 2001, or any other user fee or charge permitted by statute.
- B. The Town may delay, defer, or cancel one or more of the Front Ended Services, in its sole and absolute discretion, and in whole or in part, if one or more of the Participating Owner or the Participating Purchaser fails to:
 - I. execute this Agreement;
 - II. execute the Allocation Agreement;
 - III. subscribe to all of the available SDE units, in whole or in part.

The Town, the Participating Purchaser and the Participating Owner agree to undertake best efforts to work together to address any shortfall respecting subscription to available SDE units.
- C. The Participating Owner and Participating Purchaser agree and acknowledge that the deferral, delay, or cancellation of one or more Front Ended Services under clause 4.B. may delay the completion of one or more Front Ended Services, which, in turn, may delay development of the Participating Owners Lands and lands within the Benefitting Area.
- D. If the Town exercises its rights of deferral, delay, or cancellation under clause 4.B., the Town shall give 30 Business Days of Notice to the Participating Owner and Participating Purchaser of the Front Ended Services it intends to delay, defer, or cancel, and the length of the delay, if known at the time the Notice is given.
- E. The Town the Participating Owner and the Participating Purchaser agree and acknowledge that clause 4.B. is for the sole benefit of the Town, and the Town may waive such clause, in whole or in part, or be modified from time to time and at any time by the Town in its sole and absolute discretion.
- F. Despite clause 4.A., the Town may, in its sole and absolute discretion, permit one or more of the Front Ended Services to be designed or constructed or both by one or more of the Participating Purchaser, the Participating Owner or Third Party Participating Owners pursuant to the requirements outlined in clause 5.

- G. Despite clause 4.F., and despite the contents of Schedule "B", the Town may, in its sole and absolute discretion, change or delete Front Ended Services contained on Schedule "B". Schedule "B" is deemed conclusively to be amended without formal amendment to this Agreement. If the Town changes any of the Front Ended Services on Schedule "B", the Town shall give Notice to the Owner within 30 Business Days of making such change.

5 – Election by Front-Ending Owners to Construct Services

- A. The Participating Purchaser/Participating Owner may elect to construct and install a part or the whole of the Front Ended Services in accordance with clause 5 of this Agreement through strict compliance with the requirements of clause 5.B. After such compliance and obtaining all necessary Government Approvals, subject to the terms of this Agreement, construction and installation of the Front Ended Services may be commenced. In the case of that part of the Front Ended Services which services only the Participating Purchaser/Participating Owner, the election may be submitted by that Participating Purchaser/Participating Owner alone. In the case of that part of the Front Ended Services which services Third Party Participating Owners in addition to the Participating Purchaser/Participating Owner, the election shall only be considered by the Town if it is submitted by all of the Third Party Participating Owners and the Participating Purchaser/Participating Owner serviced by those portions of the Front Ended Services.
- B. If any one or all of the Participating Purchaser/Participating Owner and Third Party Participating Owners desire to construct all or any portion of the Front Ended Services as described in Schedule "B", they shall first apply to the Director for the following:
- I. approval of the choice of the Engineer for the Participating Purchaser/Participating Owner and/or Third Party Participating Owner;
 - II. an up-to-date estimate of the cost of the portion to be installed and constructed, together with any additional requirements of the Director not provided for in this Agreement; and
 - III. the amount of the Security required to be posted in order to guarantee the Front Ended Services to be installed and constructed ("**Construction Security**"). The quantum of the Construction Security shall be prescribed by the Director in his sole and absolute discretion based upon the extent of the services to be installed and constructed, which amount will not be less than 110% and not more than 125% of the cost of the Front Ended Services to be installed and constructed. The Construction Security shall be in the form attached hereto as Schedule "D".

Before commencing any installation or construction, the Participating Purchaser/Participating Owner shall together with the Third Party Participating Owner(s) deliver to the Director a Notice of election to proceed together with the following:

- IV. a description of the portion of the Front Ended Services to be installed and constructed which must be one of the portions described in Schedule "B",
 - V. a certified cheque equal to 15% of the up-to-date costs of the services to be installed and constructed as engineering fees; and,
 - VI. Construction Security from a Canadian chartered bank in a form satisfactory to the Town in the amount prescribed by the Director. The Town, in its sole and absolute discretion, may require that the Security be from a Schedule "1" Canadian chartered bank. The Construction Security will be held by the Town as Security for the obligations of the Participating Purchaser/Participating Owner in accordance with this Agreement.
- C. Notwithstanding anything else contained in this Agreement, the Participating Purchaser/Participating Owner and Third Party Participating Owner(s) that comply with clause 5.B. shall be permitted to construct part or the whole of the Front Ended Services, if and only if the Town first grants its consent to such Participating Purchaser/Participating Owner together with the applicable Third party Participating Owner(s) (referred to hereinafter as the "Front

Ender(s)" , in writing, which consent may be arbitrarily withheld.

- D. The Front Ender(s) agree to retain a competent consulting engineer experienced in the municipal engineering field (the "Engineer"). The Engineer or his successor shall be approved by the Director and shall carry out all necessary engineering requirements in accordance with this Agreement and with the Guideline for Engineering Services to Municipalities. The Engineer shall be retained by the Front Ender until all requirements of this Agreement have been completed to the satisfaction of the Director.
- E. The Front Ender(s) agree to construct the Front Ended Services as shown on a set of drawings approved and signed by the Director. The preparation of the drawings shall be undertaken according to the Town's design criteria, design standards and specifications and procedures as amended from time to time.
- F. The Front Ender(s) agree not to let any contract for the performance of any of the works unless the contractor has been first approved by the Director, which approval may be unreasonably withheld. The contract(s) shall provide that the Director may inspect the construction of the Front Ended Services and shall have authority to instruct the contractor(s) to stop work should any construction be undertaken contrary to the provisions of this Agreement and the Town's design criteria, standards and specifications.
- G. The Front Ender(s) agree to provide the Town with ten Business Days of Notice before commencing the installation or construction of the Front Ended Services.
- H. The Front Ended Services shall be completed within a maximum of 18 months from commencement.
- I. The Front Ender(s) agree that the Director may inspect the construction work under any contract, but such inspection shall in no way relieve the Front Ender(s) from its responsibility to inspect the work itself. If, at any time, the construction of all works is not, in the opinion of the Director, being carried out in accordance with the provisions of this Agreement, and in accordance with good engineering practices, the Director may issue instructions to the Front Ender(s) or to the Engineer to take such steps as deemed necessary to procure compliance with the provisions of this Agreement. Such instructions may be written, or may be verbal, in which case the Director shall confirm them in writing within 24 hours. In the event that neither the Front Ender(s) nor the Engineer is present at the site of the works to receive such verbal instructions, the Director may instruct the contractor(s) or workers to cease work forthwith.
- J. The Front Ender(s) shall undertake and pay for a sewer video inspection program for the Front Ended Services installed and constructed. These works shall be undertaken by a qualified company and be approved by the Director prior to the work being undertaken. The Front Ender(s) shall provide a copy of such video inspection and written reports to the Town in a format as specified by the Town. The sewer video inspection shall be carried out prior to acceptance for maintenance by the Town. The said video shall demonstrate to the Director's satisfaction that the Front Ended Services function to the Town's satisfaction, failing which the Front Ended Services shall be corrected to the satisfaction of the Director.
- K. The Front Ender(s) agree that all streets in the vicinity of construction of the Front Ended Services shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender or Parties employed by the Front Ender(s) in the construction of the Front Ended Services, or by contractors so employed, will be repaired or restored immediately.
- L. The Front Ender(s) agree not to foul any public streets and further agrees to provide the necessary persons and equipment, to be available on reasonable Notice at all times, to keep such streets clean. All trucks making deliveries to or taking materials from the construction site shall be adequately covered and reasonably loaded so as not to scatter refuse, rubbish, or debris on the abutting streets.
- M. If, in the opinion of the Director, these requirements are not complied with, the Town may do the

work as required and upon demand, the Front Ender(s) shall forthwith pay to the Town the full cost thereof. If the Front Ender(s) fail to make the payment as required by the Town, such failure will constitute a Default and the Town may, subject to meeting the requirements of clauses 15.C and 15.D, draw upon the Construction Security.

- N. The Front Ender(s) agree that all public works on adjoining lands shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender(s) or parties employed by the Front Ender(s) during construction or by contractors so employed, will be repaired and restored immediately.
- O. When, after the Front Ender(s) have commenced construction of the Front Ended Services but before the assumption thereof by the Town, the Front Ended Services do not function, or do not function properly, and in the sole opinion of the Director, repairs are necessary to be made immediately to prevent damage or hardship to persons or property, the Front Ender agrees that the Town, its servants, employees or agents, may make whatever repairs may be deemed necessary. The Front Ender further covenants and agrees to reimburse the Town for any expense incurred in making the repairs. If the Front Ender(s) fail to make the payment as required by the Town, the Town may, subject to meeting the requirements of clauses 15.C and 15.D, draw upon the Construction Security.
- P. The Town agrees to give Notice to the Front Ender(s) within 2 Business Days from the date of entry by the Town of the nature and extent of the emergency and repairs which were necessary.
- Q. The Front Ender(s) agree to maintain and keep in a proper state of repair and operation the Front Ended Services installed and constructed by the Front Ender(s) for a minimum period of 24 months from the date of acceptance for maintenance by the Town.
- R. The Front Ender(s) agree that the whole or any part of the Front Ended Services, when constructed and assumed by the Town, shall vest in the Town and the Front Ender(s) shall have no claims or rights thereto other than those accruing to it as an owner of land abutting on streets on which services have been installed.
- S. Performance and maintenance guarantees:
 - I. The Security provided to the Town in accordance with clause 5.B.III and 5.B.VI may be, subject to clauses 15.C and 15.D, drawn upon by the Town for any Default by the Front Ender under this Agreement and for any other purpose specified in this Agreement. If any lien is filed or registered under the *Construction Act*, R.S.O. 1990, c. C.30, as amended, this shall constitute a Default. Upon such Default, the Town may draw upon the Security for payment into court of the hold-back moneys, plus interest and costs, if deemed necessary by the solicitor for the Town to satisfy its requirements under the *Construction Act*.
 - II. The Front Ender(s), when not in Default of this Agreement, may apply for acceptance for maintenance by the Town of the Front Ended Services after completion of construction and compliance with clauses H., T., and U. Upon the Director approving such acceptance, any security held by the Town may be reduced up to 25% of the value of the work at the commencement of construction as estimated by the Director. Prior to the reduction of security held by the Town for any Front Ended Services, the Front Ender(s) must supply the Town with the following documentation:

- i. statutory declaration of works completed and contractors and subcontractors having been paid;
 - ii. Workplace Safety and Insurance Board clearance certificate; and,
 - iii. expiration of the construction lien period.
- IV. Upon application by a Front Ender after the expiry of the maintenance period of 2 years, and after compliance with this Agreement satisfactory to the Director, the Town will release all Security held to secure the construction of the whole or the portion of the Front Ended Services for which assumption is granted.
- T. Before commencing any of the works provided for in this Agreement, the Front Ender(s) shall supply the Town with a liability insurance policy in the minimum amount of \$5,000,000.00 in a form satisfactory to the Town solicitor, indemnifying the Town from any loss arising from claims or damages, injury or otherwise in connection with the work done by or on behalf of the Front Ender. The policy shall contain a completed operations clause and shall have no exclusion for blasting. In the event any renewal premium is not paid, the Town, in order to prevent the lapse of such liability insurance policy, may pay the renewal premium or premiums and the Front Ender agrees to pay the cost of such renewal or renewals within 10 Business Days of the account therefor being rendered by the Town.
- U. Immediately prior to acceptance for maintenance by the Town of the Front Ended Services, the Front Ender(s) agree as follows:
 - I. to flush all sewers and manholes free of road materials, building debris, and other foreign matter; to clean such materials from the system; to provide video inspection as required under clause 5.J.; and to rectify any deficiencies the video inspection may reveal;
 - II. to sweep abutting roadway pavement, including sidewalks, clear of building debris and earth deposits, and to clean and remove all such material;
 - III. to rectify and repair all damages to adjacent public services;
 - IV. to rectify and repair all settlements, depressions or other defects on roadways, until assumption of the Front Ended Services, and
 - V. to furnish the Director with:
 - i. a statutory declaration from the Front Ender(s) that all contractors and subcontractors associated with the construction of public works have been paid;
 - ii. a certificate from the Engineer indicating the final construction costs for the public works based on the actual construction contract, and
 - iii. payment of additional engineering fees, if required by the Director, based on the final construction costs of the public works certified by the Engineer.
- V. The Town agrees that the acceptance for maintenance of the Front Ended Services shall take place upon fulfilment of the following conditions:
 - I. all sewers and manholes are clean and free of road materials, building debris and any other foreign matter;
 - II. all roadway pavements and sidewalks are clean and free of building debris and earth deposits;

- III. all damage to adjacent services has been repaired or rectified to the satisfaction of the Director;
- IV. all settlements, depressions or any other defects on roadways have been repaired to the satisfaction of the Director;
- V. the Director has received:
 - i. a statutory declaration from the Front Ender(s) that all contractors and subcontractors associated with the construction of the Front Ended Services have been paid;
 - ii. a satisfactory set of “as constructed digital files and drawings” of all works required to be done by this Agreement in a form that meet Town specifications;
 - iii. a certificate from the Engineer indicating the final construction costs for Front Ended Services based on the actual construction contract; and,
 - iv. payment of additional engineering fees, if required by the Director, based on the final construction costs of the Front Ended Services certified by the Engineer;
 - v. the Front Enders(s) are not in Default of any terms or conditions of this Agreement.

6 – Election for Town to Construct Services

- A. If the Participating Purchaser/Participating Owner do not elect to construct the Front Ended Services themselves pursuant to clause 5, or if the Town does not consent to the same pursuant to clause 5, the Town may construct and install the whole or part of the Front Ended Services in accordance with the requirements of clause 6.B.
- B. If the Town commences installation and construction of all or any portion of the Front Ended Services as described in Schedule “B”, the Participating Purchaser/Participating Owner shall provide to the Director any additional requirements of the Director not provided for in this Agreement. The Town agrees to call tenders and commence construction and installation of a portion or the whole of the Front Ended Services within a reasonable time after providing the Participating Purchaser and Owner with Notice of the following:
 - I. a description of the portion of the Front Ended Services to be constructed which must be one of the portions referred to in Schedule “B”; and
 - II. confirmation that Security from a Canadian chartered bank in a form satisfactory to the Town solicitor in the form set out in Schedule “D” to this Agreement was posted by the Participating Purchaser/Participating Owner at the time that this Agreement was executed.
- C. Notwithstanding anything else contained in this Agreement, the Security required pursuant to clause 6.B. shall be in the amounts set out in Schedule “C” and in the form set out in Schedule “D” to this Agreement and shall be posted immediately upon the execution of this Agreement and may be utilized by the Town, in its discretion for the construction and installation of the Front Ended Services at any time.
- D. In the event that the Participating Purchaser/Participating Owner fails to provide any of the matters set out in clause 6.B., the Town shall be permitted to provide same itself and utilize the Security to pay for same. The Town may also draw upon the Security in its discretion to pay the Front Ended Service costs. If the amount of the Security is insufficient to pay for the total cost of the works, the Participating Purchaser/Participating Owner who delivered the Notice of election, agrees to immediately pay to the Town such deficiency or to deliver additional Security upon demand therefor and the Town may cease construction of, or prevent connection to the Front

Ended Services, until such deficiency is paid. The Town shall return any unused Security in excess of the amount required to complete the Front Ended Services and to maintain the Front Ended Services for a minimum period of [x] years, in the discretion of the Director. The Security shall be issued by a Schedule "1" Canadian chartered bank.

- E. Whenever and to the extent that the Town shall be unable to fulfil, or shall be delayed or restricted in fulfilling its obligation to construct the Front Ended Services, for any cause beyond its control, the Town shall be relieved from its obligation during the period during which it is unable to fulfil or is delayed or restricted in fulfilling its obligations.
- F. Notwithstanding anything else to the contrary herein, the Town shall use reasonable efforts to ensure that the design, tender and construction of the Wastewater Treatment Plant and Linear Segments 1, 2, 3, and 4 progresses in an active, continuous and diligent manner following the date of this Agreement.

7 – Rights of Way

- A. All Front Ended Services installed and constructed under this Agreement shall be located in road allowances or easements approved by the Director and granted to the Town, free and clear of all encumbrances.
- B. In the event a Notice of election is delivered according to clause 5 or clause 6 of this Agreement, no installation and construction shall commence until the Town Solicitor is satisfied that all rights in land required by the Director have been conveyed to the Town or agreements to convey have been executed.
- C. Upon request from a Participating Purchaser/Participating Owner who desires to construct services through lands approved by the Director, but owned by others, the Town shall assist, at the cost of such Participating Owner, in obtaining rights to construct and maintain services on such lands. For greater certainty, the Town is not obligated to commence expropriation proceedings to assist a Participating Purchaser/Participating Owner in this clause.

8 – Front Ended Payments

- A. While this Agreement remains in force, the Town agrees to use its best efforts to impose the requirement of a Front Ended Payment by all owners of land in the Benefitting Area to be connected to the Front Ended Services (except for Participating Owners or the Participating Purchaser who shall pay the cost of the Front Ended Services upon execution of this Agreement) in the amount calculated according to clauses 8.E. and 8.F of this Agreement, and as a condition to any development approval referred to in s. 2(2) of the DCA.
- B. The Town agrees to place money received as Front Ended Payments in a special reserve account and, provided that a notice of election has been given and clause 5.B. has been complied with, the Town shall immediately, upon receipt of the money, by registered mail:
 - I. notify the appropriate Participating Purchaser and Participating Owners who have paid the cost of the Front Ended Services that the money is available to be paid out, and,
 - II. advise the appropriate Participating Purchaser or Participating Owners to whom the Town proposes to pay the delivery of the said money.

Upon the delivery of said Notice from all the Participating Owners and Participating Purchaser who have paid the cost of the Front Ended Services, the Town shall pay to the person or persons named in the Notice without interest, the proportion of the money received by the Town to which the party is entitled as set out in the Notice.

- C. The Parties confirm that the reasonable cost to the Town in processing the collection of front

end payments while this Agreement remains in force is 3% of all such payments. Accordingly, there shall be deducted from all such payments paid into the special reserve account, an amount equal to 2% to cover the legal and administrative costs of the Town.

- D. The Town may, at any time prior to the giving of a Notice for any part or the whole of the Front Ended Services in accordance with clause 5 or clause 6 of this Agreement, approve limited development in any part of the Benefitting Lands not serviced by the Front Ended Services, which development will ultimately be required to connect to the Front Ended Services but which, in the opinion of the Director, may proceed on an interim basis with alternate sewerage and water facilities. In such event, the Town shall charge such development a front end payment calculated in accordance with clause 8.E. and such payment or payments shall be placed in a special reserve account and be applied to reduce the cost of front ending by the Parties.
- E. The Front Ended Payment to be charged against all development in the Benefitting Area to fund the Front Ended Services shall be calculated as set out in Schedule "C". The Participating Purchaser/Participating Owner shall fund only the linear segment shown next to the Participating Owner's name on Schedule "C".
- F. The Town, in its sole and absolute discretion, may adjust the front ended payment in clause 8.E. in the event that:
 - I. there is a Cost Change between the commencement of this Agreement and the conclusion of the Adjustment Period; or
 - II. one or more Front Ended Services are deferred, waived, cancelled, or removed pursuant to clauses 4.B or 4.G.
- G. The Town the Participating Purchaser and the Participating Owner agree and acknowledge that the total amount of Front Ended payments with respect to each Participating Purchaser or Participating Owner included therein are correctly described in Schedule "C" of this Agreement, subject to any adjustments under clause 8.F.
- H. Every payment made by a Participating Purchaser or Participating Owner for the cost of the Front Ended Services shall entitle such Participating Purchaser or Participating Owner to a reservation of available capacity, in the amount set out in the Allocation Agreements (expressed as SDEs).
- I. The total Front Ended Payments may be increased due to any Cost Changes and the Town shall give each Participating Purchaser or Participating Owner Notice of its Relative Share of the increase. A Participating Purchaser or Participating Owner shall have fifteen Business Days from the giving of the Notice to provide an increase to its Security under this Agreement for the amount set out in the Notice. If the payment is not received, the Town may defer, waive, cancel, or remove all or part of the Front End Services pursuant to clauses 4.B or 4.G. until the matter is remedied.
- J. Following any Cost Change, the Town shall provide a revised Schedule "C" as adjusted under clause 8.F to the Participating Purchaser or Participating Owners. If any revisions are made hereunder, this Agreement shall be conclusively deemed to be amended by replacing Schedule "C" with the revised Schedule "C".
- K. If the Town determines that it does not require any of the Security it holds for the Front Ended Services, it shall release any excess Security it then holds.

9 – Benefitting Owner Payments

- A. From and after March 16, 2021, every Benefitting Owner shall pay, by certified cheque or bank draft, to the Town upon the earlier of such Owner entering into a Subdivision Agreement, a Consent Agreement or a Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the Planning Act have been met, or obtaining a building

permit for the development of the Benefitting Owner's land:

- I. for the Recoverable Amount per SDE in the Subdivision Agreement, Consent Agreement, Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the PA have been met, or permitted by the building permit plus interest in accordance with the *Development Charges Act, 1997*; and,
- II. all development charges payable under the DCB, as may be amended from time to time and any successor development charge by-laws.

10 – Participating Owner Recoveries

- A. Each Participating Purchaser or Participating Owner shall recover its Front Ended Payments as described in Schedule "B" of this Agreement by receiving its Proportionate Share of Recoverable Amount.
- B. A projection of the time frame for recovery by the Participating Purchaser or Participating Owners of the Front Ended Services is set out in Schedule "E". The Participating Purchaser and Participating Owners acknowledge and agree:
 - I. Schedule "E" is for illustration purposes only;
 - II. the Town makes no representations or warranties of any kind whatsoever that the Participating Purchaser or Participating Owners shall experience recoveries in the amounts and at the times shown on Schedules "E" and "G"; and,
 - III. their actual recoveries shall be dependent on the pace of residential development through-out the Town after March 16, 2021.
- C. The Participating Purchaser and Participating Owners acknowledge and agree:
 - I. that the Town's DCB and payments thereunder, and as such by-law may be amended from time to time and any successor development charge by-laws, is fair and reasonable, provided nothing herein shall preclude the Participating Purchaser and/or Participating Owner from appealing any amending or successor development charge by-law enacted after the commencement of this Agreement; and,
 - II. to pay or cause to be paid all of the development charges of the Town in respect of the Front Ended Services, in the amounts specified in the Allocation Agreement and this Agreement.
- D. All credits under this Agreement with respect to the Front Ended Services shall be granted and administered solely in accordance with each Participating Purchaser/Participating Owner's Allocation Agreement.
- E. If and when the Town receives payments for the amounts described in clause 10.A., it shall refund semi-annually commencing upon the review by the Town Council of the Development Charges Reserve Statement to each Participating Purchaser or Participating Owner, that Participating Purchasers or Participating Owners "Refunded Share" (as defined below) of the amounts received by the Town, provided that Town has received from each such Participating Purchaser or Participating Owner a Satisfaction Piece and Full and Final Mutual Release in the Form attached hereto as Schedule "F".
- F. The amount to be refunded to each Participating Purchaser or Participating Owner pursuant to clause 10.E. above shall be calculated as follows:



- I. the total amount of Front Ended Payment made by the Participating Purchaser or Participating Owner; less
 - II. the total amount of DC Credit available to the Participating Purchaser or Participating Owners for the Front Ended Services; divided by
 - III. the total amount of the Front Ended Payment.
- ("Refunded Share")**

11 – Land Dedications

- A. The Town's Director, equivalent or delegate may, from time to time and at any time, give the Notice described in this clause. No later than 30 Business Days after written Notice is given under this clause to the Participating Owner by the Town's Director, successor, equivalent or delegate, the Participating Owner shall convey from the Participating Owner's Lands in fee simple to the Town, for nominal consideration and free and clear of all encumbrances and restrictions, all necessary lands, easements, other interests in land, approvals, rights, interests, licences and any other agreements of every kind whatsoever which are or may be required by the Town in order to give the Town, its employees, officers, sub-contractors, servants and agents the full right, power and authority to construct, install, operate (including permitting connections thereto), inspect, repair and replace the Front Ended Services and all related works and services.
- B. If the Participating Owner fails to convey the lands, easement other interests in land, approvals, rights, interests, licenses and any other agreements as identified by the Town's Director, his successor, equivalent or delegate as required by the Town, such failure shall be considered an event of Default to which clause 15 of this Agreement apply.

12 – Transfer of SDE Capacity

- A. The transfer of Capacity expressed in SDE shall be governed by the Allocation Agreement.
- B. The Participating Owner and their respective heirs, administrators, successors and permitted assigns shall not transfer title to all or any part of the Participating Owner's Lands unless the transferee(s) of such lands agrees in writing to unconditionally assume the rights and obligations of the Participating Purchaser/Owner pursuant to this Agreement and such agreement is delivered to the Town, whereupon the transferring Participating Owner shall be automatically released and relieved from any further obligation under this Agreement. The rights and obligations of the Participating Purchaser or Owner shall not be assigned by the Participating Purchaser or Owner to a successor in title to all or a portion of the Front-ending Owner's Lands until such heirs, administrators, successors and permitted assigns have entered into an agreement with the Town agreeing to be bound by the provisions of this Agreement. Assignment shall only be permitted with the written approval of the Town, which approval may be arbitrarily withheld. The transfer of capacity granted within Erin Village may only be transferred to the lands within Erin Village and capacity granted within Hillsburgh may only be transferred to lands within Hillsburgh.

13 – Limitations and Conditions

- A. Despite anything in this Agreement to the contrary, the Town's obligations in respect of installation, construction, and operation of a 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 Participating Owner(s) in writing that the Town has elected not to proceed with the Front Ended Services. Upon the giving of such Notice, the provisions of clauses 4.B to 4.E. shall apply with all necessary modifications.

- B. The Participating Purchaser and Owner acknowledge and agree that this Agreement and the Allocation 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 Allocation Agreement.

14 – Representations and Warranties

- A. The Participating Purchaser 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 Participating Purchaser is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II. the Participating Purchaser 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 Participating Purchaser and constitutes a valid and binding obligation of the Participating Purchaser, enforceable against the Participating Purchaser 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 Participating Purchaser; and,
 - V. the Participating Purchaser has entered into a binding agreement of purchase and sale with the Owner in order to acquire the Owner's Lands.
- B. The Participating 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 Participating Owner is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II. the Participating 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 Participating Owner and constitutes a valid and binding obligation of the Participating Owner, enforceable against the Participating 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 Participating Owner; and,
 - V. the Participating Owner is the registered owner of the Participating Owner's Lands in fee simple.
- C. 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:
 - i. 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
 - ii. 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.
- D. Each Participating Purchaser and Owner acknowledges that it has read, understood and obtained independent legal advice respecting Part III of the DCA, other applicable provisions of the DCA and the provisions of this Agreement, and that the Participating Purchaser and Owner understands that this Agreement is intended to be an agreement referred to in and permitted under Part III of the DCA.

15 – 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 18.
- B. The Participating Purchaser, the Participating Owner and the Town agree that this Agreement shall be of no force and effect until the following conditions are satisfied:
 - I. The Participating Purchaser and Participating Owner shall first execute this Agreement;
 - II. The Participating Purchaser shall in accordance with Fee By-law No. 19-60 reimburse the Town for the administrative, legal, and consultant costs it incurred in connection with this Agreement and any amendments thereto;
 - III. If there are no Judicial or Administrative Proceedings as of the date upon which the Participating Purchaser and Owner execute the Agreement, the Town shall execute this Agreement within 5 Business Days of the Participating Purchaser and Owner’s execution of the Agreement; and,
 - IV. there is enough take up by the owners in Hillsburgh to build either a full 75% of the Wastewater Treatment Plant, or a full 100% of the plant, but nothing in between.
- C. If the Participating Purchaser or 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 20 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 Participating 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. If the Defaulting Owner is the Participating Purchaser, the Owner shall be entitled, with reasonable notice to the Town and the Purchaser, to cure the Default and assume the obligations of the Purchaser under this Agreement.

- D. If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 15.C. or any extension thereof, then:
 - I. the Town shall give Notice in writing to the Defaulting Owner and all other parties that the Participating Purchaser or Owner is a Defaulting Owner; and,
 - II. the Participating Purchaser or Owner shall be deemed conclusively to be in Default of the Allocation Agreement and the Town shall have available to it all remedies available pursuant to the Allocation Agreement in order to remedy a Default under this Agreement.
- E. Notwithstanding anything else to the contrary in this Agreement with the exception of Clause 16.F, the Participating Purchaser may terminate this Agreement and the Town shall return all unused securities to the Participating Purchaser in full within 30 days of the said termination with no further recourse or claim against the Participating Purchaser if at the time that the Town issues a tender for the construction of the first phase (i.e. 50%) of the Waste Water Treatment Plant and for the construction of Linear Segment #1 and Linear Segment #2:
 - I. the said tender does not also include the tender for the construction of Linear Segment #3 and Linear Segment #4 under the same tender timeframe; or,
 - II. if the Participating Purchaser determines that the tender price for Linear Segment #3 and/or Linear Segment #4 is too high to proceed once tenders are received.

The right to terminate under this clause may only be exercised up to three (3) days following the opening of tenders by the Town and delivery of notice of the results of such tenders by the Town to the Participating Purchaser. The right to terminate must be exercised by the Participating Purchaser by providing written notice to the Participating Owner and the Town in accordance with clause 21.

- F. Notwithstanding anything else to the contrary in this Agreement, in the event that, for any reason, other than the default of the Participating Purchaser or Participating Owner or reasons out of the control of the Town, construction of Linear Segment #3 and Linear Segment #4 is not awarded and a contract is not signed therefor, by December 31, 2022:
 - I. The Participating Purchaser shall have the right to elect to front end the cost of constructing such Segments on behalf of the Town in accordance with clause 5 and can make use of the unused posted Financing Security held by the Town (from the Participating Purchaser/Participating Owner and others) to undertake such front ended construction by a firm approved by the Town and to the Town's design and construction standards and to the Town's direction and satisfaction (which includes approval of the form of construction contract, the location of the works, the approval of the design and the construction techniques to be utilized therefor); or,
 - II. The Participating Purchaser may terminate this agreement with written notice to the Purchaser and Town in accordance with clause 21 and the Town shall, subject to clause 16.F, return all unused Financing Security and front ended costs to the Participating Purchaser, in full, within 30 days of the said termination with no further recourse or claim against the Participating Purchaser.

For clarity, in the event that the Participating Purchaser elects to terminate this Agreement pursuant to clause 15.F.II above, the Participating Purchaser shall not be entitled to any return of any securities posted for the construction of the Wastewater Treatment Plant, but only to a return of residual unused securities for the construction of Segments #3 and #4 of the Wastewater Collection System.

16 – Enurement, 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. Pursuant to section 56 of the DCA, the Town may register notice of this Agreement on the title to any of the Participating Purchaser's Lands with the intention that the provisions of this Agreement shall bind and run with title to the Participating Purchaser's Lands. The Owner consents to such registration and the Participating Purchaser agrees that such registration shall be at its sole cost and expense.
 - C. The Owner shall be entitled to have this Agreement released from title to:
 - I. all or such part of the Participating Purchaser's Lands where the Owner or Participating Purchaser is not a Defaulting Owner or, if the Front-ending Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 15.C.; or
 - II. all of the Participating Purchaser's Lands following the final reconciliation and adjustments under the Allocation Agreement between the Participating Purchaser and the Town provided the Participating Purchaser and Owner are not Defaulting Owners or, if the Participating Owner is a Defaulting Owner, the Participating Owner has cured the Default,
- provided the Participating Purchaser, 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 except for the Town's obligation under clause 10.D. in the form and having the substance of the satisfaction piece and full and final release described in Schedule "F" hereto. Any such release from title shall be at the Participating Purchaser's and Owner's sole cost and expense as the case may be.
- D. In addition to the foregoing, the Owner shall be entitled to have this Agreement released from title to any part of such Participating Purchaser's Lands which are to be transferred to the Town, a school board, utility, or any other applicable public authority. Any such release from title shall be at the Participating Purchaser's sole cost and expense.
 - E. Where the Owner is entitled to a release of this Agreement from title under clause 16.D., the Town shall deliver to the Owner, within 20 Business Days of a written request from the Owner, an executed release in registrable form discharging the Owner and Participating Purchaser from its obligations under this Agreement.
 - F. In the event that the Participating Purchaser terminates this Agreement pursuant to clause 15, the Participating Owner is not obligated to assume the Participating Purchaser's obligations under this Agreement and may also elect to terminate and would be released as well. The Participating Owner may however choose to assume the obligations and benefits of the Participating Purchaser under this Agreement by providing to the Town replacement Financing Securities in accordance with 6.B and Schedule "D" to replace the unused securities that will be returned to the Participating Purchaser. If the Participating Owner wishes to assume the Participating Purchaser's obligations and benefits under this Agreement pursuant to this clause 16.F, the Participating Owner must notify the Town and the Participating Purchaser of its intent to do so within five (5) days of receiving the notice of termination from the Participating Purchaser. The Participating Owner must then post replacement Security and formally

assume the Participating Purchaser's obligations through an amendment to this Agreement within fifteen (15) days of receiving said notice of termination. For greater certainty, in the event that the Owner notifies the Participating Purchaser and the Town that it intends on exercising its right of assumption pursuant to this clause 16.F the Participating Purchaser shall not be released from the Agreement and any remaining securities shall not be returned to it until after the fifteen (15) day period provided to the Participating Owner to post replacement Securities and formally assume the Participating Purchaser's obligations through an amendment to this Agreement has elapsed (regardless of whether or not the Participating Owner provides such replacement Securities and/or assumes this Agreement).

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

- A. The Participating Purchaser and Participating Owner hereby release and forever discharge 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 Participating Purchaser or Participating Owner has had, has or may in future have directly or indirectly arising from or in any way connected with:
 - I. a delay, deferral or cancellation of the Front Ended Services under the provisions of this Agreement; and/or
 - II. the failure to make a full repayment.
- B. If the Town, by virtue of having entered into this Agreement or of carrying out any of the Front Ended Services or actions contemplated hereunder, is made a party to any Administrative or Judicial Proceedings commenced by or against a Participating Purchaser or Participating Owner, the remaining Participating Purchaser or Participating 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 waiver under it is not enforceable for any reason whatsoever against the Town, the Participating Purchaser, Participating Owner, Benefiting Owner(s) and/or any other person(s), the Participating Purchaser and Participating Owner acknowledge and agree 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 Participating Purchaser and Participating Owner acknowledge and agree that:
 - I. the Participating Purchaser and Participating 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 and incurred debt to fund part of the cost of the Front Ended Services;
 - III. the Participating Owner's Lands benefited from the Front Ended Services; and
 - IV. it would be unjust and inequitable for any Participating Purchaser or Participating Owner to demand or receive repayment of any monies paid or contributed under this Agreement.
- 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.
- G. The Participating Purchaser/Participating 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 the Agreement.

18 – Final Reconciliation of the Recoverable Amount

- A. For each Participating Purchaser or Participating Owner, 6 months after the final remittance under clause 10, the Town shall prepare and send to the such Participating Purchaser or Participating Owner a final reconciliation setting out the amount:
 - I. drawn from and remaining of the Security;
 - II. collected from Benefiting Owners; and,
 - III. remitted under clause 10.D. of this Agreement.

19 – General

- A. The Parties agree that the recitals herein are true and accurate and form part of this Agreement.
- B. The Participating Purchaser and Participating Owner agree 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.

20 – List of Schedules

The following schedules are attached and form part of this Agreement:

- A. Schedule "A" being a description of the Participating Owner Lands and the Benefitting Lands;
- B. Schedule "B" being a description of the Front Ended Services;
- C. Schedule "C" being an estimate of the costs of various portions of the Front Ended Services required to service the Front-ending Owners;
- D. Schedule "D" being the form of the Letter of Credit;
- E. Schedule "E" being a Projection of the Timeframe for Recovery by the Participating Purchaser and Participating Owner; and,
- F. Schedule "F" being a Satisfaction Piece and Full and Final Release.

21 – Notice

- A. Any Notice shall be given in writing and shall be given by personal delivery, regular mail, courier or telecopier transmittal and addressed:
 - I. to the Participating Purchaser as follows:

Beachcroft Investments Inc.
40 Sheppard Avenue West
Suite #700
Toronto, ON M2N 6K9

with copies to:

Brattys LLP
 7501 Keele Street, Suite 200
 Vaughan, Ontario L4K 1Y2

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

II. to the Participating Owner as follows:

Dominion Packers & Realties Ltd.
 c/o SmithValeriot Law Firm LP
 105 Silvercreek Pkwy. N.
 Suite 100
 Guelph, ON N1H 6S4

Attention: Kevin Thompson

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

III. 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 Participating Owners; and

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. if by telecopier transmittal, on the date of transmission delivery.

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

22 – 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 Agreement. 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

BEACHCROFT INVESTMENTS INC.

Per: _____
Name: *David Hill*
Title: *President*

Per: _____
Name: _____
Title: _____

I/We have authority to bind the corporation.

DOMINION PACKERS & REALTIES LTD.

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

I/We have authority to bind the corporation.

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
Lisa Campion, Clerk

BEACHCROFT INVESTMENTS INC.

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

I/We have authority to bind the corporation.

DOMINION ~~PACKERS~~ & REALTIES LTD.

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

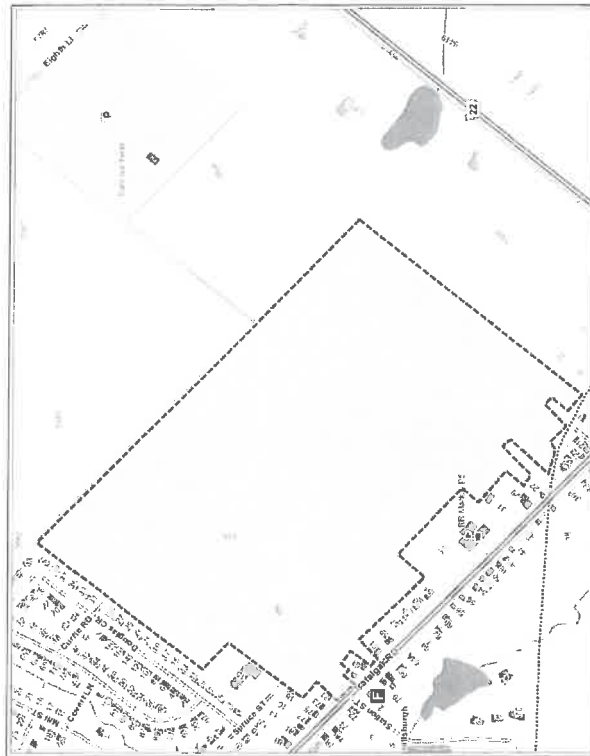
I/We have authority to bind the corporation.

Schedule "A"

The Participating Purchaser Lands

PT LT 24 CON 8 ERIN EXCEPT PTS 1-3, 61R2749 & PTS 1-3, 61R10780 DS7839, ROS383121, MS13509, ROS609336, ROS593071, ROS578501, RO756343, ROS571915, ROS207666, RO770469, MS100081, MS76550, MS84705, MS647; ERIN (PIN: 71143-1121(LT)).

LT 23 W/S GUELPH ST PL 95 ERIN; LT 24 W/S GUELPH ST PL 95 ERIN; LT 18 E/S GUELPH ST PL 95 ERIN; LT 19 E/S GUELPH ST PL 95 ERIN; LT 20 E/S GUELPH ST PL 95 ERIN; LT 14 W/S MARKET ST PL 95 ERIN; LT 15 W/S MARKET ST PL 95 ERIN; LT 16 W/S MARKET ST PL 95 ERIN; LT 11 E/S MARKET ST PL 95 ERIN; LT 12 E/S MARKET ST PL 95 ERIN; PT LT 4 PL 95 ERIN ABUTTING RDAL BTN CON 7 & 8 AS IN DS14870; PT LT 17 E/S GUELPH ST PL 95 ERIN; PT LT 21 W/S GUELPH ST PL 95 ERIN; PT LT 22 W/S GUELPH ST PL 95 ERIN AS IN DS14410; PT LT 23 CON 8 ERIN AS IN DS14346 (FIRSTLY); ERIN (PIN: 71143-0296 (LT)).



The Benefitting Lands

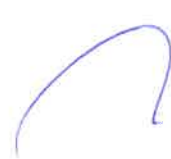
The Benefitting Lands are all lands located within the Town of Erin.

Schedule "B"**Description of Front Ended Services**

1.	Linear Segment #1 (Shown in Schedule "B1")	-	\$5,190.00 per SDE
2.	Linear Segment #2 (Shown in Schedule "B2")	-	\$4,963.00 per SDE
3.	Linear Segment #3 (Shown in Schedule "B3")	-	\$4,709.00 per SDE
4.	Linear Segment #4 (Shown in Schedule "B4")	-	\$4,709.00 per SDE

Schedule "B1"**Description of Linear Segment #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.



Schedule "B2"**Description of Linear Segment #2**

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



Schedule "B3"**Description of Linear Segment #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.



Schedule "B4"**Description of Linear Segment #4**

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



Schedule "C"

Estimate of the Individual and Total Costs of the Fronted Ended Services

Schedule Date: February 25, 2021

Growth-Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation*	Landowner's Share of the Linear Segment Costs (2021\$)	D.C. Eligible Costs (75%)	Wastewater Collection D.C. Payable (2021\$) ^(H)	Total Wastewater Collection D.C. Payable (2021\$) ^{(I) = (C) x (H)}	Total Front-Ended Wastewater Collection D.C. To Be Recovered from Other Development (2021\$) ^{(J) = (G) - (I)}	Total Growth-Related Payable (2021\$) ^{(K) = The greater amount between (G) and (I)}
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (75%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 5,129,591	\$ 3,607	\$ 4,826,166	\$ 303,425	\$ 5,129,591
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential									
	2779181 Ontario Ltd.	281		17.4%	\$ 1,436,388	\$ 1,077,291	\$ 3,607	\$ 1,013,567	\$ 63,724	\$ 1,077,291
	2779176 Ontario Ltd.	365		41.7%	\$ 1,258,289	\$ 943,717	\$ 3,607	\$ 1,316,555	\$ (372,838)	\$ 1,316,555
2	Derrydale Golf (Erin Heights Golf Course)	210		24.0%	\$ 723,947	\$ 542,960	\$ 3,607	\$ 757,470	\$ (214,510)	\$ 757,470
	2584343 Ontario Inc. (Kensington Square)	250	\$ 3,019,894	28.5%	\$ 861,842	\$ 646,381	\$ 3,607	\$ 901,750	\$ (255,369)	\$ 901,750
	Dominion Packers & Realities (Ballantry)	51		5.8%	\$ 175,816	\$ 131,862	\$ 3,607	\$ 183,957	\$ (52,095)	\$ 183,957
	Chantler - Residential	700		43.1%	\$ 4,395,511	\$ 3,296,633	\$ 3,607	\$ 2,524,900	\$ 771,733	\$ 3,296,633
3 + 4	Chantler - Non-Residential	148		9.1%	\$ 929,337	\$ 697,002	\$ 3,607	\$ 533,836	\$ 163,166	\$ 697,002
	Thomasfield Homes Ltd.	65	\$ 10,203,865	4.0%	\$ 408,155	\$ 306,116	\$ 3,607	\$ 234,455	\$ 71,661	\$ 306,116
	Carson Reid Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 988,990	\$ 3,607	\$ 757,470	\$ 231,520	\$ 988,990
	D'Angelo	182		11.2%	\$ 1,142,833	\$ 857,125	\$ 3,607	\$ 656,474	\$ 200,651	\$ 857,125
Total		4,120	\$ 21,499,601	19.7%	\$ 2,009,376	\$ 1,507,032	\$ 3,607	\$ 1,154,240	\$ 352,792	\$ 1,507,032
					\$ 21,499,601	\$ 16,124,701	\$	\$ 14,860,840	\$ 1,263,861	\$ 17,019,512

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

*Note 2: The Wastewater Collection D.C. of \$3,413 have been indexed from 2019 to 2021 at 5.67%

*Note 3: The Total Payable is the greater amount between the D.C. Eligible Costs of the Linear Segment (G) and the D.C. Payable (I)

Schedule Date: February 25, 2021

Non-Growth Related Recovery of Linear Segments									
Linear Segment	Development to Cost Share Segment	(B)	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation*	(E)	Landowner's Share of the Linear Segment Costs (2021\$)	(F) = (D) x (E)	(G) = (F) x (25%)
(A)			(C)	(D)				(H)	(I) = (G) x (H)
1	Equity Venture Group Corp. / National Properties Inc. (Solimar) - Residential		1,338	8,275,842	82.6%		6,839,454	1,356	1,814,328
	Equity Venture Group Corp. / National Properties Inc. (Solimar) - Non-Residential		281		17.4%		1,436,388	1,356	381,036
	2779181 Ontario Ltd.		355		41.7%		1,258,289	1,356	494,940
	2779176 Ontario Ltd.		210		24.0%		723,947	1,356	284,760
2	Derrydale Golf (Erin Heights Golf Course)		250	3,019,894	28.5%		861,842	1,356	339,000
	2584343 Ontario Inc. (Kensington Square)		51		5.8%		175,816	1,356	69,156
	Dominion Packers & Realities (Bailantry)		700		43.1%		4,395,511	1,356	1,098,878
3 + 4	Chantier - Residential		148		9.1%		929,337	1,356	232,334
	Chantier - Non-Residential		65	10,203,865	4.0%		408,155	1,356	88,140
	Thomasfield Homes Ltd.		210		12.9%		1,318,653	1,356	284,760
	Carson Reid Homes Ltd.		182		11.2%		1,142,833	1,356	246,792
	D'Angelo		320		19.7%		2,009,376	1,356	433,920
Total			4,120	21,499,601			21,499,601		5,586,720
									(211,820)
									5,934,186

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

*Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

*Note 3: The Overcontribution amounts for the Wastewater Collection represents 18% of the total overcontributions per SDE

*Note 4: The Total Payable is the greater amount between the Non-Growth Costs of the Linear Segment (G) and the Overcontributions Payable (I)

(L1911507.2)

Schedule "D"

Form of 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 Corporation of 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 Chief Administrative Officer 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 Town 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 "E"**Projection of the Timeframe for Recovery**

The Wastewater Collection system will be constructed in phases. The timing of each phase will depend on the completion of the previous phase. The order of construction will be as follows:

1. Linear Segment #1 as described in Schedule "B1" to the Agreement;
2. Linear Segment #2 as described in Schedule "B2" to the Agreement;
3. Linear Segment #3 as described in Schedule "B3" to the Agreement;
4. Linear Segment #4 as described in Schedule "B4" to the Agreement.

Schedule "F"

Satisfaction Piece and Release

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the payment by the [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 THE 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], 2020 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 .

THIS EARLY PAYMENT AND ALLOCATION AGREEMENT is made this 4 day of March, 2021.

BETWEEN:

DOMINION PACKERS & REALTIES LTD.
(the "Owner")

OF THE FIRST PART

- and -

BEACHCROFT INVESTMENTS INC.
(the "Purchaser")

OF THE SECOND PART

THE CORPORATION OF THE TOWN OF ERIN
(the "Town")

OF THE THIRD PART

WHEREAS:

1. Town Council on March 16, 2021 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 Purchaser has entered into an agreement of purchase and sale with the Owner to acquire the Lands;
4. 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;
5. The Town plans to finance such growth-related infrastructure through by-laws and agreements under and in relation to the DCA; and,
6. The Purchaser, 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 the Owner, the Purchaser 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/Purchaser under this Agreement multiplied by the Wastewater Services Rate, as shown in Schedule "D" hereto, and includes the Wastewater Treatment 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 or a failure by the Purchaser to comply with an obligation of the Purchaser under this Agreement as the case may be;
- J. **"Defaulting Owner"** means the Owner or Purchaser 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 and Purchaser dated March 4, 2021 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. **"Linear Segment #1"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B1" of the Front Ending Agreement;
- U. **"Linear Segment #2"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B2" of the Front Ending Agreement;
- V. **"Linear Segment #3"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B3" of the Front Ending Agreement;
- W. **"Linear Segment #4"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B4" of the Front Ending Agreement;
- X. **"Notice"** means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- Y. **"Owner's Lands"** means the lands of the Owner described in Schedule "A" hereto and depicted on the sketch in Schedule "B" hereto;
- Z. **"Planning Act"** means the *Planning Act*, R.S.O. 1990 c. P.13;
- AA. **"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;
- BB. **"Reserved Capacity"** means Wastewater Services capacity expressed in SDEs,



reserved under clause 4;

- CC. **"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.D.;
- DD. **"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;
- EE. **"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;
- FF. **"Security"** means a Letter of Credit in the form set out in Schedule "F" to this Agreement, certified cheque, or bank draft;
- GG. **"Site Plan"** means a plan under section 41 of the Planning Act;
- HH. **"Subdivision Agreement"** means an agreement under clause 51(25)(d) of the Planning Act;
- II. **"Town"** means The Town of Erin;
- JJ. **"Wastewater Treatment Plant"** means the Wastewater Treatment Plant approved by the Urban Centre Wastewater Servicing Class EA in 2015;
- KK. **"Treasurer"** means the Town Treasurer, his successor, equivalent or delegate;
- LL. **"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;
- MM. **"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 and Construction of Works

- A. The Owner/Purchaser 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/Purchaser 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/Purchaser 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/Purchaser 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/Purchaser under this Agreement and the DC Early Payment is set out in Schedule "D" hereto. The Owner/Purchaser 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/Purchaser 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/Purchaser, 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/Purchaser 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/Purchaser 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/Purchaser, the Owner/Purchaser 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/Purchaser'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. The Owner/Purchaser shall be given reasonable prior written notice of any drawdown of its Security in accordance with this Agreement and shall have the option of remitting cash payment in lieu of said drawdown following receipt of said notice in accordance with clause 2.G.
- I. For greater certainty, the Security for the Wastewater Treatment Overcontribution amounts shall be posted at the time that all other Security is posted, being immediately upon execution of this Agreement. The 2020 Wastewater Treatment Overcontribution amounts are as follows: \$10,000.00 per SDE, consisting of \$8675.00 per SDE for the Wastewater Treatment Plant and \$1325.00 per SDE for Linear Segment #3.

3 – Owner/Purchaser's DC Credits

- A. The parties acknowledge that the Owner/Purchaser'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/Purchaser shall not make a complaint under the DCA about such early payment or otherwise challenge or dispute such payment.

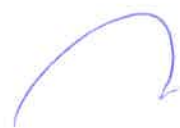
- B. The Town shall recognize the Owner/Purchaser's payment made pursuant to clause 2 through the giving of credits pursuant to clause 3.C.
- C. The Owner/Purchaser shall be given a credit, on a per SDE basis, in respect of the development of the Owner's Lands at the time that Wastewater Services Rate of the DC otherwise would be payable. The Town and Owner/Purchaser agree that the credit under this clause shall be equal to, but not exceed, the number of SDEs allocated to the Owner/Purchaser under this Agreement, provided such credit shall be applied against the DC applicable to the Owner's Lands.
- D. No interest shall be payable on the Owner/Purchaser'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/Purchaser 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/Purchaser 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/Purchaser 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, as may be amended from time to time.
- F. The Owner/Purchaser acknowledges and agrees that the DC Early Payment:
 - I. is 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/Purchaser under the DCA or an appeal under the Planning Act; and,
 - IV. is not otherwise recoverable by action or by any other means whatsoever, , except for the credits set out above.
- 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".

- H. Notwithstanding anything else to the contrary herein, the Town shall use reasonable efforts to ensure that the design, tender and construction of the Wastewater Treatment Plant and Linear Segments 1, 2, 3, and 4 progress in an active, continuous and diligent manner following the date of this Agreement.

4 – Reservation and Allocation of Reserved Capacity

- A. Where the Owner/Purchaser proposes to develop the Owner's Lands for development, then the Town, once the Owner/Purchaser 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/Purchaser for development the Wastewater Services expressed in SDE on Schedule "D".
- B. The allocation of the SDE reserved to the Owner/Purchaser under clause 4.A. shall be allocated, subject to clause 8.A., by the Town to the Owner/Purchaser for the Owner's Lands provided:
- I. the Owner/Purchaser is not in Default;
 - II. the Town has given Notice to the Owner/Purchaser that the Owner/Purchaser 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/Purchaser 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/Purchaser 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/Purchaser is not a Defaulting Owner;
 - II. the Town is satisfied Reserved Capacity exists to service the additional SDE;
 - III. the Owner/Purchaser 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/Purchaser enters into an amendment to this Agreement to reflect the additional Reserved Capacity.
- D. The Owner/Purchaser acknowledges and agrees that the SDE reserved to the Owner/Purchaser under clause 4.A. shall not be allocated to the Owner/Purchaser and the Owner/Purchaser 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/Purchaser, 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/Purchaser has made the payments required under clause 2;
 - II. the Owner/Purchaser is not a Defaulting Owner;
 - III. until Notice has been given to the Owner/Purchaser pursuant to clause 4.D. of this Agreement the Owner/Purchaser:
 - 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/Purchaser or permits the Owner/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/Purchaser 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/Purchaser 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.C., the following shall apply, in addition to any other remedies the Town may have:

- i. the Owner/Purchaser 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/Purchaser 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/Purchaser to pay such damages to the Town shall not prejudice the right of the Town to obtain injunctive relief. The Owner/Purchaser 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/Purchaser 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/Purchaser under this Agreement and upon such revocation the Town may transfer such Revoked SDE. The amount paid and contributed by the Owner/Purchaser for the Revoked SDE, revoked hereunder, shall be refunded by the Town to the Owner/Purchaser 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/Purchaser 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/Purchaser 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/Purchaser is proceeding at its sole risk.

G. The Owner/Purchaser agrees that, if the Owner/Purchaser 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 15 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/Purchaser 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/Purchaser for the Revoked SDE pursuant to clause 2 shall be refunded by the Town to the Owner/Purchaser 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. The Owner/Purchaser shall have the ability to seek the extension of the draft plan approval, having regard for ongoing efforts to pursue the development of the Owner's Lands.
- I. If the Town, acting reasonably, has determined that the Owner/Purchaser 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/Purchaser, the Town by written Notice to the Owner/Purchaser 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/Purchaser, 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/Purchaser 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/Purchaser 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/Purchaser. The Owner/Purchaser agrees that the Town shall be entitled to withhold approval of registration of such plan or issuance of such building permit if the Owner/Purchaser 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/Purchaser 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/Purchaser and the transferee owner enter into an agreement with the Town to assume all of the original obligations of the Owner/Purchaser 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/Purchaser 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/Purchaser 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/Purchaser or an Associated Corporation of the Owner/Purchaser:
 - 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/Purchaser or an Associated Corporation of the Owner/Purchaser:
 - 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/Purchaser'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/Purchaser 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/Purchaser 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;
 - V. the Owner is the registered owner of the Owner's Lands in fee simple;
 - VI. the Owner authorizes and consents to the registration of this Agreement on title to the Owner's Lands; and,
 - VII. the Owner has entered into a binding agreement of purchase and sale with the Purchaser for the acquisition of the Owner's Lands.
- B. The Purchaser 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 Purchaser is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II. the Purchaser 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 Purchaser and constitutes a valid and binding obligation of the Purchaser, enforceable against the Purchaser 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 Purchaser; and,
 - V. the Purchaser has entered into a binding agreement of purchase and sale with the Owner in order to acquire the Owner's Lands.
- C. The Town represents and warrants as of the date above first written as follows and acknowledges that the Owner and Purchaser are 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. The Purchaser and Owner each acknowledge that they have 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 Purchaser and Owner each understand 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, Purchaser or a related entity, the Town shall revoke all of the SDE allocated to the Owner/Purchaser 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/Purchaser under this Agreement, unless the Owner/Purchaser 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 Purchaser, the Owner and the Town agree that this Agreement shall be of no force and effect until the following conditions are satisfied:
 - I. The Purchaser and the Owner shall first execute this Agreement and the Front Ending Agreement;
 - II. The Purchaser 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 Purchaser and the Owner's execution of the Front Ending Agreement.
 - III. there is enough financial take up by the landowners in Hillsburgh to build either a full 75% of the Wastewater Treatment Plant, or a full 100% of the plant, but nothing in between.
- C. If either the Purchaser or the Owner is a Defaulting Owner, the Town shall give to such party 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 Defaulting 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. In the event that the Purchaser is a Defaulting Owner, the Owner shall be entitled, with reasonable notice to the Town and the Purchaser, to cure the Default and assume the obligations of the Purchaser under this Agreement.
- D. If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 9.C. or any extension thereof, then:
 - I. the Town shall give Notice in writing to the Defaulting Owner and all other parties that the Owner or Purchaser is a Defaulting Owner; and,
 - II. the Purchaser or 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:

- i. the person who acquires the Revoked SDE shall cure the Default; and,
 - ii. 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 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.D.III., the amount paid and contributed by the Purchaser 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.
- E. Notwithstanding anything else to the contrary in this Agreement with the exception of Clause 10.I, either the Owner or the Purchaser may terminate this Agreement and the Town shall return all unused securities to the Purchaser in full within 30 days of the said termination with no further recourse or claim against the Owner or Purchaser if at the time that the Town issues a tender for the construction of the first phase (i.e. 50%) of the Waste Water Treatment Plant and for the construction of Linear Segment #1 and Linear Segment #2:
 - I. the said tender does not also include the tender for the construction of Linear Segment #3 and Linear Segment #4 under the same tender timeframe; or,
 - II. if the Purchaser determines that the tender price for Linear Segment #3 and/or Linear Segment #4 is too high to proceed once tenders are received.

The right to terminate under this clause may only be exercised up to three (3) days following the opening of tenders by the Town and delivery of notice of the results of such tenders by the Town to the Purchaser. The right to terminate must be exercised by the Purchaser by providing written notice to the Owner and the Town in accordance with clause 13.

- F. Notwithstanding anything else to the contrary in this Agreement, in the event that, for any reason, other than the Default of the Purchaser or Owner or reasons out of the control of the Town, construction of Linear Segment #3 and Linear Segment #4 is not awarded and a contract is not signed therefor, by December 31, 2022:
 - I. The Purchaser shall have the right to elect to front end the cost of constructing



such Segments 3 and/or 4 on behalf of the Town and can make use of the unused posted Security held by the Town (from the Purchaser/Owner and others) to undertake such front ended construction by a firm approved by the Town and to the Town's design and construction standards and to the Town's direction and satisfaction (which includes approval of the form of construction contract, the location of the works, the approval of the design and the construction techniques to be utilized therefor); or,

- II. The Purchaser may terminate this Agreement with written notice to the Owner and Town in accordance with clause 13 and the Town shall, subject to clause 10.I, return all unused Security and front-ended costs to the Purchaser, in full, within 30 days of the said termination with no further recourse or claim against the Purchaser.

For clarity, in the event that the Purchaser elects to terminate this Agreement pursuant to clause 9F.II above, the Purchaser shall not be entitled to any return of any securities posted for the construction of the Wastewater Treatment Plant, but only to a return of residual unused securities for the construction of Segments 3 and 4 of the Collection System.

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 Purchaser. 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 and Purchaser are not a Defaulting Owner or, if the Owner or Purchaser is a Defaulting Owner, the Owner



or Purchaser as the case may be have complied with the Notice given under clause 9.C; and

- II. all of the Owner's Land following the final reconciliation and adjustments under clause 4.K. provided the Owner or Purchaser are not a Defaulting Owner or, if the Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 9.C,

provided the Purchaser, 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 Purchaser'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.
- I. In the event that the Purchaser terminates this Agreement pursuant to clause 9, the Owner is not obligated to assume the Purchaser's obligations under this Agreement and may also elect to terminate and would be released as well. The Owner may however choose to assume the obligations and benefits of the Purchaser under this Agreement by providing to the Town replacement Securities in accordance with clause 2 and Schedule "D" to replace the unused securities that will be returned to the Purchaser. If the Owner wishes to assume the Purchaser's obligations and benefits under this Agreement pursuant to this clause 10.I, the Owner must notify the Town and the Purchaser of its intent to do so within five (5) days of receiving the notice of termination from the Purchaser. The Owner must then post replacement Securities and formally assume the Purchaser's obligations through an amendment to this Agreement within fifteen (15) days of receiving said notice of termination. For greater certainty, in the event that the Owner notifies the Purchaser and the Town that it intends on exercising its right of assumption pursuant to this clause 10.I the Purchaser shall not be released from the Agreement and any remaining securities shall not be returned to it until after the fifteen (15) day period provided to the Owner to post replacement Securities and formally assume the Purchaser's obligations through an amendment to this Agreement has elapsed (regardless of whether or not the Owner provides such replacement securities and/or assumes this Agreement).

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

- A. The Purchaser and Owner hereby release and forever discharge 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 Purchaser or Owner have 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 Purchaser or Owner, the Purchaser or Owner as the case may be 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 Purchaser, the Owner or any other person, the Purchaser and Owner acknowledge and agree 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 Purchaser and Owner acknowledge and agree that:
- I. the Owner and/or Purchaser as the case may be 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, and incurred debt to fund part of the cost of the Front Ended Services, 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 Purchaser or Owner as the case may be 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 Purchaser 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 and Purchaser agree 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:

Dominion Packers & Realties Ltd.
c/o SmithValeriotte Law Firm LP
105 Silvercreek Pkwy. N.
Suite 100
Guelph, ON N1H 6S4

Attention: Kevin Thompson

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

- II. to the Purchaser as follows:

Beachcroft Investments Inc.
40 Sheppard Avenue West
Suite #700
Toronto, ON M2N 6K9

with copies to:

Brattys LLP
7501 Keele Street, Suite 200
Vaughan, Ontario L4K 1Y2

- III. 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

IV. 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

) BEACHCROFT INVESTMENTS INC.

) Per: 
) Name: David Hill
) Title: President

) Per: _____
) Name: _____
) Title: _____

) I/We have authority to bind the corporation.

) DOMINION PACKERS & REALTIES LTD.

) Per: _____
) Name: _____
) Title: _____

) Per: _____
) Name: _____
) Title: _____




) I/We have authority to bind the corporation.

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.

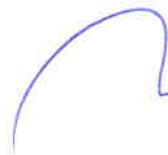
SIGNED, SEALED AND DELIVERED	)	THE CORPORATION OF THE TOWN OF ERIN
In the presence of)	
	)	Per: 
	)	Allan Ails, Mayor
)	
	)	Per: 
	)	Lisa Campion, Clerk
)	
	)	BEACHCROFT INVESTMENTS INC.
)	
	)	Per: _____
	)	Name: _____
	)	Title: _____
)	
	)	Per: _____
	)	Name: _____
	)	Title: _____
)	
	)	I/We have authority to bind the corporation.
)	
	)	DOMINION PACKERS & REALTIES LTD.
	)	Per: 
	)	Name: _____
	)	Title: _____
)	
	)	Per: _____
	)	Name: _____
	)	Title: _____
)	
	)	I/We have authority to bind the corporation.

Schedule "A"

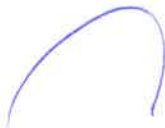
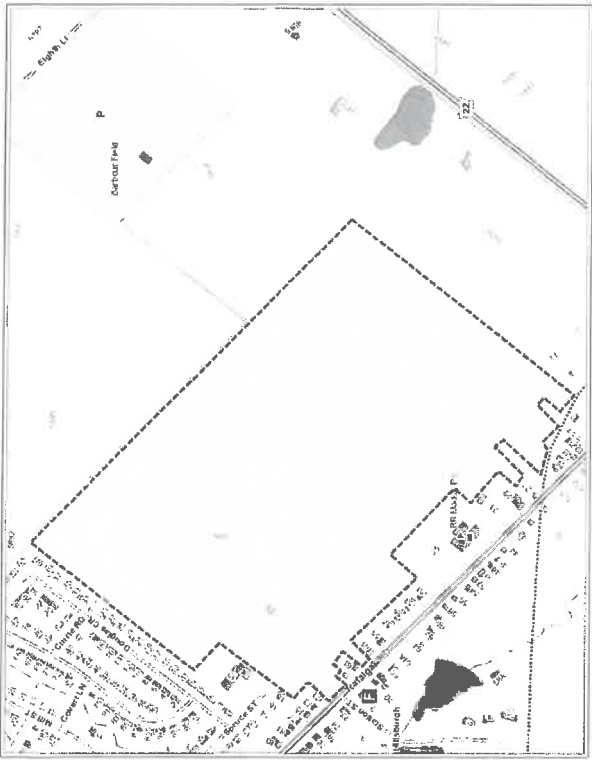
Legal Description of Owner's Lands

PT LT 24 CON 8 ERIN EXCEPT PTS 1-3, 61R2749 & PTS 1-3, 61R10780 DS7839, ROS383121, MS13509, ROS609336, ROS593071, ROS578501, RO756343, ROS571915, ROS207666, RO770469, MS100081, MS76550, MS84705, MS647; ERIN (PIN: 71143-1121 (LT)).

LT 23 W/S GUELPH ST PL 95 ERIN; LT 24 W/S GUELPH ST PL 95 ERIN; LT 18 E/S GUELPH ST PL 95 ERIN; LT 19 E/S GUELPH ST PL 95 ERIN; LT 20 E/S GUELPH ST PL 95 ERIN; LT 14 W/S MARKET ST PL 95 ERIN; LT 15 W/S MARKET ST PL 95 ERIN; LT 16 W/S MARKET ST PL 95 ERIN; LT 11 E/S MARKET ST PL 95 ERIN; LT 12 E/S MARKET ST PL 95 ERIN; PT LT 4 PL 95 ERIN ABUTTING RDAL BTN CON 7 & 8 AS IN DS14870; PT LT 17 E/S GUELPH ST PL 95 ERIN; PT LT 21 W/S GUELPH ST PL 95 ERIN; PT LT 22 W/S GUELPH ST PL 95 ERIN AS IN DS14410; PT LT 23 CON 8 ERIN AS IN DS14346 (FIRSTLY); ERIN (PIN: 71143-0296 (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 m ³ /d	1,800 m ³ /d	1,800 m ³ /d	1,800 m ³ /d
Capacity%	25%	25%	25%	25%
Process Trains	Two each 900 m ³ /d	One 1,800 m ³ /d	One 1,800 m ³ /d	One 1,800 m ³ /d
Total Plant Capacity	1,800 m ³ /d	3,600 m ³ /d	5,400 m ³ /d	7,200 m ³ /d
Expansion Service Area	Development	Development	Existing Community & Infill/Intensification	Existing Community & Infill/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 \$

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Schedule "D"
Reservation of SDEs and DC Early Payment Instalments

Schedule Date: February 25, 2021

		Development Charge (D.C.) Payable		
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE) *	Wastewater Treatment D.C. Per SDE (2021\$)^	Total Wastewater Treatment D.C. Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 10,548	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 10,548	\$ 14,113,224
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 10,548	\$ 2,963,988
10	Logel's Auto Parts Ltd.	-	\$ 10,548	\$ -
11	Town of Erin	-	\$ 10,548	\$ -
5	2779181 Ontario Ltd.	365	\$ 10,548	\$ 3,850,020
6	2779176 Ontario Ltd.	210	\$ 10,548	\$ 2,215,080
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 10,548	\$ 2,637,000
4	Dominion Packers & Realities (Ballantry)	700	\$ 10,548	\$ 7,383,600
16	Chantler - Residential	148	\$ 10,548	\$ 1,561,104
3	Chantler - Non-Residential	65	\$ 10,548	\$ 685,620
2	Thomasfield Homes Ltd.	210	\$ 10,548	\$ 2,215,080
1	Carson Reid Homes Ltd.	182	\$ 10,548	\$ 1,919,736
14	D'Angelo	320	\$ 10,548	\$ 3,375,360
	2584343 Ontario Inc. (Kensington Square)	51	\$ 10,548	\$ 537,948
Subtotal		4,120		43,457,760

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Wastewater Treatment D.C. of \$9,982 have been indexed from 2019 to 2021 at 5.67%

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Schedule Date: February 25, 2021

		Overcontribution Payable		
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE) *	Overcontributions Per SDE (2021\$) **	Total Overcontribution Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 6,041	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 6,041	\$ 8,082,858
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 6,041	\$ 1,697,521
10	Logel's Auto Parts Ltd.	-	\$ 6,041	\$ -
11	Town of Erin	-	\$ 6,041	\$ -
5	2779181 Ontario Ltd.	365	\$ 6,041	\$ 2,204,965
6	2779176 Ontario Ltd.	210	\$ 6,041	\$ 1,268,610
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 6,041	\$ 1,510,250
4	Dominion Packers & Realities (Ballantry)	700	\$ 8,644	\$ 6,050,800
16	Chantler - Residential	148	\$ 6,041	\$ 894,068
	Chantler - Non-Residential	65	\$ 6,041	\$ 392,665
3	Thomasfield Homes Ltd.	210	\$ 8,644	\$ 1,815,240
2	Carson Reid Homes Ltd.	182	\$ 8,644	\$ 1,573,208
1	D'Angelo	320	\$ 8,644	\$ 2,766,080
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 6,041	\$ 308,091
Subtotal		4,120		28,564,356

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

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

*Note 4: The Overcontribution amounts for the Hillisburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

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Schedule Date: February 25, 2021

Total Wastewater Treatment D.C. and Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Wastewater Treatment Plant D.C. and Overcontributions Per SDE (2021\$)**	Total Payable (2021\$)
17	Homes in the Hill Inc.	-	16,589 \$	-
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	16,589 \$	22,196,082
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	16,589 \$	4,661,509
	Logel's Auto Parts Ltd.	-	16,589 \$	-
10	Town of Erin	-	16,589 \$	-
11	2779181 Ontario Ltd.	365	16,589 \$	6,054,985
5	2779176 Ontario Ltd.	210	16,589 \$	3,483,690
6	Derrydale Golf (Erin Heights Golf Course)	250	16,589 \$	4,147,250
12	Dominion Packers & Realities (Ballantry)	700	19,192 \$	13,434,400
4	Chantler - Residential	148	16,589 \$	2,455,172
16	Chantler - Non-Residential	65	16,589 \$	1,078,285
3	Thomasfield Homes Ltd.	210	19,192 \$	4,030,320
2	Carson Reid Homes Ltd.	182	19,192 \$	3,492,944
1	D'Angelo	320	19,192 \$	6,141,440
14	2584343 Ontario Inc. (Kensington Square)	51	16,589 \$	846,039
Subtotal		4,120		72,022,116

**Note 1: SDE = Single Detached Equivalent

*Note 2: The Wastewater Treatment D.C. and Overcontributions amounts have been indexed from 2019 to 2021 at 5.67%

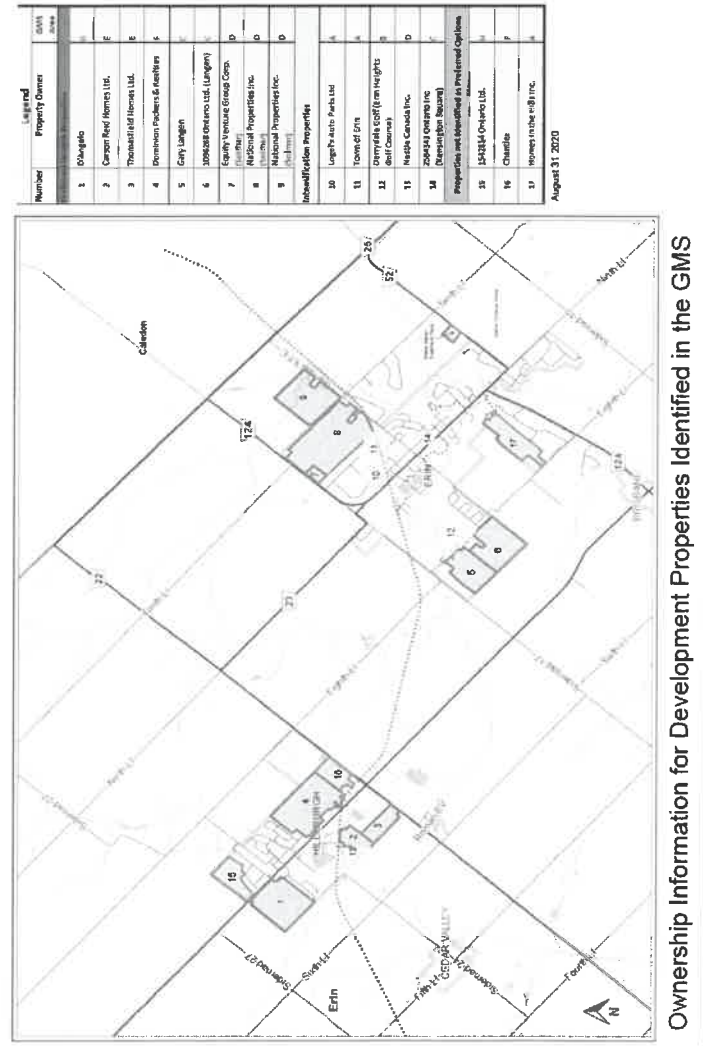
*Note 3: The Overcontribution amounts for the Wastewater Treatment Plant represents 82% of the total overcontributions per SDE

*Note 4: The Overcontribution amounts for the Hillsborough Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

Unit Type	Conversion Factor for Single Detached Equivalent (SDE) Units				Wastewater Treatment Overcontribution (2021\$)
	Persons Per Unit (Based on the 2019 D.C. Background Study)	Equivalent SDE	Wastewater Treatment D.C. Payable as of January 1, 2021		
Singles and Semi Detached					
Multiples	3.193	1.00	\$10,548 Per Unit	\$6,041 Per Unit	
Apartment: 2 Bedrooms or more	2.314	0.72	\$7,644 Per Unit	\$4,378 Per Unit	
Apartment: Bachelor and 1 Bedroom	1.618	0.51	\$5,345 Per Unit	\$3,061 Per Unit	
Special Care/ Special Dwelling	1.375	0.43	\$4,542 Per Unit	\$2,602 Per Unit	
Non-Residential	1.100	0.36	\$3,684 Per Unit	\$2,081 Per Unit	
			\$3.56 Per sq.ft.	\$0.00 Per sq.ft.	

(1,912,227.1)

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.



(L1911227.1)

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

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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.

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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

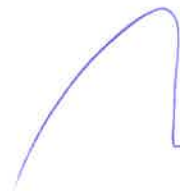
- 1,260m of 600mm diameter Sanitary Sewer from E-SPS 1 under the West Credit River to Daniel Street, Spring Street and Main Street to the intersection of Main Street & Dundas Street.
- Service Connections to existing properties along the trunk sanitary sewer.

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.



THIS FRONT-ENDING AGREEMENT is made this 31st day of October, 2020.

BETWEEN:

MARY CHANTLER Mary Tracy Hart Chantler

(collectively, the “Participating Owners”)

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWN OF ERIN

(the “Town”)

OF THE SECOND PART

WHEREAS:

1. In 2015, the Town completed the Urban Centre Wastewater Servicing Class EA, the purpose of which was to identify the preferred wastewater servicing solution to the existing residents and future development within the communities of Erin Village and Hillsburgh (collectively, the Communities”);
2. The Class EA recommended a wastewater collection system conveying all wastewater flows to a single wastewater treatment plant (“Wastewater Collection System”), to meet the existing Communities wastewater servicing needs and to support future population growth. The preferred solution further presented that the wastewater treatment plant would be located at the intersection of 10th Line and Wellington Road 52 south of Erin village, with treated effluent being discharged to the West Credit River on the west side of the bridge on Winston Churchill Boulevard on Wellington Road 52;
3. The Town has completed a study under the Development Charges Act, 1997, S.O. 1997, c. 27 (the “DCA”), that relates to the provision of services for which there will be an increased need as a result of development within the Communities and the Town proposes to enact a new Development Charge By-law to implement that study’s recommendations;
4. The study under the DCA included the estimated costs of the initial services and studies necessary to be front ended in order to consider the registration of plans of subdivision in that part of the Communities described in Schedule “A”, (the “Benefitting Lands”), the costs of which services and studies include:
 - A. the costs of all necessary studies and engineering design required to commence servicing of the Benefitting Lands, and
 - B. the cost of designing and constructing the Wastewater Collection System which will convey sanitary sewage to the proposed wastewater treatment plant, and which are required to service the Benefitting Lands.

These services and studies are more particularly described in clause 2.C. and Schedule “B” of this Agreement (the “Front Ended Services”);

5. The Director of Infrastructure Services and Engineering (the “Director”) has allocated the estimated costs of the Front Ended Services into the portions necessary to service each of the lands owned by the Front-Ending Owners in accordance with Schedule “C”;
6. The Parties have agreed to enter into this Agreement for the purpose of providing for the

construction, installation and financing of the Front Ended Services and the financing thereof, including the immediate payment of all costs by the Front-Ending Owners before any construction of the Front Ended Services commences and the collection of front ended payments from owners of the Benefitting Lands who may wish to connect to the Front Ended Services and who are not parties to this Agreement;

7. Council of the Town at its meeting of October 27, 2020 authorized the execution of this Agreement;

IN CONSIDERATION of the covenants expressed in this Agreement and other good and valuable consideration, the Parties covenant and agree, one with the other, 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 have the following meanings:

- a. **"Agreement"** means this Agreement and the Schedules hereto;
- b. **"Allocation Agreement"** means the Agreement, and schedules thereto, made under section 27 of the DCA between each Participating Owner and the Town and "Allocation Agreements" means all of them;
- c. **"Benefitting Area"** means all land located in the Town;
- d. **"Benefitting Lands"** means benefitting lands as defined in Recital 4.
- e. **"Benefitting Owner"** means an owner of Benefitting Lands intended for development;
- f. **"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;
- g. **"Capacity"** means Wastewater Services capacity expressed in SDEs;
- h. **"Consent Agreement"** means an agreement under subsection 53(12) of the PA;
- i. **"Cost Change"** means the difference between the total costs of the Front Ended Services as per the contracts awarded by the Town, or the updated estimates for the Front Ended Services, and the total estimated costs of the Front Ended Services as shown in Schedule "C" and includes changes resulting from the addition, deletion, deferral, or delay of Front Ended Services;
- j. **"DC"** means the development charges under the DCB;
- k. **"DCA"** means the Development Charges Act, 1997, S.O. 1997, c. 27, as amended or revised from time to time and any successor legislation;
- l. **"DCB"** means By-law No. 19-32, as may be amended from time to time and any successor by-law;
- m. **"Default"** means a failure by a Participating Owner to comply with an obligation of a Participating Owner under this Agreement by the date for complying;

- n. **"Defaulting Owner"** means the Participating Owner who is in Default;
- o. **"Director"** means the director as defined in Recital 5;
- p. **"Engineer"** means the engineer as defined in clause 5.D.;
- q. **"Front Ender"** means the front ender as defined in clause 5.C.;
- r. **"Front Ended Payment"** means front ended payments as defined in clause 2.C.;
- s. **"Front Ended Services"** means the front ended services as described in Recital 4;
- t. **"Government Approval"** means any approval, permission, licence, permit or any other approval of any kind whatsoever required from the federal or provincial government or any agency or board thereof or a conservation authority for the construction and operation of the Projects;
- u. **"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;
- v. **"Judicial and/or Administrative Proceedings"** means any judicial or administrative applications, actions, proceedings, appeals or reviews of any kind whatsoever related indirectly or directly to the subject matter of this Agreement;
- w. **"Letter of Credit"** means an unconditional and irrevocable 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 "D" hereto provided both the financial institution and letter of credit are acceptable to the Town;
- x. **"Notice"** means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- y. **"Planning Act"** means the Planning Act, R.S.O. 1990, c.P.13 as amended or revised from time to time and any successor legislation;
- z. **"Participating Owner"** means an owner of land in the Benefitting Area who has entered into this Agreement;
- aa. **"Participating Owner Lands"** means the lands of each of the Participating Owners described in Schedule "A" hereto and depicted in the sketch attached hereto as Schedule "A" hereto;
- bb. **"Parties"** means all of the Participating Owners and the Town;
- cc. **"Proportionate Share"** means the ratio obtained when the number of SDE reserved to a Participating Owner as shown in Schedule "B" hereto is divided by the total number of SDE available;
- dd. **"Recoverable Amount"** means the costs described in Schedule "B" per SDE and as may be adjusted from time to time and at any time, and which Recoverable Amount does not include any component of the costs of Front Ended Services that benefit the land of a Participating Owner;

- ee. **"Refunded Share"** means the refunded share as defined in clause 10.F.;
- ff. **"Town"** means The Corporation of the Town of Erin;
- gg. **"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;
- hh. **"Security"** means one or more Letter(s) of Credit in the form attached as Schedule "D" to this Agreement;
- ii. **"Site Plan"** means a plan under section 41 of the Planning Act;
- jj. **"Site Plan Agreement"** means an agreement under section 41(7) of the Planning Act;
- kk. **"Subdivision Agreement"** means an agreement under clause 51(25)(d) of the Planning Act;
- ll. **"Substantial Completion"** means a Front Ended Service is ready for use or is being used for purposes intended as certified in writing by the Town Director, his or her successor, equivalent or delegate;
- mm. **"Wastewater Collection Overcontribution"** means the Wastewater Collection Overcontribution referred to in Clause 2.C.IV. and as set out in Schedule "C";
- nn. **"Wastewater Collection System"** means the Linear Trunk Sewers which will convey sanitary sewage to the proposed wastewater treatment plant.

2 – Front Ending Agreement

- A. Participating Owners acknowledge and agree that the Town has the statutory authority to enter into this Agreement and the Participating Owners agree that they shall not challenge the validity of this Agreement before a court of law or the Local Planning Appeal Tribunal.
- B. The Parties agree that the Front Ended Services are not local services as defined in s. 2(5) of the DCA, and are services which are:
 - I. required to enable the Participating Owners' Lands and the balance of the lands within the Benefitting Area to be developed;
 - II. services for which development charges are payable under the development charge by-law; and,
 - III. eligible for inclusion in a front-ending agreement under the DCA.
- C. The Parties agree that all costs of design, construction and installation of the Front Ended Services used for the purpose of calculating the Front Ended Payments by the Participating and the Benefitting Owners shall be the reasonable costs of such construction and installation incurred by the Town or the Front-Ending Owners, as the case may be. For greater certainty such costs shall include the following:
 - I. all payments on contracts entered into for such design, construction or installation, as certified and accepted by the Director;
 - II. the cost of all acquisition of land or rights in land required to be acquired from owners

not front-ending;

- III. all engineering and other consulting fees, and all legal fees, whether paid to consultants or to the Town; and,
- IV. the payment of part of the cost of any studies and design required by this Agreement. Such costs shall not include:
 - i. any indirect overhead expense of a Participating Owner;
 - ii. any financing cost of a Participating Owner;
 - iii. the cost of any Security required by this Agreement; and
 - iv. the Wastewater Collection Overcontribution.

These costs shall form the basis of the payments which the Participating Owners and Benefitting Owners shall pay to the Town in accordance with clause 8 and clause 9 of this Agreement (the "Front Ended Payment").

3 – Allocation Agreement

- A. Participating Owners shall execute an Allocation Agreement for all of the Participating Owner's Lands at the same time as the Participating Owner executes this Agreement. It shall be a condition precedent to the validity of this Agreement that the Participating Owner has also executed an Allocation Agreement to the satisfaction of the Town.
- B. In order to be in good standing pursuant to this Agreement, each Participating Owner must not be in Default under:
 - I. this Agreement; or
 - II. the Allocation Agreement.

4 – Timing and Construction of the Front Ended Services

- A. Despite any payments by the Front-Ending Owners under this Agreement pursuant to clause 8., and subject to clause 10., the Town shall:
 - I. be responsible for the design, engineering, tender, construction, installation, operation and maintenance of the Front Ended Services;
 - II. own the Front Ended Services; and,
 - III. be entitled to impose, from time to time and at any time, such fees and charges directly and indirectly related to the collection, transmission, treatment and disposal of wastewater as the Town considers necessary or desirable under Part XII (Fees and Charges) of the MA, 2001, or any other user fee or charge permitted by statute.
- B. The Town may delay, defer, or cancel one or more of the Front Ended Services, in its sole and absolute discretion, and in whole or in part, if one or more of the Participating Owners fails to:
 - I. execute this Agreement;

- II. execute the Allocation Agreement;
- III. subscribe to all of the available SDE units, in whole or in part.

The Town and the Participating Owners agree to undertake best efforts to work together to address any shortfall respecting subscription to available SDE units.

- C. The Participating Owners agree and acknowledge that the deferral, delay, or cancellation of one or more Front Ended Services under clause 4.B. may delay the completion of one or more Front Ended Services, which, in turn, may delay development of the Participating Owner's Lands and lands within the Benefitting Area.
- D. If the Town exercises its rights of deferral, delay, or cancellation under clause 4.B., the Town shall give 30 Business Days of Notice to each Participating Owner of the Front Ended Services it intends to delay, defer, or cancel, and the length of the delay, if known at the time the Notice is given.
- E. The Town and the Participating Owners agree and acknowledge that clause 4.B. is for the sole benefit of the Town, and the Town may waive such clause, in whole or in part, or be modified from time to time and at any time by the Town in its sole and absolute discretion.
- F. Despite clause 4.A., the Town may, in its sole and absolute discretion, permit one or more of the Front Ended Services to be designed or constructed or both by one or more of the Participating Owners pursuant to the requirements outlined in clause 5.
- G. Despite clause 4.F., and despite the contents of Schedule "B", the Town may, in its sole and absolute discretion, change or delete Front Ended Services contained on Schedule "B". Schedule "B" is deemed conclusively to be amended without formal amendment to this Agreement. If the Town changes any of the Front Ended Services on Schedule "B", the Town shall give Notice to the Owner within 30 Business Days of making such change.

5 – Election by Front-Ending Owners to Construct Services

- A. The Participating Owners may elect to construct and install a part or the whole of the Front Ended Services in accordance with clause 5 of this Agreement through strict compliance with the requirements of clause 5.B. After such compliance and obtaining all necessary Government Approvals, subject to the terms of this Agreement, construction and installation of the Front Ended Services may be commenced. In the case of that part of the Front Ended Services which services only one Participating Owner, the election may be submitted by that Participating Owner alone. In the case of that part of the Front Ended Services which services more than one Participating Owner, the election shall only be considered by the Town if it is submitted by all Participating Owners serviced by those portions of the Front Ended Services.
- B. If any one or all of the Participating Owner(s) desire to construct all or any portion of the Front Ended Services as described in Schedule "B", they shall first apply to the Director for the following:
 - I. approval of the choice of the Engineer for the Participating Owner;
 - II. an up-to-date estimate of the cost of the portion to be installed and constructed, together with any additional requirements of the Director not provided for in this Agreement; and
 - III. the amount of the Security to guarantee the Front Ended Services to be installed and constructed. Security shall be prescribed by the Director in his sole and absolute discretion based upon the extent of the services to be installed and constructed, which amount will not be less than 110% and not more than 125% of the cost of the Front Ended Services to be installed and constructed. The Security shall be in the form attached hereto as Schedule "D".

Before commencing any installation or construction, the Participating Owner(s) shall deliver to the Director a Notice of election to proceed together with the following:

- IV. a description of the portion of the Front Ended Services to be installed and constructed which must be one of the portions described in Schedule "B",
 - V. a certified cheque equal to 15% of the up-to-date costs of the services to be installed and constructed as engineering fees; and,
 - VI. Security from a Canadian chartered bank in a form satisfactory to the Town in the amount prescribed by the Director. The Town, in its sole and absolute discretion, may require that the Security be from a Schedule "1" Canadian chartered bank. The Security will be held by the Town as Security for the obligations of the Participating Owner(s) in accordance with this Agreement.
- C. Notwithstanding anything else contained in this Agreement, Participating Owner(s) that comply with clause 5.B. shall be permitted to construct part or the whole of the Front Ended Services, if and only if the Town first grants its consent to such Participating Owner, in writing, which consent may be arbitrarily withheld (referred to hereinafter as the "Front Ender(s)").
 - D. The Front Ender(s) agree to retain a competent consulting engineer experienced in the municipal engineering field (the "Engineer"). The Engineer or his successor shall be approved by the Director and shall carry out all necessary engineering requirements in accordance with this Agreement and with the Guideline for Engineering Services to Municipalities. The Engineer shall be retained by the Front Ender until all requirements of this Agreement have been completed to the satisfaction of the Director.
 - E. The Front Ender(s) agree to construct the Front Ended Services as shown on a set of drawings approved and signed by the Director. The preparation of the drawings shall be undertaken according to the Town's design criteria, design standards and specifications and procedures as amended from time to time.
 - F. The Front Ender(s) agree not to let any contract for the performance of any of the works unless the contractor has been first approved by the Director, which approval may be unreasonably withheld. The contract(s) shall provide that the Director may inspect the construction of the Front Ended Services and shall have authority to instruct the contractor(s) to stop work should any construction be undertaken contrary to the provisions of this Agreement and the Town's design criteria, standards and specifications.
 - G. The Front Ender(s) agree to provide the Town with ten Business Days of Notice before commencing the installation or construction of the Front Ended Services.
 - H. The Front Ended Services shall be completed within a maximum of 18 months from commencement.
 - I. The Front Ender(s) agree that the Director may inspect the construction work under any contract, but such inspection shall in no way relieve the Front Ender(s) from its responsibility to inspect the work itself. If, at any time, the construction of all works is not, in the opinion of the Director, being carried out in accordance with the provisions of this Agreement, and in accordance with good engineering practices, the Director may issue instructions to the Front Ender(s) or to the Engineer to take such steps as deemed necessary to procure compliance with the provisions of this Agreement. Such instructions may be written, or may be verbal, in which case the Director shall confirm them in writing within 24 hours. In the event that neither the Front Ender(s) nor the Engineer is present at the site of the works to receive such verbal instructions, the Director may instruct the contractor(s) or workers to cease work forthwith.

- J. The Front Ender(s) shall undertake and pay for a sewer video inspection program for the Front Ended Services installed and constructed. These works shall be undertaken by a qualified company and be approved by the Director prior to the work being undertaken. The Front Ender(s) shall provide a copy of such video inspection and written reports to the Town in a format as specified by the Town. The sewer video inspection shall be carried out prior to acceptance for maintenance by the Town. The said video shall demonstrate to the Director's satisfaction that the Front Ended Services function to the Town's satisfaction, failing which the Front Ended Services shall be corrected to the satisfaction of the Director.
- H. The Front Ender(s) agree that all streets in the vicinity of construction of the Front Ended Services shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender or Parties employed by the Front Ender(s) in the construction of the Front Ended Services, or by contractors so employed, will be repaired or restored immediately.
- L. The Front Ender(s) agree not to foul any public streets and further agrees to provide the necessary persons and equipment, to be available on reasonable Notice at all times, to keep such streets clean. All trucks making deliveries to or taking materials from the construction site shall be adequately covered and reasonably loaded so as not to scatter refuse, rubbish, or debris on the abutting streets.
- M. If, in the opinion of the Director, these requirements are not complied with, the Town may do the work as required and upon demand, the Front Ender(s) shall forthwith pay to the Town the full cost thereof. If the Front Ender(s) fail to make the payment as required by the Town, such failure will constitute a Default and the Town may draw upon the Security.
- N. The Front Ender(s) agree that all public works on adjoining lands shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender(s) or parties employed by the Front Ender(s) during construction or by contractors so employed, will be repaired and restored immediately.
- O. When, after the Front Ender(s) have commenced construction of the Front Ended Services but before the assumption thereof by the Town, the Front Ended Services do not function, or do not function properly, and in the sole opinion of the Director, repairs are necessary to be made immediately to prevent damage or hardship to persons or property, the Front Ender agrees that the Town, its servants, employees or agents, may make whatever repairs may be deemed necessary. The Front Ender further covenants and agrees to reimburse the Town for any expense incurred in making the repairs. If the Front Ender(s) fail to make the payment as required by the Town, the Town may draw upon the Security.
- P. The Town agrees to give Notice to the Front Ender(s) within 2 Business Days from the date of entry by the Town of the nature and extent of the emergency and repairs which were necessary.
- Q. The Front Ender(s) agree to maintain and keep in a proper state of repair and operation the Front Ended Services installed and constructed by the Front Ender(s) for a minimum period of 24 months from the date of acceptance for maintenance by the Town.
- R. The Front Ender(s) agree that the whole or any part of the Front Ended Services, when constructed and assumed by the Town, shall vest in the Town and the Front Ender(s) shall have no claims or rights thereto other than those accruing to it as an owner of land abutting on streets on which services have been installed.
- S. Performance and maintenance guarantees:
 - I. The Security provided to the Town in accordance with clause 5.B.III or clause 6.B.II, as the case may be, and any additional security or moneys provided hereunder, may be drawn upon by the Town, at any time, for any Default by the Front Ender under this Agreement and for any other purpose specified in this Agreement. If any lien is filed or registered under the *Construction Act*, R.S.O. 1990, c. C.30, as amended, this shall constitute a Default. Upon such Default, the Town may draw upon the Security for

payment into court of the hold-back moneys, plus interest and costs, if deemed necessary by the solicitor for the Town to satisfy its requirements under the *Construction Act*.

- II. Notwithstanding anything else contained in this Agreement, the Security required pursuant to clause 6.B. shall be in the amounts set out in Schedule "C" and in the form set out in Schedule "D" to this Agreement and shall be posted immediately upon the execution of this Agreement and may be utilized by the Town, in its discretion for the construction and installation of the Front Ended Services at any time.
- III. The Front Ender(s), when not in Default of this Agreement, may apply for acceptance for maintenance by the Town of the Front Ended Services after completion of construction and compliance with clauses H., T., and U. Upon the Director approving such acceptance, any security held by the Town may be reduced up to 25% of the value of the work at the commencement of construction as estimated by the Director. Prior to the reduction of security held by the Town for any Front Ended Services, the Front Ender(s) must supply the Town with the following documentation:
 - i. statutory declaration of works completed and contractors and subcontractors having been paid;
 - ii. Workplace Safety and Insurance Board clearance certificate; and,
 - iii. expiration of the construction lien period.
- IV. Upon application by a Front Ender after the expiry of the maintenance period of 2 years, and after compliance with this Agreement satisfactory to the Director, the Town will release all Security held to secure the construction of the whole or the portion of the Front Ended Services for which assumption is granted.
- T. Before commencing any of the works provided for in this Agreement, the Front Ender(s) shall supply the Town with a liability insurance policy in the minimum amount of \$5,000,000.00 in a form satisfactory to the Town solicitor, indemnifying the Town from any loss arising from claims or damages, injury or otherwise in connection with the work done by or on behalf of the Front Ender. The policy shall contain a completed operations clause and shall have no exclusion for blasting. In the event any renewal premium is not paid, the Town, in order to prevent the lapse of such liability insurance policy, may pay the renewal premium or premiums and the Front Ender agrees to pay the cost of such renewal or renewals within 10 Business Days of the account therefor being rendered by the Town.
- U. Immediately prior to acceptance for maintenance by the Town of the Front Ended Services, the Front Ender(s) agree as follows:
 - I. to flush all sewers and manholes free of road materials, building debris, and other foreign matter; to clean such materials from the system; to provide video inspection as required under clause 5.J.; and to rectify any deficiencies the video inspection may reveal;
 - II. to sweep abutting roadway pavement, including sidewalks, clear of building debris and earth deposits, and to clean and remove all such material;
 - III. to rectify and repair all damages to adjacent public services;
 - IV. to rectify and repair all settlements, depressions or other defects on roadways, until assumption of the Front Ended Services, and
 - V. to furnish the Director with:

- i. a statutory declaration from the Front Ender that all contractors and subcontractors associated with the construction of public works have been paid;
 - ii. a certificate from the Engineer indicating the final construction costs for the public works based on the actual construction contract, and
 - iii. payment of additional engineering fees, if required by the Director, based on the final construction costs of the public works certified by the Engineer.
- V. The Town agrees that the acceptance for maintenance of the Front Ended Services shall take place upon fulfilment of the following conditions:
 - I. all sewers and manholes are clean and free of road materials, building debris and any other foreign matter;
 - II. all roadway pavements and sidewalks are clean and free of building debris and earth deposits;
 - III. all damage to adjacent services has been repaired or rectified to the satisfaction of the Director;
 - IV. all settlements, depressions or any other defects on roadways have been repaired to the satisfaction of the Director;
 - V. the Director has received:
 - i. a statutory declaration from the Front Ender that all contractors and subcontractors associated with the construction of the Front Ended Services have been paid;
 - ii. a satisfactory set of “as constructed digital files and drawings” of all works required to be done by this Agreement in a form that meet Town specifications;
 - iii. a certificate from the Engineer indicating the final construction costs for Front Ended Services based on the actual construction contract; and,
 - iv. payment of additional engineering fees, if required by the Director, based on the final construction costs of the Front Ended Services certified by the Engineer;
 - v. the Front Enders(s) are not in Default of any terms or conditions of this Agreement.

6 – Election for Town to Construct Services

- A. If the Participating Owners do not elect to construct the Front Ended Services themselves pursuant to clause 5, or if the Town does not consent to the same pursuant to clause 5, the Town may construct and install the whole or part of the Front Ended Services in accordance with the requirements of clause 6.B.
- B. If the Town commences installation and construction of all or any portion of the Front Ended Services as described in Schedule “B”, the Participating Owners shall provide to the Director any additional requirements of the Director not provided for in this Agreement. The Town agrees to call tenders and commence construction and installation of a portion or the whole of the Front Ended Services within a reasonable time after providing the Participating Owners with Notice of the following:
 - I. a description of the portion of the Front Ended Services to be constructed which must be one of the portions referred to in Schedule “B”; and
 - II. confirmation that Security

from a Canadian chartered bank in a form satisfactory to the Town solicitor in the form set out in Schedule "D" to this Agreement was posted at the time that this Agreement was executed.

- C.** In the event that the Participating Owners fail to provide any of the matters set out in clause 6.B., the Town shall be permitted to provide same itself and utilize the Security to pay for same. The Town may also draw upon the Security in its discretion to pay the Front Ended Service costs. If the amount of the Security is insufficient to pay for the total cost of the works, the Participating Owners who delivered the Notice of election, agree to immediately pay to the Town such deficiency or to deliver additional Security upon demand therefor and the Town may cease construction of, or prevent connection to the Front Ended Services, until such deficiency is paid. The Town shall return any unused Security in excess of the amount required to complete the Front Ended Services and to maintain the Front Ended Services for a minimum period of 5 years, in the discretion of the Director. The Security shall be issued by a Schedule "1" Canadian chartered bank.
- D.** Whenever and to the extent that the Town shall be unable to fulfil, or shall be delayed or restricted in fulfilling its obligation to construct the Front Ended Services, for any cause beyond its control, the Town shall be relieved from its obligation during the period during which it is unable to fulfil or is delayed or restricted in fulfilling its obligations.

7 – Rights of Way

- A.** All Front Ended Services installed and constructed under this Agreement shall be located in road allowances or easements approved by the Director and granted to the Town, free and clear of all encumbrances.
- B.** In the event a Notice of election is delivered according to clause 5 or clause 6 of this Agreement, no installation and construction shall commence until the Town Solicitor is satisfied that all rights in land required by the Director have been conveyed to the Town or agreements to convey have been executed.
- C.** Upon request from a Participating Owner who desires to construct services through lands approved by the Director, but owned by others, the Town shall assist, at the cost of such Participating Owner, in obtaining rights to construct and maintain services on such lands. For greater certainty, the Town is not obligated to commence expropriation proceedings to assist a Participating Owner in this clause.

8 – Front Ended Payments

- A.** While this Agreement remains in force, the Town agrees to use its best efforts to impose the requirement of a Front Ended Payment by all owners of land in the Benefitting Area to be connected to the Front Ended Services (except for Participating Owners who shall pay the cost of the Front Ended Services upon execution of this Agreement) in the amount calculated according to clauses 8.E. and 8.F of this Agreement, and as a condition to any development approval referred to in s. 2(2) of the DCA.
- B.** The Town agrees to place money received as Front Ended Payments in a special reserve account and, provided that a notice of election has been given and clause 5.B. has been complied with, the Town shall immediately, upon receipt of the money, by registered mail:
 - I.** notify the appropriate Participating Owners who have paid the cost of the Front Ended Services that the money is available to be paid out, and,
 - II.** advise the appropriate Participating Owners to whom the Town proposes to pay the delivery of the said money.

Upon the delivery of said Notice from all the Participating Owners who have paid the cost of the Front Ended Services, the Town shall pay to the person or persons named in the Notice without

interest, the proportion of the money received by the Town to which the party is entitled as set out in the Notice.

- C. The Parties confirm that the reasonable cost to the Town in processing the collection of front end payments while this Agreement remains in force is 3% of all such payments. Accordingly, there shall be deducted from all such payments paid into the special reserve account, an amount equal to 2% to cover the legal and administrative costs of the Town.
- D. The Town may, at any time prior to the giving of a Notice for any part or the whole of the Front Ended Services in accordance with clause 5 or clause 6 of this Agreement, approve limited development in any part of the Benefitting Lands not serviced by the Front Ended Services, which development will ultimately be required to connect to the Front Ended Services but which, in the opinion of the Director, may proceed on an interim basis with alternate sewerage and water facilities. In such event, the Town shall charge such development a front end payment calculated in accordance with clause 8.E. and such payment or payments shall be placed in a special reserve account and be applied to reduce the cost of front ending by the Parties.
- E. The Front Ended Payment to be charged against all development in the Benefitting Area to fund the Front Ended Services shall be calculated as set out in Schedule "C". Each Owner shall fund only the linear segment shown next to each Owner's name on Schedule "C". Where more than one Owner is shown for a single linear segment, each Owner shall pay only the "Percentage of Linear Segment Allocation" shown in the column of the table so labelled on Schedule "C" for the said linear segment.
- F. The Town, in its sole and absolute discretion, may adjust the front ended payment in clause 8.E. in the event that:
 - I. there is a Cost Change between the commencement of this Agreement and the conclusion of the Adjustment Period; or
 - II. one or more Front Ended Services are deferred, waived, cancelled, or removed pursuant to clauses 4.B or 4.G.
- G. The Town and the Participating Owners agree and acknowledge that the total amount of Front Ended payments with respect to each Participating Owner included therein are correctly described in Schedule "C" of this Agreement, subject to any adjustments under clause 8.F.
- H. Every payment made by a Participating Owner for the cost of the Front Ended Services shall entitle such Participating Owner to a reservation of available capacity, in the amount set out in the Allocation Agreements (expressed as SDEs).
- I. The total Front Ended Payments may be increased due to any Cost Changes and the Town shall give each Participating Owner Notice of its Relative Share of the increase. A Participating Owner shall have fifteen Business Days from the giving of the Notice to provide an increase to its Security under this Agreement for the amount set out in the Notice. If the payment is not received, the Town may defer, waive, cancel, or remove all or part of the Front End Services pursuant to clauses 4.B or 4.G. until the matter is remedied.
- J. Following any Cost Change, the Town shall provide a revised Schedule "C" as adjusted under clause 8.F to the Participating Owners. If any revisions are made hereunder, this Agreement shall be conclusively deemed to be amended by replacing Schedule "C" with the revised Schedule "C".
- K. If the Town determines that it does not require any of the Security it holds for the Front Ended Services, it shall release any excess Security it then holds.

9 – Benefitting Owner Payments

- A. From and after October 31, 2020, every Benefitting Owner shall pay, by certified cheque or bank draft, to the Town upon the earlier of such Owner entering into a Subdivision Agreement, a Consent Agreement or a Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the Planning Act have been met, or obtaining a building permit for the development of the Benefitting Owner's land:
 - I. for the Recoverable Amount per SDE in the Subdivision Agreement, Consent Agreement, Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the PA have been met, or permitted by the building permit plus interest in accordance with the *Development Charges Act, 1997*; and,
 - II. all development charges payable under the DCB, as may be amended from time to time and any successor development charge by-laws.

10 – Participating Owner Recoveries

- A. Each Participating Owner shall recover its Front Ended Payments as described in Schedule "B" of this Agreement by receiving its Proportionate Share of Recoverable Amount.
- B. A projection of the time frame for recovery by the Participating Owners of the Front Ended Services is set out in Schedule "E". The Participating Owners acknowledge and agree:
 - I. Schedule "E" is for illustration purposes only;
 - II. the Town makes no representations or warranties of any kind whatsoever that the Participating Owners shall experience recoveries in the amounts and at the times shown on Schedules "E" and "G"; and,
 - III. their actual recoveries shall be dependent on the pace of residential development through-out the Town after October 31, 2020.
- C. The Participating Owners acknowledge and agree:
 - I. that the Town's DCB and payments thereunder, and as such by-law may be amended from time to time and any successor development charge by-laws, is fair and reasonable, provided nothing herein shall preclude the Participating Owner from appealing any amending or successor development charge by-law enacted after the commencement of this Agreement; and,
 - II. to pay or cause to be paid all of the development charges of the Town in respect of the Front Ended Services, in the amounts specified in the Allocation Agreement and this Agreement.
- D. All credits under this Agreement with respect to the Front Ended Services shall be granted and administered solely in accordance with each Participating Owner's Allocation Agreement.
- E. If and when the Town receives payments for the amounts described in clause 10.A., it shall refund semi-annually commencing upon the review by the Town Council of the Development Charges Reserve Statement to each Participating Owner, that Participating Owners "Refunded Share" (as defined below) of the amounts received by the Town, provided that Town has received from each such Participating Owner a Satisfaction Piece and Full and Final Mutual Release in the Form attached hereto as Schedule "F".
- F. The amount to be refunded to each Participating Owner pursuant to clause 10.E. above shall be calculated as follows:

- I. the total amount of Front Ended Payment made by the Participating Owner; less
 - II. the total amount of DC Credit available to the Participating Owners for the Front Ended Services; divided by
 - III. the total amount of the Front Ended Payment.
- ("Refunded Share")**

11 – Land Dedications

- A. The Town's Director, equivalent or delegate may, from time to time and at any time, give the Notice described in this clause. No later than 30 Business Days after written Notice is given under this clause to the Participating Owner by the Town's Director, successor, equivalent or delegate, the Participating Owner shall convey from the Participating Owner's Lands in fee simple to the Town, for nominal consideration and free and clear of all encumbrances and restrictions, all necessary lands, easements, other interests in land, approvals, rights, interests, licences and any other agreements of every kind whatsoever which are or may be required by the Town in order to give the Town, its employees, officers, sub-contractors, servants and agents the full right, power and authority to construct, install, operate (including permitting connections thereto), inspect, repair and replace the Front Ended Services and all related works and services.
- B. If the Participating Owner fails to convey the lands, easement other interests in land, approvals, rights, interests, licenses and any other agreements as identified by the Town's Director, his successor, equivalent or delegate as required by the Town, such failure shall be considered an event of Default to which clause 15 of this Agreement apply.

12 – Transfer of SDE Capacity

- A. The transfer of Capacity expressed in SDE shall be governed by the Allocation Agreement.
- B. The Participating Owner(s) and their respective heirs, administrators, successors and permitted assigns shall not transfer title to all or any part of the Participating Owner's Lands unless the transferee(s) of such lands agrees in writing to unconditionally assume the rights and obligations of the Participating Owner(s) pursuant to this Agreement and such agreement is delivered to the Town, whereupon the transferring Participating Owner(s) shall be automatically released and relieved from any further obligation under this Agreement. The rights and obligations of the Participating Owner(s) shall not be assigned by the Participating Owner(s) to a successor in title to all or a portion of the Front-ending Owner's Lands until such heirs, administrators, successors and permitted assigns have entered into an agreement with the Town agreeing to be bound by the provisions of this Agreement. Assignment shall only be permitted with the written approval of the Town, which approval may be arbitrarily withheld. The transfer of capacity granted within Erin Village may only be transferred to the lands within Erin Village and capacity granted within Hillsburgh may only be transferred to lands within Hillsburgh.

13 – Limitations and Conditions

- A. Despite anything in this Agreement to the contrary, the Town's obligations in respect of installation, construction, and operation of a 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 Participating Owner(s) in writing that the Town has elected not to proceed with the Front Ended Services. Upon the giving of such Notice, the provisions of clauses 4.B to 4.E. shall apply with all necessary modifications.
- B. The Participating Owners acknowledge and agree that this Agreement and the Allocation 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 Allocation Agreement.

14 – Representations and Warranties

- A.** The Participating 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 Participating Owner is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II.** the Participating 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 Participating Owner and constitutes a valid and binding obligation of the Participating Owner, enforceable against the Participating 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 Participating Owner; and,
 - V.** the Participating 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:
 - i.** 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
 - ii.** 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.
- C.** Each Participating Owner acknowledges that it has read, understood and obtained independent legal advice respecting Part III 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 III of the DCA.

15 – 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 18.

- B.** The Participating 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 Participating Owners shall first execute this Agreement;

 - II.** Each Participating Owners shall in accordance with Fee By-law No. 19-60 reimburse the Town for the administrative, legal, and consultant costs it incurred in connection with this Agreement and any amendments thereto; and

 - III.** If there are no Judicial or Administrative Proceedings as of the date upon which the Participating Owners execute the Agreement, the Town shall execute this Agreement within 5 Business Days of the Participating Owners execution of the Agreement.

- C.** If the Participating 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 20 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 Participating 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.

- D.** If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 15.C. or any extension thereof, then:
 - I.** the Town shall give Notice in writing to the Defaulting Owner and all other Participating Owners that the Participating Owner is a Defaulting Owner; and,

 - II.** a Participating Owner shall be deemed conclusively to be in Default of the Allocation Agreement and the Town shall have available to it all remedies available pursuant to the Allocation Agreement in order to remedy a Default under this Agreement.

16 – Enurement, 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.** Pursuant to section 56 of the DCA, the Town may register notice of this Agreement on the title to any of the Participating Owners’ Lands with the intention that the provisions of this Agreement shall bind and run with title to the Participating Owner’s Lands. The Participating Owner consents to such registration at its sole cost and expense.

- C.** The Participating Owner shall be entitled to have this Agreement released from title to:
 - I.** all or such part of the Participating Owner’s Lands where the Participating Owner is not a Defaulting Owner or, if the Front-ending Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 15.C.; or

 - II.** all of the Participating Owner’s Land following the final reconciliation and adjustments under the Allocation Agreement between the Participating Owner and the Town provided the Participating Owner is not a Defaulting Owner or, if the Participating Owner is a Defaulting Owner, the Participating Owner has cured the Default,

provided the Participating 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 except for the Town's obligation under clause 10.D. in the form and having the substance of the satisfaction piece and full and final release described in Schedule "F" hereto. Any such release from title shall be at the Participating Owner's sole cost and expense.

- D. In addition to the foregoing, a Participating Owner shall be entitled to have this Agreement released from title to any part of such Participating Owner's Lands which are to be transferred to the Town, a school board, utility, or any other applicable public authority. Any such release from title shall be at the Participating Owner's sole cost and expense.
- E. Where the Participating Owner is entitled to a release of this Agreement from title under clause 16.D., the Town shall deliver to the Participating Owner, within 20 Business Days of a written request from the owner, an executed release in registrable form discharging the Owner from its obligations under this Agreement.

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

- A. The Participating 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 or cancellation of the Front Ended Services under the provisions of this Agreement; and/or
 - II. the failure to make a full repayment.
- B. If the Town, by virtue of having entered into this Agreement or of carrying out any of the Front Ended Services or actions contemplated hereunder, is made a party to any Administrative or Judicial Proceedings commenced by or against a Participating Owner, the remaining Participating Owners 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 waiver under it is not enforceable for any reason whatsoever against the Town, the Participating Owner(s), Benefiting Owner(s) and/or any other person(s), the Participating Owners acknowledge and agree 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 Participating Owners acknowledge and agree that:
 - I. the Participating Owners 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 and incurred debt to fund part of the cost of the Front Ended Services;
 - III. the Participating Owner's Lands benefited from the Front Ended Services; and
 - IV. it would be unjust and inequitable for any Participating Owner to demand or receive repayment of any monies paid or contributed under this Agreement.
- 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.
- 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 the Agreement.

18 – Final Reconciliation of the Recoverable Amount

- A. For each Participating Owner, 6 months after the final remittance under clause 10, the Town shall prepare and send to the such Participating Owner a final reconciliation setting out the amount:
 - I. drawn from and remaining of the Security;
 - II. collected from Benefiting Owners; and,
 - III. remitted under clause 10.D. of this Agreement.

19 – 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.

20 – List of Schedules

The following schedules are attached and form part of this Agreement:

- A. Schedule "A" being a description of the Participating Owner Lands and the Benefitting Lands;
- B. Schedule "B" being a description of the Front Ended Services;
- C. Schedule "C" being an estimate of the costs of various portions of the Front Ended Services required to service the Front-ending Owners;
- D. Schedule "D" being the form of the Letter of Credit;
- E. Schedule "E" being a Projection of the Timeframe for Recovery by the Participating Owners; and,
- F. Schedule "F" being a Satisfaction Piece and Full and Final Release.

21 – Notice

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

I. to the Participating Owners as follows:

Mary Chantler

[address] 9426 Wellington Road 22, RR #2, Hillsburgh ON N0B 1Z0

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 Participating Owners; 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. if by telecopier transmittal, on the date of transmission delivery.

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

22 – 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 Agreement. 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.

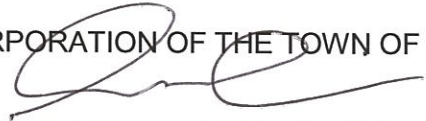
SIGNED, SEALED AND DELIVERED
In the presence of



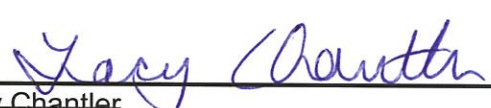
Witness VINCENT J. STARNATI

SVLAW
294 East Mill Street, Suite 108
Centre Wellington, ON N0B 1B0

THE CORPORATION OF THE TOWN OF ERIN

Per: 
Allan Ails, Mayor

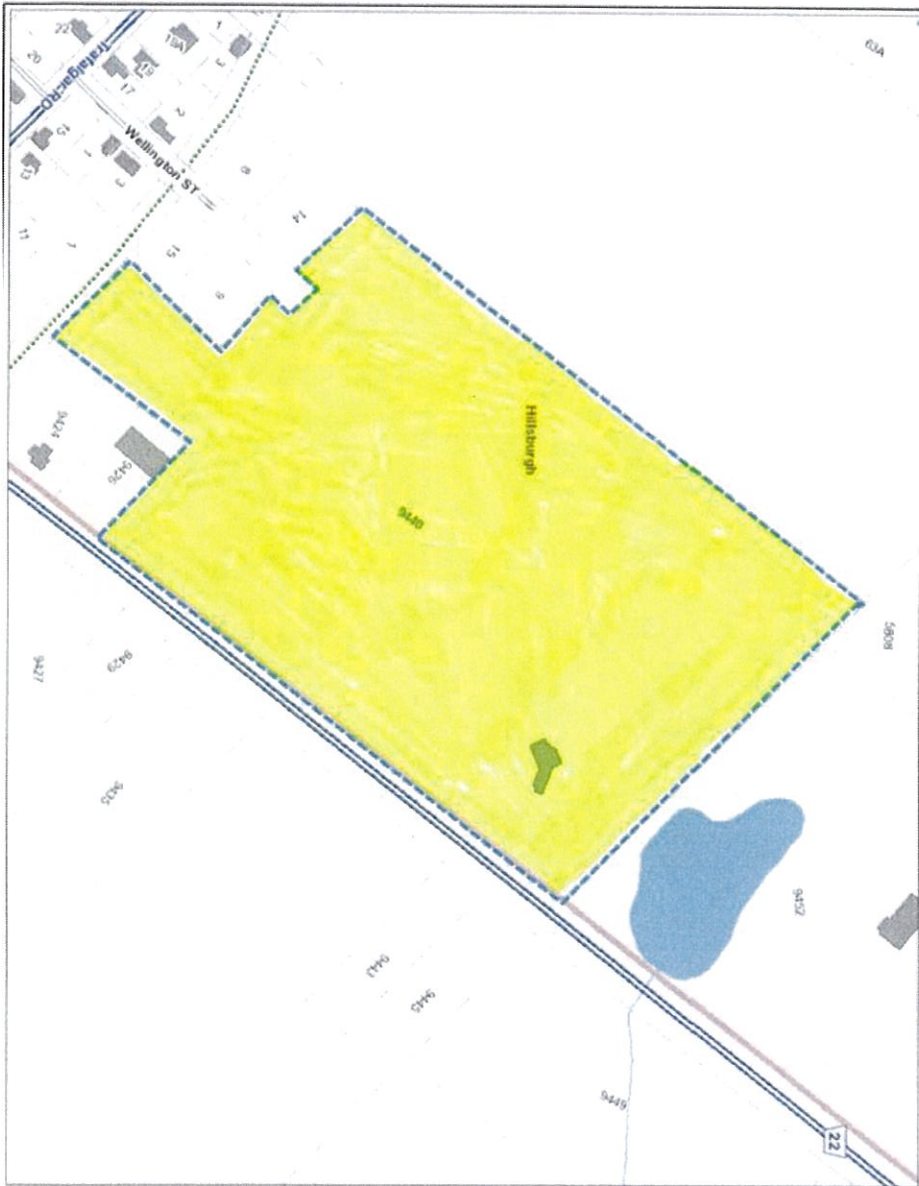
Per: 
~~Lisa Campion, Clerk~~ Nathan Hyde, CAO


~~Mary Chantler~~ Mary Tracy Hart Chantler

Schedule “A”

The Participating Owner Lands

PART LOT 23, CON 8, ERIN, PT 1, 61R-8646



The Benefitting Lands

The Benefitting Lands are all lands located within the Town of Erin.

Schedule “B”

Description of Front Ended Services

1.	Linear Segment #1 (Shown in Schedule “B1”)	-	\$4,660.00 per SDE
2.	Linear Segment #2 (Shown in Schedule “B2”)	-	\$2,338.00 per SDE
3.	Linear Segment #3 (Shown in Schedule “B3”)	-	\$4,802.00 per SDE
4.	Linear Segment #4 (Shown in Schedule “B4”)	-	\$3,797.00 per SDE

Schedule “B1”

Description of Linear Segment #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 Plan

Schedule “B2”

Description of Linear Segment #2

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

Schedule “B3”

Description of Linear Segment #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.

Schedule “B4”

Description of Linear Segment #4

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

Schedule “C”

Estimate of the Individual and Total Costs of the Fronted Ended Services

Growth-Related Recovery of Linear Segments									
Linear Segment	Development to Cost Share Segment	# of SDE's	Linear Segment Project Costs	Percentage of Linear Segment Allocation *	Landowner's Share of the Linear Segment Costs	D.C. Eligible Costs (75%)	Wastewater Collection D.C. Payable (2020\$)^	Total Wastewater Collection D.C. Payable (2020\$)	Front-Ended Wastewater Collection D.C. To Be Recovered from Other Development (2020\$)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar)	1,338	\$ 8,090,229	100.0%	\$ 8,090,229	\$ 6,067,672	\$ 3,526	\$ 4,717,788	\$ 1,349,884
		365		40.1%	\$ 1,182,809	\$ 887,107	\$ 3,526	\$ 1,286,990	\$ (399,883)
2	2779176 Ontario Ltd. Derrydale Golf (Erin Heights Golf Course)	245		26.9%	\$ 793,940	\$ 595,455	\$ 3,526	\$ 863,870	\$ (268,415)
		250	\$ 2,952,162	27.4%	\$ 810,143	\$ 607,607	\$ 3,526	\$ 881,500	\$ (273,893)
		51		5.6%	\$ 165,269	\$ 123,952	\$ 3,526	\$ 179,826	\$ (55,874)
3	Dominion Packers & Realities Chantler Thomasfield Homes Ltd. Carson Reid Homes Ltd.	700		53.6%	\$ 4,481,480	\$ 3,361,110	\$ 3,526	\$ 2,468,200	\$ 892,910
		213		16.3%	\$ 1,363,650	\$ 1,022,738	\$ 3,526	\$ 751,038	\$ 271,700
		210	\$ 8,354,759	16.1%	\$ 1,344,444	\$ 1,008,333	\$ 3,526	\$ 740,460	\$ 267,873
		182		13.9%	\$ 1,165,185	\$ 873,889	\$ 3,526	\$ 641,732	\$ 232,157
4	D'Angelo	320	\$ 1,620,251	100.0%	\$ 1,620,251	\$ 1,215,188	\$ 3,526	\$ 1,128,320	\$ 86,868
Total		3,874	\$ 21,017,401		\$ 21,017,401	\$ 15,763,051		\$ 13,659,724	\$ 2,103,327

* Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^ Note 2: The Wastewater Collection D.C. of \$3,413 have been indexed from 2019 to 2020 at 3.3%

Non-Growth Related Recovery of Linear Segments									
Linear Segment	Development to Cost Share Segment	# of SDE's	Linear Segment Project Costs	Percentage of Linear Segment Allocation *	Landowner's Share of the Linear Segment Costs	Non-Growth Costs (25%)	Wastewater Collection Overcontributions Per SDE (2020\$)^*	Total Wastewater Collection Overcontributions (2020\$)	Non-Growth Shortfall to be Recovered
1	Equity Venture Group Corp. / National Properties Inc. (Solmar)	1,338	\$ 8,090,229	100.0%	\$ 8,090,229	\$ 2,022,557	\$ 1,325	\$ 1,773,187	\$ 249,371
	2779181 Ontario Ltd.	365		40.1%	\$ 1,182,809	\$ 295,702	\$ 1,325	\$ 483,717	\$ (188,015)
	2779176 Ontario Ltd.	245		26.9%	\$ 793,940	\$ 198,485	\$ 1,325	\$ 324,687	\$ (126,202)
2	Derrydale Golf (Erin Heights Golf Course)	250	\$ 2,952,162	27.4%	\$ 810,143	\$ 202,536	\$ 1,325	\$ 331,313	\$ (128,777)
	2584343 Ontario Inc. (Kensington Square)	51		5.6%	\$ 165,269	\$ 41,317	\$ 1,325	\$ 67,588	\$ (26,271)
	Dominion Packers & Realties	700		53.6%	\$ 4,481,480	\$ 1,120,370	\$ 1,325	\$ 927,676	\$ 192,694
3	Chantler	213	\$ 8,354,759	16.3%	\$ 1,363,650	\$ 340,913	\$ 1,325	\$ 282,279	\$ 58,634
	Thomasfield Homes Ltd.	210		16.1%	\$ 1,344,444	\$ 336,111	\$ 1,325	\$ 278,303	\$ 57,808
	Carson Reid Homes Ltd.	182		13.9%	\$ 1,165,185	\$ 291,296	\$ 1,325	\$ 241,196	\$ 50,100
4	D'Angelo	320	\$ 1,620,251	100.0%	\$ 1,620,251	\$ 405,063	\$ 1,325	\$ 424,081	\$ (19,018)
Total		3,874	\$ 21,017,401		\$ 21,017,401	\$ 5,254,350		\$ 5,134,025	\$ 120,326

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^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 Collection represents 18% of the total overcontributions per SDE

Schedule "D"

Form of 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 Corporation of 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 Chief Administrative Officer 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 Town 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 “E”

Projection of the Timeframe for Recovery

The Wastewater Collection system will be constructed in phases. The timing of each phase will depend on the completion of the previous phase. The order of construction will be as follows:

1. Linear Segment #1 as described in Schedule “B1” to the Agreement;
2. Linear Segment #2 as described in Schedule “B2” to the Agreement;
3. Linear Segment #3 as described in Schedule “B3” to the Agreement;
4. Linear Segment #4 as described in Schedule “B4” to the Agreement.

Schedule “F”

Satisfaction Piece and Release

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the payment by the [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 THE 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], 2020 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 .

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

BETWEEN:

MARY-CHANTLER Mary Tracy Hart Chantler
(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:

Mary Chantler
[address] 9426 Wellington Road 22, RR #2, Hillsburgh ON N0B 1Z0

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:




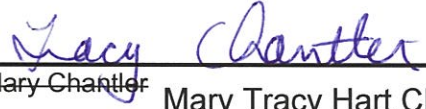
Schedule "A"	Legal Description of the Owner's Lands
Schedule "B"	Sketch of the Owner's Lands
Schedule "C"	Wastewater Treatment Plant Description
Schedule "D"	Reservation of SDEs, DC Early Payment Instalments

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.

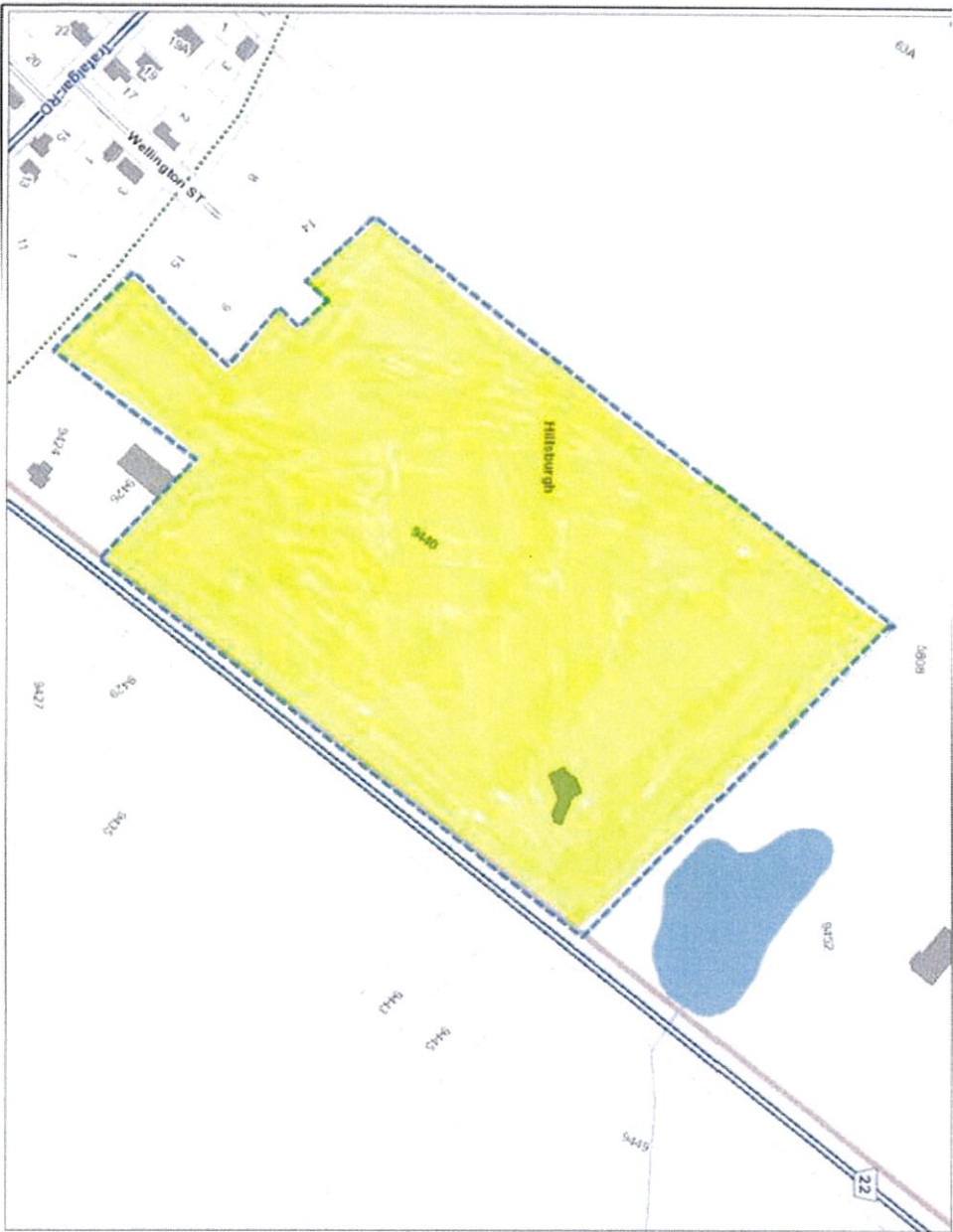
SIGNED, SEALED AND DELIVERED In the presence of	)	THE CORPORATION OF THE TOWN OF ERIN
	)	Per: 
	)	Allan Ails, Mayor
	)	Per: 
	)	Lisa Campion, Clerk Nathan Flyde, CAO
)	
Witness <u>VINCENT J. STALMAN</u>)	
	)	Mary Chantler Mary Tracy Hart Chantler
SVLAW 294 East Mill Street, Suite 108 Centre Wellington, ON N0B 1S0)	
)	
)	
)	
)	
)	
)	
)	

Schedule "A"

Legal Description of Owner's Lands

PT LT 23, CON 8, ERIN, PT 1, 61R-8646

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 & Infill/Intensification	Existing Community & Infill/Intensification
SDEs Served	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
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Costs are presented in 2020 \$

Schedule “D”
Reservation of SDEs and DC Early Payment Instalments

Development Charge (D.C.) Payable			Unit Interest by Landowner (SDE) *	Wastewater Treatment D.C. Per SDE (2020\$)^	Total Wastewater Treatment D.C. Payable (2020\$)
Reference Number to Ownership Map	Owner				
17	Homes in the Hill Inc.		-	10,311	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar)		1,338	10,311	\$ 13,796,118
	Logel's Auto Parts Ltd.		-	10,311	\$ -
11	Town of Erin		-	10,311	\$ -
5	2779181 Ontario Ltd.		365	10,311	\$ 3,763,515
6	2779176 Ontario Ltd.		245	10,311	\$ 2,526,195
12	Derrydale Golf (Erin Heights Golf Course)		250	10,311	\$ 2,577,750
4	Dominion Packers & Realties		700	10,311	\$ 7,217,700
16	Chantler		213	10,311	\$ 2,196,243
3	Thomasfield Homes Ltd.		210	10,311	\$ 2,165,310
2	Carson Reid Homes Ltd.		182	10,311	\$ 1,876,602
1	D'Angelo		320	10,311	\$ 3,299,520
14	2584343 Ontario Inc. (Kensington Square)		51	10,311	\$ 525,861
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				
Reference Number to Ownership Map	Owner	Unit Interest by Landowner (SDE) *	Overcontributions Per SDE (2020\$)^ +	Total Overcontribution Payable (2020\$)
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 & Realities	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

Total Wastewater Treatment D.C. and Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Interest by Landowner (SDE)*	Wastewater Treatment Plant D.C. and Overcontributions Per SDE (2020\$)^+	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
	Logel's Auto Parts Ltd.	-	\$ 16,217	\$ -
10	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 & Realities	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

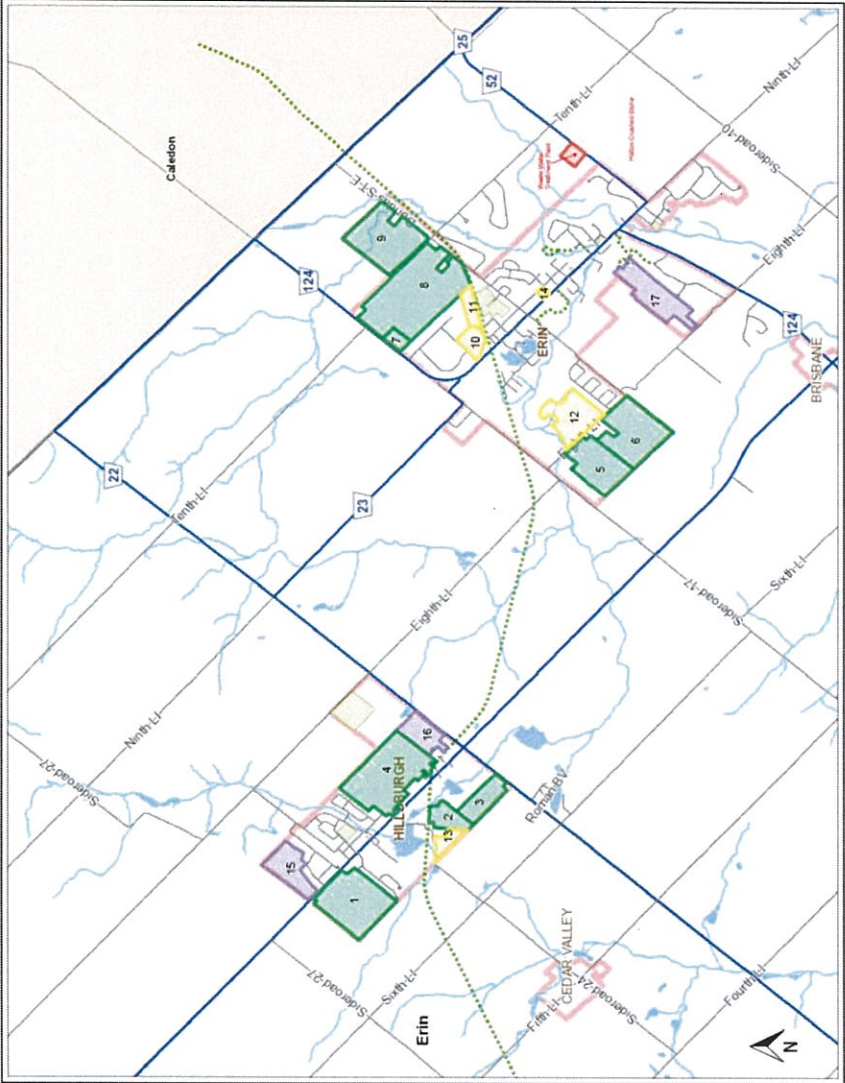
^Note 2: The Wastewater Treatment D.C. and Overcontributions amounts have been indexed from 2019 to 2020 at 3.3%

*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.

Legend		
Number	Property Owner	GMS Area
Preferred Growth Properties		
1	D'Angelo	G
2	Carson Reid Homes Ltd.	E
3	Thorncliffe Homes Ltd.	E
4	Dominion Parkers & Realities	F
5	Gary Lagen	C
6	1006288 Ontario Ltd. (Lagen)	C
7	Equity Venture Group Corp. (Solmar)	D
8	National Properties Inc. (Solmar)	D
9	National Properties Inc. (Solmar)	D
Intensification Properties		
10	Logis Auto Parts Ltd	A
11	Town of Erin	A
12	Derrydale Golf (Erin Heights Golf Course)	B
13	Nestle Canada Inc.	D
14	258348 Ontario Inc (Kensington Square)	C
Properties not Identified as Preferred Options		
15	154274 Ontario Ltd.	H
16	Chandler	F
17	Homes in the Mills Inc.	A

August 31 2020



Ownership Information for Development Properties Identified in the GIS

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.

THIS FRONT-ENDING AGREEMENT is made this 10 day of August, 2021.

BETWEEN:

HILLSBURGH HEIGHTS INC.
(the "Participating Owner")

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWN OF ERIN
(the "Town")

OF THE SECOND PART

WHEREAS:

1. In 2015, the Town completed the Urban Centre Wastewater Servicing Class EA, the purpose of which was to identify the preferred wastewater servicing solution to the existing residents and future development within the communities of Erin Village and Hillsburgh (collectively, the Communities);
2. The Class EA recommended a wastewater collection system conveying all wastewater flows to a single wastewater treatment plant ("Wastewater Collection System"), to meet the existing Communities wastewater servicing needs and to support future population growth. The preferred solution further presented that the wastewater treatment plant would be located at the intersection of 10th Line and Wellington Road 52 south of Erin village, with treated effluent being discharged to the West Credit River on the west side of the bridge on Winston Churchill Boulevard on Wellington Road 52;
3. The Town has completed a study under the Development Charges Act, 1997, S.O. 1997, c. 27 (the "DCA"), that relates to the provision of services for which there will be an increased need as a result of development within the Communities and the Town proposes to enact a new Development Charge By-law to implement that study's recommendations;
4. The study under the DCA included the estimated costs of the initial services and studies necessary to be front ended in order to consider the registration of plans of subdivision in that part of the Communities described in Schedule "A", (the "Benefitting Lands"), the costs of which services and studies include:
 - A. the costs of all necessary studies and engineering design required to commence servicing of the Benefitting Lands, and

- B. the cost of designing and constructing the Wastewater Collection System which will convey sanitary sewage to the proposed wastewater treatment plant, and which are required to service the Benefitting Lands.

These services and studies are more particularly described in clause 2.C. and Schedule "B" of this Agreement (the "Front Ended Services");

5. The Director of Infrastructure Services and Engineering (the "Director") has allocated the estimated costs of the Front Ended Services into the portions necessary to service each of the lands owned by the Front-Ending Owners in accordance with Schedule "C";
6. The Participating Owner is the owner of the Participating Owner Lands, as defined in Section 1 of this Agreement;
7. The Parties have agreed to enter into this Agreement for the purpose of providing for the construction, installation and financing of the Front Ended Services and the financing thereof, including the immediate payment of all costs by the Front-Ending Owners before any construction of the Front Ended Services commences and the collection of front ended payments from owners of the Benefitting Lands who may wish to connect to the Front Ended Services and who are not parties to this Agreement;
8. Council of the Town at its meeting of March 16, 2021 authorized the execution of this Agreement;

IN CONSIDERATION of the covenants expressed in this Agreement and other good and valuable consideration, the Parties covenant and agree, one with the other, 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 have the following meanings:

- a. **"Agreement"** means this Agreement and the Schedules hereto;
- b. **"Allocation Agreement"** means the Agreement, and schedules thereto, made under section 27 of the DCA between the Participating Owner, the Participating Purchaser and the Town and "Allocation Agreements" means all of them;
- c. **"Benefitting Area"** means all land located in the Town;
- d. **"Benefitting Lands"** means benefitting lands as defined in Recital 4.
- e. **"Benefitting Owner"** means an owner of Benefitting Lands intended for

development;

- f. **"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;
- g. **"Capacity"** means Wastewater Services capacity expressed in SDEs;
- h. **"Consent Agreement"** means an agreement under subsection 53(12) of the PA;
- i. **"Construction Security"** shall mean the Security posted in accordance with clause 5.B;
- j. **"Cost Change"** means the difference between the total costs of the Front Ended Services as per the contracts awarded by the Town, or the updated estimates for the Front Ended Services, and the total estimated costs of the Front Ended Services as shown in Schedule "C" and includes changes resulting from the addition, deletion, deferral, or delay of Front Ended Services;
- k. **"DC"** means the development charges under the DCB;
- l. **"DCA"** means the Development Charges Act, 1997, S.O. 1997, c. 27, as amended or revised from time to time and any successor legislation;
- m. **"DCB"** means By-law No. 19-32, as may be amended from time to time and any successor by-law;
- n. **"Default"** means a failure by the Participating Owner to comply with an obligation of a Participating Owner under this Agreement by the date for complying;
- o. **"Defaulting Owner"** means the Participating Owner who is in Default;
- p. **"Director"** means the director as defined in Recital 5;
- q. **"Engineer"** means the engineer as defined in clause 5.D.;
- r. **"Financing Security"** means the Security that is provided in accordance with clause 6.B.II;
- s. **"Front Ender"** means the front ender as defined in clause 5.C.;

- t. **"Front Ended Payment"** means front ended payments as defined in clause 2.C.;
- u. **"Front Ended Services"** means the front ended services as described in Recital 4;
- v. **"Government Approval"** means any approval, permission, licence, permit or any other approval of any kind whatsoever required from the federal or provincial government or any agency or board thereof or a conservation authority for the construction and operation of the Projects;
- w. **"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;
- x. **"Judicial and/or Administrative Proceedings"** means any judicial or administrative applications, actions, proceedings, appeals or reviews of any kind whatsoever related indirectly or directly to the subject matter of this Agreement;
- y. **"Letter of Credit"** means an unconditional and irrevocable 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 "D" hereto provided both the financial institution and letter of credit are acceptable to the Town;
- z. **"Linear Segment #1"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B1" of the Agreement;
- aa. **"Linear Segment #2"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B2" of the Agreement;
- bb. **"Linear Segment #3"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B3" of the Agreement;
- cc. **"Linear Segment #4"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B4" of the Agreement;
- dd. **"Notice"** means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- ee. **"Planning Act"** means the Planning Act, R.S.O. 1990, c.P.13 as amended or revised from time to time and any successor legislation;
- ff. **"Participating Owner Lands"** means the lands of the Participating Owner described in Schedule "A" hereto and depicted in the sketch attached hereto as Schedule "A" hereto;
- gg. **"Parties"** means the Participating Owner and the Town;

- hh. **"Proportionate Share"** means the ratio obtained when the number of SDE reserved to the Participating Owner as shown in Schedule "B" hereto is divided by the total number of SDEs available;
- ii. **"Recoverable Amount"** means the costs described in Schedule "B" per SDE and as may be adjusted from time to time and at any time, and which Recoverable Amount does not include any component of the costs of Front Ended Services that benefit the Participating Owner Lands;
- jj. **"Refunded Share"** means the refunded share as defined in clause 10.F.;
- kk. **"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;
- ll. **"Security"** means one or more Letter(s) of Credit in the form attached as Schedule "D" to this Agreement;
- mm. **"Site Plan"** means a plan under section 41 of the Planning Act;
- nn. **"Site Plan Agreement"** means an agreement under section 41(7) of the Planning Act;
- oo. **"Subdivision Agreement"** means an agreement under clause 51(25)(d) of the Planning Act;
- pp. **"Substantial Completion"** means a Front Ended Service is ready for use or is being used for purposes intended as certified in writing by the Town Director, his or her successor, equivalent or delegate;
- qq. **"Third Party Participating Owner(s)"** means an Owner of land in the Benefitting Area who has entered into a separate front ending agreement
- rr. **"Town"** means The Corporation of the Town of Erin;
- ss. **"Wastewater Collection Overcontribution"** means the Wastewater Collection Overcontribution referred to in Clause 2.C.IV. and as set out in Schedule "C";
- tt. **"Wastewater Collection System"** means Linear Segments #1, #2, #3, and #4 which will convey sanitary sewage to the proposed Wastewater Treatment Plant;
- uu. **"Wastewater Treatment Plant"** means the Wastewater Treatment Plant approved by the urban Centre Wastewater Servicing Class EA in 2015.



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2 – Front Ending Agreement

- A. The Participating Owner acknowledges and agrees that the Town has the statutory authority to enter into this Agreement and the Participating Owner agrees that it shall not challenge the validity of this Agreement before a court of law or the Ontario Land Tribunal, or its successor.

- B. The Parties agree that the Front Ended Services are not local services as defined in s. 2(5) of the DCA, and are services which are:
 - I. required to enable the Participating Owners Lands and the balance of the lands within the Benefitting Area to be developed;

 - II. services for which development charges are payable under the development charge by-law; and,

 - III. eligible for inclusion in a front-ending agreement under the DCA.

- C. The Parties agree that all costs of design, construction and installation of the Front Ended Services used for the purpose of calculating the Front Ended Payments by the Participating Owner and the Benefitting Owners shall be the reasonable costs of such construction and installation incurred by the Town or the Front-Ending Owners, as the case may be. For greater certainty such costs shall include the following:
 - I. all payments on contracts entered into for such design, construction or installation, as certified and accepted by the Director;

 - II. the cost of all acquisition of land or rights in land required to be acquired from owners not front-ending;

 - III. all engineering and other consulting fees, and all legal fees, whether paid to consultants or to the Town; and,

 - IV. the payment of part of the cost of any studies and design required by this Agreement. Such costs shall not include:
 - i. any indirect overhead expense of a Participating Owner;
 - ii. any financing cost of a Participating Owner;
 - iii. the cost of any Security required by this Agreement; and
 - iv. the Wastewater Collection Overcontribution.

These costs shall form the basis of the payments which the Participating Owner and Benefitting Owners shall pay to the Town in accordance with clause 8 and clause 9 of this Agreement (the "Front Ended Payment").

3 – Allocation Agreement

- A. The Participating Owner shall execute an Allocation Agreement for all of the Participating Owner Lands at the same time as the Participating Owner executes this Agreement with the Town. It shall be a condition precedent to the validity of this Agreement that the Participating Owner has also executed an Allocation Agreement to the satisfaction of the Town.

- B. In order to be in good standing pursuant to this Agreement, the Participating Owner must not be in Default under:
- I. this Agreement; or
 - II. the Allocation Agreement.

4 – Timing and Construction of the Front Ended Services

- A. Despite any payments by the Front-Ending Owners under this Agreement pursuant to clause 8., and subject to clause 10., the Town shall:
- I. be responsible for the design, engineering, tender, construction, installation, operation and maintenance of the Front Ended Services;
 - II. own the Front Ended Services; and,
 - III. be entitled to impose, from time to time and at any time, such fees and charges directly and indirectly related to the collection, transmission, treatment and disposal of wastewater as the Town considers necessary or desirable under Part XII (Fees and Charges) of the MA, 2001, or any other user fee or charge permitted by statute.
- B. The Town may delay, defer, or cancel one or more of the Front Ended Services, in its sole and absolute discretion, and in whole or in part, if one or more of the Participating Owner fails to:
- I. execute this Agreement;
 - II. execute the Allocation Agreement;
 - III. subscribe to all of the available SDE units, in whole or in part.

The Town and the Participating Owner agree to undertake best efforts to work together to address any shortfall respecting subscription to available SDE units.

- C. The Participating Owner agrees and acknowledges that the deferral, delay, or cancellation of one or more Front Ended Services under clause 4.B. may delay the completion of one or more Front Ended Services, which, in turn, may delay development of the Participating Owner Lands and lands within the Benefitting Area.
- D. If the Town exercises its rights of deferral, delay, or cancellation under clause 4.B., the Town shall give 30 Business Days of Notice to the Participating Owner of the Front Ended Services it intends to delay, defer, or cancel, and the length of the delay, if known at the time the Notice is given.
- E. The Town and the Participating Owner agree and acknowledge that clause 4.B. is for the sole benefit of the Town, and the Town may waive such clause, in whole or in part, or be modified from time to time and at any time by the Town in its sole and absolute discretion.
- F. Despite clause 4.A., the Town may, in its sole and absolute discretion, permit one or more of the Front Ended Services to be designed or constructed or both by the Participating Owner or Third Party Participating Owners pursuant to the requirements outlined in clause 5.
- G. Despite clause 4.F., and despite the contents of Schedule "B", the Town may, in its sole and absolute discretion, change or delete Front Ended Services contained on Schedule "B". Schedule "B" is deemed conclusively to be amended without formal amendment to this Agreement. If the

Town changes any of the Front Ended Services on Schedule "B", the Town shall give Notice to the Owner within 30 Business Days of making such change.

5 – Election by Front-Ending Owners to Construct Services

- A. The Participating Owner may elect to construct and install a part or the whole of the Front Ended Services in accordance with clause 5 of this Agreement through strict compliance with the requirements of clause 5.B. After such compliance and obtaining all necessary Government Approvals, subject to the terms of this Agreement, construction and installation of the Front Ended Services may be commenced. In the case of that part of the Front Ended Services which services only the Participating Owner, the election may be submitted by that Participating Owner alone. In the case of that part of the Front Ended Services which services Third Party Participating Owners in addition to the Participating Owner, the election shall only be considered by the Town if it is submitted by all of the Third Party Participating Owners and the Participating Owner serviced by those portions of the Front Ended Services.
- B. If any one or all of the Participating Owner and Third Party Participating Owners desire to construct all or any portion of the Front Ended Services as described in Schedule "B", they shall first apply to the Director for the following:
 - I. approval of the choice of the Engineer for the Participating Owner and/or Third Party Participating Owner;
 - II. an up-to-date estimate of the cost of the portion to be installed and constructed, together with any additional requirements of the Director not provided for in this Agreement; and
 - III. the amount of the Security required to be posted in order to guarantee the Front Ended Services to be installed and constructed ("**Construction Security**"). The quantum of the Construction Security shall be prescribed by the Director in his sole and absolute discretion based upon the extent of the services to be installed and constructed, which amount will not be less than 110% and not more than 125% of the cost of the Front Ended Services to be installed and constructed. The Construction Security shall be in the form attached hereto as Schedule "D".

Before commencing any installation or construction, the Participating Owner shall together with the Third Party Participating Owner(s) deliver to the Director a Notice of election to proceed together with the following:

- IV. a description of the portion of the Front Ended Services to be installed and constructed which must be one of the portions described in Schedule "B",
- V. a certified cheque equal to 15% of the up-to-date costs of the services to be installed and constructed as engineering fees; and,
- VI. Construction Security from a Canadian chartered bank in a form satisfactory to the Town in the amount prescribed by the Director. The Town, in its sole and absolute discretion, may require that the Security be from a Schedule "1" Canadian chartered bank. The Construction Security will be held by the Town as Security for the obligations of the Participating Owner in accordance with this Agreement.
- C. Notwithstanding anything else contained in this Agreement, the Participating Owner and Third Party Participating Owner(s) that comply with clause 5.B. shall be permitted to construct part or the whole of the Front Ended Services, if and only if the Town first grants its consent to such Participating Owner together with the applicable Third party Participating Owner(s) (referred to hereinafter as the "Front Ender(s)"), in writing, which consent may be arbitrarily withheld.
- D. The Front Ender(s) agree to retain a competent consulting engineer experienced in the municipal engineering field (the "Engineer"). The Engineer or his successor shall be approved by the Director and shall carry out all necessary engineering requirements in accordance with this

Agreement and with the Guideline for Engineering Services to Municipalities. The Engineer shall be retained by the Front Ender until all requirements of this Agreement have been completed to the satisfaction of the Director.

- E. The Front Ender(s) agree to construct the Front Ended Services as shown on a set of drawings approved and signed by the Director. The preparation of the drawings shall be undertaken according to the Town's design criteria, design standards and specifications and procedures as amended from time to time.
- F. The Front Ender(s) agree not to let any contract for the performance of any of the works unless the contractor has been first approved by the Director, which approval may be unreasonably withheld. The contract(s) shall provide that the Director may inspect the construction of the Front Ended Services and shall have authority to instruct the contractor(s) to stop work should any construction be undertaken contrary to the provisions of this Agreement and the Town's design criteria, standards and specifications.
- G. The Front Ender(s) agree to provide the Town with ten Business Days of Notice before commencing the installation or construction of the Front Ended Services.
- H. The Front Ended Services shall be completed within a maximum of 18 months from commencement.
- I. The Front Ender(s) agree that the Director may inspect the construction work under any contract, but such inspection shall in no way relieve the Front Ender(s) from its responsibility to inspect the work itself. If, at any time, the construction of all works is not, in the opinion of the Director, being carried out in accordance with the provisions of this Agreement, and in accordance with good engineering practices, the Director may issue instructions to the Front Ender(s) or to the Engineer to take such steps as deemed necessary to procure compliance with the provisions of this Agreement. Such instructions may be written, or may be verbal, in which case the Director shall confirm them in writing within 24 hours. In the event that neither the Front Ender(s) nor the Engineer is present at the site of the works to receive such verbal instructions, the Director may instruct the contractor(s) or workers to cease work forthwith.
- J. The Front Ender(s) shall undertake and pay for a sewer video inspection program for the Front Ended Services installed and constructed. These works shall be undertaken by a qualified company and be approved by the Director prior to the work being undertaken. The Front Ender(s) shall provide a copy of such video inspection and written reports to the Town in a format as specified by the Town. The sewer video inspection shall be carried out prior to acceptance for maintenance by the Town. The said video shall demonstrate to the Director's satisfaction that the Front Ended Services function to the Town's satisfaction, failing which the Front Ended Services shall be corrected to the satisfaction of the Director.
- K. The Front Ender(s) agree that all streets in the vicinity of construction of the Front Ended Services shall be kept in a good and usable condition during the construction period and, if damaged by the Front Ender or Parties employed by the Front Ender(s) in the construction of the Front Ended Services, or by contractors so employed, will be repaired or restored immediately.
- L. The Front Ender(s) agree not to foul any public streets and further agrees to provide the necessary persons and equipment, to be available on reasonable Notice at all times, to keep such streets clean. All trucks making deliveries to or taking materials from the construction site shall be adequately covered and reasonably loaded so as not to scatter refuse, rubbish, or debris on the abutting streets.
- M. If, in the opinion of the Director, these requirements are not complied with, the Town may do the work as required and upon demand, the Front Ender(s) shall forthwith pay to the Town the full cost thereof. If the Front Ender(s) fail to make the payment as required by the Town, such failure will constitute a Default and the Town may, subject to meeting the requirements of clauses 15.C and 15.D, draw upon the Construction Security.
- N. The Front Ender(s) agree that all public works on adjoining lands shall be kept in a good and

usable condition during the construction period and, if damaged by the Front Ender(s) or parties employed by the Front Ender(s) during construction or by contractors so employed, will be repaired and restored immediately.

- O. When, after the Front Ender(s) have commenced construction of the Front Ended Services but before the assumption thereof by the Town, the Front Ended Services do not function, or do not function properly, and in the sole opinion of the Director, repairs are necessary to be made immediately to prevent damage or hardship to persons or property, the Front Ender agrees that the Town, its servants, employees or agents, may make whatever repairs may be deemed necessary. The Front Ender further covenants and agrees to reimburse the Town for any expense incurred in making the repairs. If the Front Ender(s) fail to make the payment as required by the Town, the Town may, subject to meeting the requirements of clauses 15.C and 15.D, draw upon the Construction Security.
- P. The Town agrees to give Notice to the Front Ender(s) within 2 Business Days from the date of entry by the Town of the nature and extent of the emergency and repairs which were necessary.
- Q. The Front Ender(s) agree to maintain and keep in a proper state of repair and operation the Front Ended Services installed and constructed by the Front Ender(s) for a minimum period of 24 months from the date of acceptance for maintenance by the Town.
- R. The Front Ender(s) agree that the whole or any part of the Front Ended Services, when constructed and assumed by the Town, shall vest in the Town and the Front Ender(s) shall have no claims or rights thereto other than those accruing to it as an owner of land abutting on streets on which services have been installed.
- S. Performance and maintenance guarantees:
 - I. The Security provided to the Town in accordance with clause 5.B.III and 5.B.VI may be, subject to clauses 15.C and 15.D, drawn upon by the Town for any Default by the Front Ender under this Agreement and for any other purpose specified in this Agreement. If any lien is filed or registered under the *Construction Act*, R.S.O. 1990, c. C.30, as amended, this shall constitute a Default. Upon such Default, the Town may draw upon the Security for payment into court of the hold-back moneys, plus interest and costs, if deemed necessary by the solicitor for the Town to satisfy its requirements under the *Construction Act*.
 - II. The Front Ender(s), when not in Default of this Agreement, may apply for acceptance for maintenance by the Town of the Front Ended Services after completion of construction and compliance with clauses H., T., and U. Upon the Director approving such acceptance, any security held by the Town may be reduced up to 25% of the value of the work at the commencement of construction as estimated by the Director. Prior to the reduction of security held by the Town for any Front Ended Services, the Front Ender(s) must supply the Town with the following documentation:
 - i. statutory declaration of works completed and contractors and subcontractors having been paid;
 - ii. Workplace Safety and Insurance Board clearance certificate; and,
 - iii. expiration of the construction lien period.
 - IV. Upon application by a Front Ender after the expiry of the maintenance period of 2 years, and after compliance with this Agreement satisfactory to the Director, the Town will release all Security held to secure the construction of the whole or the portion of the Front Ended Services for which assumption is granted.

- T. Before commencing any of the works provided for in this Agreement, the Front Ender(s) shall supply the Town with a liability insurance policy in the minimum amount of \$5,000,000.00 in a form satisfactory to the Town solicitor, indemnifying the Town from any loss arising from claims or damages, injury or otherwise in connection with the work done by or on behalf of the Front Ender. The policy shall contain a completed operations clause and shall have no exclusion for blasting. In the event any renewal premium is not paid, the Town, in order to prevent the lapse of such liability insurance policy, may pay the renewal premium or premiums and the Front Ender agrees to pay the cost of such renewal or renewals within 10 Business Days of the account therefor being rendered by the Town.
- U. Immediately prior to acceptance for maintenance by the Town of the Front Ended Services, the Front Ender(s) agree as follows:
- I. to flush all sewers and manholes free of road materials, building debris, and other foreign matter; to clean such materials from the system; to provide video inspection as required under clause 5.J.; and to rectify any deficiencies the video inspection may reveal;
 - II. to sweep abutting roadway pavement, including sidewalks, clear of building debris and earth deposits, and to clean and remove all such material;
 - III. to rectify and repair all damages to adjacent public services;
 - IV. to rectify and repair all settlements, depressions or other defects on roadways, until assumption of the Front Ended Services, and
 - V. to furnish the Director with:
 - i. a statutory declaration from the Front Ender(s) that all contractors and subcontractors associated with the construction of public works have been paid;
 - ii. a certificate from the Engineer indicating the final construction costs for the public works based on the actual construction contract, and
 - iii. payment of additional engineering fees, if required by the Director, based on the final construction costs of the public works certified by the Engineer.
- V. The Town agrees that the acceptance for maintenance of the Front Ended Services shall take place upon fulfilment of the following conditions:
- I. all sewers and manholes are clean and free of road materials, building debris and any other foreign matter;
 - II. all roadway pavements and sidewalks are clean and free of building debris and earth deposits;
 - III. all damage to adjacent services has been repaired or rectified to the satisfaction of the Director;
 - IV. all settlements, depressions or any other defects on roadways have been repaired to the satisfaction of the Director;
 - V. the Director has received:

- i. a statutory declaration from the Front Ender(s) that all contractors and subcontractors associated with the construction of the Front Ended Services have been paid;
- ii. a satisfactory set of "as constructed digital files and drawings" of all works required to be done by this Agreement in a form that meet Town specifications;
- iii. a certificate from the Engineer indicating the final construction costs for Front Ended Services based on the actual construction contract; and,
- iv. payment of additional engineering fees, if required by the Director, based on the final construction costs of the Front Ended Services certified by the Engineer;
- v. the Front Enders(s) are not in Default of any terms or conditions of this Agreement.

6 – Election for Town to Construct Services

- A. If the Participating Owner does not elect to construct the Front Ended Services themselves pursuant to clause 5, or if the Town does not consent to the same pursuant to clause 5, the Town may construct and install the whole or part of the Front Ended Services in accordance with the requirements of clause 6.B.
- B. If the Town commences installation and construction of all or any portion of the Front Ended Services as described in Schedule "B", the Participating Owner shall provide to the Director any additional requirements of the Director not provided for in this Agreement. The Town agrees to call tenders and commence construction and installation of a portion or the whole of the Front Ended Services within a reasonable time after providing the Participating Owner with Notice of the following:
 - I. a description of the portion of the Front Ended Services to be constructed which must be one of the portions referred to in Schedule "B"; and
 - II. confirmation that Security from a Canadian chartered bank in a form satisfactory to the Town solicitor in the form set out in Schedule "D" to this Agreement was posted by the Participating Owner at the time that this Agreement was executed.
- C. Notwithstanding anything else contained in this Agreement, the Security required pursuant to clause 6.B. shall be in the amounts set out in Schedule "C" and in the form set out in Schedule "D" to this Agreement and shall be posted immediately upon the execution of this Agreement and may be utilized by the Town, in its discretion for the construction and installation of the Front Ended Services at any time.
- D. In the event that the Participating Owner fails to provide any of the matters set out in clause 6.B., the Town shall be permitted to provide same itself and utilize the Security to pay for same. The Town may also draw upon the Security in its discretion to pay the Front Ended Service costs. If the amount of the Security is insufficient to pay for the total cost of the works, the Participating Owner who delivered the Notice of election, agrees to immediately pay to the Town such deficiency or to deliver additional Security upon demand therefor and the Town may cease construction of, or prevent connection to the Front Ended Services, until such deficiency is paid. The Town shall return any unused Security in excess of the amount required to complete the Front Ended Services and to maintain the Front Ended Services for a minimum period of 5 years, in the discretion of the Director. The Security shall be issued by a Schedule "4" Canadian chartered bank.
- E. Whenever and to the extent that the Town shall be unable to fulfil, or shall be delayed or restricted in fulfilling its obligation to construct the Front Ended Services, for any cause beyond its control, the Town shall be relieved from its obligation during the period during which it is unable to fulfil or is delayed or restricted in fulfilling its obligations.
- F. Notwithstanding anything else to the contrary herein, the Town shall use reasonable efforts to ensure that the design, tender and construction of the Wastewater Treatment

Plant and Linear Segments 1, 2, 3, and 4 progresses in an active, continuous and diligent manner following the date of this Agreement.

7 – Rights of Way

- A. All Front Ended Services installed and constructed under this Agreement shall be located in road allowances or easements approved by the Director and granted to the Town, free and clear of all encumbrances.
- B. In the event a Notice of election is delivered according to clause 5 or clause 6 of this Agreement, no installation and construction shall commence until the Town Solicitor is satisfied that all rights in land required by the Director have been conveyed to the Town or agreements to convey have been executed.
- C. Upon request from a Participating Owner who desires to construct services through lands approved by the Director, but owned by others, the Town shall assist, at the cost of such Participating Owner, in obtaining rights to construct and maintain services on such lands. For greater certainty, the Town is not obligated to commence expropriation proceedings to assist a Participating Owner in this clause.

8 – Front Ended Payments

- A. While this Agreement remains in force, the Town agrees to use its best efforts to impose the requirement of a Front Ended Payment by all owners of land in the Benefitting Area to be connected to the Front Ended Services (except for the Participating Owner who shall pay the cost of the Front Ended Services upon execution of this Agreement) in the amount calculated according to clauses 8.E. and 8.F of this Agreement, and as a condition to any development approval referred to in s. 2(2) of the DCA.
- B. The Town agrees to place money received as Front Ended Payments in a special reserve account and, provided that a notice of election has been given and clause 5.B. has been complied with, the Town shall immediately, upon receipt of the money, by registered mail:
 - I. notify the appropriate Participating Owners who have paid the cost of the Front Ended Services that the money is available to be paid out, and,
 - II. advise the appropriate Participating Owners to whom the Town proposes to pay the delivery of the said money.

Upon the delivery of said Notice from all the Participating Owners who have paid the cost of the Front Ended Services, the Town shall pay to the person or persons named in the Notice without interest, the proportion of the money received by the Town to which the party is entitled as set out in the Notice.

- C. The Parties confirm that the reasonable cost to the Town in processing the collection of front end payments while this Agreement remains in force is 3% of all such payments. Accordingly, there shall be deducted from all such payments paid into the special reserve account, an amount equal to 2% to cover the legal and administrative costs of the Town.
- D. The Town may, at any time prior to the giving of a Notice for any part or the whole of the Front Ended Services in accordance with clause 5 or clause 6 of this Agreement, approve limited development in any part of the Benefitting Lands not serviced by the Front Ended Services, which development will ultimately be required to connect to the Front Ended Services but which, in the opinion of the Director, may proceed on an interim basis with alternate sewerage and water facilities. In such event, the Town shall charge such development a front end payment calculated in accordance with clause 8.E. and such payment or payments shall be placed in a special reserve account and be applied to reduce the cost of front ending by the Parties.

- E. The Front Ended Payment to be charged against all development in the Benefitting Area to fund the Front Ended Services shall be calculated as set out in Schedule "C". The Participating Owner shall fund only the linear segment shown next to the Participating Owner's name on Schedule "C".
- F. The Town, in its sole and absolute discretion, may adjust the front ended payment in clause 8.E. in the event that:
 - I. there is a Cost Change between the commencement of this Agreement and the conclusion of the Adjustment Period; or
 - II. one or more Front Ended Services are deferred, waived, cancelled, or removed pursuant to clauses 4.B or 4.G.
- G. The Town and the Participating Owner agree and acknowledge that the total amount of Front Ended payments with respect to each Participating Owner included therein are correctly described in Schedule "C" of this Agreement, subject to any adjustments under clause 8.F.
- H. Every payment made by a Participating Owner for the cost of the Front Ended Services shall entitle such Participating Owner to a reservation of available capacity, in the amount set out in the Allocation Agreements (expressed as SDEs).
- I. The total Front Ended Payments may be increased due to any Cost Changes and the Town shall give each Participating Owner Notice of its Relative Share of the increase. A Participating Owner shall have fifteen Business Days from the giving of the Notice to provide an increase to its Security under this Agreement for the amount set out in the Notice. If the payment is not received, the Town may defer, waive, cancel, or remove all or part of the Front End Services pursuant to clauses 4.B or 4.G. until the matter is remedied.
- J. Following any Cost Change, the Town shall provide a revised Schedule "C" as adjusted under clause 8.F to the Participating Owners. If any revisions are made hereunder, this Agreement shall be conclusively deemed to be amended by replacing Schedule "C" with the revised Schedule "C".
- K. If the Town determines that it does not require any of the Security it holds for the Front Ended Services, it shall release any excess Security it then holds.

9 – Benefitting Owner Payments

- A. From and after March 16, 2021, every Benefitting Owner shall pay, by certified cheque or bank draft, to the Town upon the earlier of such Owner entering into a Subdivision Agreement, a Consent Agreement or a Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the Planning Act have been met, or obtaining a building permit for the development of the Benefitting Owner's land:
 - I. for the Recoverable Amount per SDE in the Subdivision Agreement, Consent Agreement, Site Plan Agreement or receives a Notice in writing from the Town indicating that all requirements under the PA have been met, or permitted by the building permit plus interest in accordance with the *Development Charges Act, 1997*; and,
 - II. all development charges payable under the DCB, as may be amended from time to time and any successor development charge by-laws.

10 – Participating Owner Recoveries

- A. Each Participating Owner shall recover its Front Ended Payments as described in Schedule "B" of this Agreement by receiving its Proportionate Share of Recoverable Amount.

- B. A projection of the time frame for recovery by the Participating Owners of the Front Ended Services is set out in Schedule "E". The Participating Owners acknowledge and agree:
- I. Schedule "E" is for illustration purposes only;
 - II. the Town makes no representations or warranties of any kind whatsoever that the Participating Owners shall experience recoveries in the amounts and at the times shown on Schedules "E" and "G"; and,
 - III. their actual recoveries shall be dependent on the pace of residential development throughout the Town after March 16, 2021.
- C. The Participating Owners acknowledge and agree:
- I. that the Town's DCB and payments thereunder, and as such by-law may be amended from time to time and any successor development charge by-laws, is fair and reasonable, provided nothing herein shall preclude the Participating Owner from appealing any amending or successor development charge by-law enacted after the commencement of this Agreement; and,
 - II. to pay or cause to be paid all of the development charges of the Town in respect of the Front Ended Services, in the amounts specified in the Allocation Agreement and this Agreement.
- D. All credits under this Agreement with respect to the Front Ended Services shall be granted and administered solely in accordance with each Participating Owner's Allocation Agreement.
- E. If and when the Town receives payments for the amounts described in clause 10.A., it shall refund semi-annually commencing upon the review by the Town Council of the Development Charges Reserve Statement to each Participating Owner, that Participating Owners "Refunded Share" (as defined below) of the amounts received by the Town, provided that Town has received from each such Participating Owner a Satisfaction Piece and Full and Final Mutual Release in the Form attached hereto as Schedule "F".
- F. The amount to be refunded to each Participating Owner pursuant to clause 10.E. above shall be calculated as follows:
- I. the total amount of Front Ended Payment made by the Participating Purchaser or Participating Owner;
 - less
 - II. the total amount of DC Credit available to the Participating Purchaser or Participating Owners for the Front Ended Services; divided by
 - III. the total amount of the Front Ended Payment.
- ("Refunded Share")

11 – Land Dedications

- A. The Town's Director, equivalent or delegate may, from time to time and at any time, give the Notice described in this clause. No later than 30 Business Days after written Notice is given under this clause to the Participating Owner by the Town's Director, successor, equivalent or delegate, the Participating Owner shall convey from the Participating Owner's Lands in fee simple to the Town, for nominal consideration and free and clear of all encumbrances and restrictions, all

necessary lands, easements, other interests in land, approvals, rights, interests, licences and any other agreements of every kind whatsoever which are or may be required by the Town in order to give the Town, its employees, officers, sub-contractors, servants and agents the full right, power and authority to construct, install, operate (including permitting connections thereto), inspect, repair and replace the Front Ended Services and all related works and services.

- B. If the Participating Owner fails to convey the lands, easement other interests in land, approvals, rights, interests, licenses and any other agreements as identified by the Town's Director, his successor, equivalent or delegate as required by the Town, such failure shall be considered an event of Default to which clause 15 of this Agreement apply.

12 – Transfer of SDE Capacity

- A. The transfer of Capacity expressed in SDE shall be governed by the Allocation Agreement.
- B. The Participating Owner and their respective heirs, administrators, successors and permitted assigns shall not transfer title to all or any part of the Participating Owner's Lands unless the transferee(s) of such lands agrees in writing to unconditionally assume the rights and obligations of the Participating Owner pursuant to this Agreement and such agreement is delivered to the Town, whereupon the transferring Participating Owner shall be automatically released and relieved from any further obligation under this Agreement. The rights and obligations of the Participating Owner shall not be assigned by the Participating Owner to a successor in title to all or a portion of the Front-ending Owner's Lands until such heirs, administrators, successors and permitted assigns have entered into an agreement with the Town agreeing to be bound by the provisions of this Agreement. Assignment shall only be permitted with the written approval of the Town, which approval may be arbitrarily withheld. The transfer of capacity granted within Erin Village may only be transferred to the lands within Erin Village and capacity granted within Hillsburgh may only be transferred to lands within Hillsburgh.

13 – Limitations and Conditions

- A. Despite anything in this Agreement to the contrary, the Town's obligations in respect of installation, construction, and operation of a 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 Participating Owner(s) in writing that the Town has elected not to proceed with the Front Ended Services. Upon the giving of such Notice, the provisions of clauses 4.B to 4.E. shall apply with all necessary modifications.
- B. The Participating Owner acknowledges and agrees that this Agreement and the Allocation 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 Allocation Agreement.

14 – Representations and Warranties

- A. The Participating 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 Participating Owner is a corporation duly incorporated and organized under the laws of a province of Canada or the laws of Canada;
 - II. the Participating 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 Participating Owner and constitutes a valid and binding obligation of the Participating Owner, enforceable against the Participating 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 Participating Owner; and,
 - V. the Participating Owner is the registered owner of the Participating 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:
 - i. 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
 - ii. 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.
- C. The Participating Owner acknowledges that it has read, understood and obtained independent legal advice respecting Part III 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 III of the DCA.

15 – 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 18.
- B. The Participating Owner and the Town agree that this Agreement shall be of no force and effect until the following conditions are satisfied:
 - I. The Participating Owner shall first execute this Agreement;
 - II. The Participating Owner shall in accordance with Fee By-law No. 19-60 reimburse the Town for the administrative, legal, and consultant costs it incurred in connection with this Agreement and any amendments thereto;

- III. If there are no Judicial or Administrative Proceedings as of the date upon which the Participating Owner execute the Agreement, the Town shall execute this Agreement within 5 Business Days of the Participating Owner's execution of the Agreement; and,
 - IV. there is enough take up by the owners in Hillsburgh to build either a full 75% of the Wastewater Treatment Plant, or a full 100% of the plant, but nothing in between.
- C. If the Participating 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 20 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 Participating 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.
- D. If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 15.C. or any extension thereof, then:
- I. the Town shall give Notice in writing to the Defaulting Owner that the Participating Owner is a Defaulting Owner; and,
 - II. the Participating Owner shall be deemed conclusively to be in Default of the Allocation Agreement and the Town shall have available to it all remedies available pursuant to the Allocation Agreement in order to remedy a Default under this Agreement.
- E. Notwithstanding anything else to the contrary in this Agreement with the exception of Clause 16.F, the Participating Owner may terminate this Agreement and the Town shall return all unused securities to the Participating Owner in full within 30 days of the said termination with no further recourse or claim against the Participating Owner if at the time that the Town issues a tender for the construction of the first phase (i.e. 50%) of the Waste Water Treatment Plant and for the construction of Linear Segment #1 and Linear Segment #2:
- I. the said tender does not also include the tender for the construction of Linear Segment #3 and Linear Segment #4 under the same tender timeframe; or,
 - II. if the Participating Owner determines that the tender price for Linear Segment #3 and/or Linear Segment #4 is too high to proceed once tenders are received.
- The right to terminate under this clause may only be exercised up to three (3) days following the opening of tenders by the Town and delivery of notice of the results of such tenders by the Town to the Participating Owner. The right to terminate must be exercised by the Participating Owner by providing written notice to the Town in accordance with clause 21.
- F. Notwithstanding anything else to the contrary in this Agreement, in the event that, for any reason, other than the default of the Participating Owner or reasons out of the control of the Town, construction of Linear Segment #3 and Linear Segment #4 is not awarded and a contract is not signed therefor, by December 31, 2022:
- I. The Participating Owner shall have the right to elect to front end the cost of constructing such Segments on behalf of the Town in accordance with clause 5 and can make use of the unused posted Financing Security held by the Town (from the Participating Owner and others) to undertake such front ended construction by a firm approved by the Town and to the Town's design and construction standards and to the Town's direction and satisfaction (which includes approval of the form of construction contract, the location of the works, the approval of the design and the construction techniques to be utilized therefor);

or,

- II. The Participating Owner may terminate this agreement with written notice to the Town in accordance with clause 21 and the Town shall, subject to clause 16.F, return all unused Financing Security and front ended costs to the Participating Owner, in full, within 30 days of the said termination with no further recourse or claim against the Participating Owner.

For clarity, in the event that the Participating Owner elects to terminate this Agreement pursuant to clause 15.F.II above, the Participating Owner shall not be entitled to any return of any securities posted for the construction of the Wastewater Treatment Plant, but only to a return of residual unused securities for the construction of Segments #3 and #4 of the Wastewater Collection System.

16 – Enurement, 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. Pursuant to section 56 of the DCA, the Town may register notice of this Agreement on the title to any of the Participating Owner Lands with the intention that the provisions of this Agreement shall bind and run with title to the Participating Owner Lands. The Participating Owner consents to such registration and agrees that such registration shall be at its sole cost and expense.
- C. The Owner shall be entitled to have this Agreement released from title to:
 - I. all or such part of the Participating Owner Lands where the Participating Owner is not a Defaulting Owner or, if the Front-ending Owner is a Defaulting Owner, the Owner has complied with the Notice given under clause 15.C.; or
 - II. **all of the Participating Owner Lands following the final reconciliation and adjustments under the Allocation Agreement between the Participating Owner and the Town provided the Participating Owner is not a Defaulting Owner or, if the Participating Owner is a Defaulting Owner, the Participating Owner has cured the Default,** provided the Participating 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 except for the Town's obligation under clause 10.D. in the form and having the substance of the satisfaction piece and full and final release described in Schedule "F" hereto. Any such release from title shall be at the Participating Owner's sole cost and expense as the case may be.
- D. In addition to the foregoing, the Owner shall be entitled to have this Agreement released from title to any part of such Participating Owner Lands which are to be transferred to the Town, a school board, utility, or any other applicable public authority. Any such release from title shall be at the Participating Owner's sole cost and expense.
- E. Where the Participating Owner is entitled to a release of this Agreement from title under clause 16.D., the Town shall deliver to the Participating Owner, within 20 Business Days of a written request from the Owner, an executed release in registrable form discharging the Participating Owner from its obligations under this Agreement.

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

- A. The Participating 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 Participating Owner has had, has or may in

future have directly or indirectly arising from or in any way connected with:

- I. a delay, deferral or cancellation of the Front Ended Services under the provisions of this Agreement; and/or
 - II. the failure to make a full repayment.
- B. If the Town, by virtue of having entered into this Agreement or of carrying out any of the Front Ended Services or actions contemplated hereunder, is made a party to any Administrative or Judicial Proceedings commenced by or against the Participating Owner, the Participating 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 waiver under it is not enforceable for any reason whatsoever against the Town, the Participating Owner, Benefiting Owner(s) and/or any other person(s), the Participating 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 Participating Owner acknowledges and agrees that:
- I. the Participating 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 and incurred debt to fund part of the cost of the Front Ended Services;
 - III. the Participating Owner's Lands benefited from the Front Ended Services; and
 - IV. it would be unjust and inequitable for any Participating Owner to demand or receive repayment of any monies paid or contributed under this Agreement.
- 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 Ontario Land Tribunal, or its successor.
- G. The Participating 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 the Agreement.

18 – Final Reconciliation of the Recoverable Amount

- A. For each Participating Owner, 6 months after the final remittance under clause 10, the Town shall prepare and send to the such Participating Owner a final reconciliation setting out the amount:
- I. drawn from and remaining of the Security;
 - II. collected from Benefiting Owners; and,

III. remitted under clause 10.D. of this Agreement.

19 – General

- A. The Parties agree that the recitals herein are true and accurate and form part of this Agreement.
- B. The Participating 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.

20 – List of Schedules

The following schedules are attached and form part of this Agreement:

- A. Schedule "A" being a description of the Participating Owner Lands and the Benefitting Lands;
- B. Schedule "B" being a description of the Front Ended Services;
- C. Schedule "C" being an estimate of the costs of various portions of the Front Ended Services required to service the Front-ending Owners;
- D. Schedule "D" being the form of the Letter of Credit;
- E. Schedule "E" being a Projection of the Timeframe for Recovery by the Participating Owner; and,
- F. Schedule "F" being a Satisfaction Piece and Full and Final Release.

21 – Notice

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

- I. to the Participating Owner as follows:

HILLSBURGH HEIGHTS INC.
636 Edward Avenue, Suite 14
Richmond Hill, Ontario
L4C 0B4

Attention: Enzo Di Giovanni (enzo@briarwoodhomes.ca)

with copies to:

A. Conte Professional Corporation
12-242 Applewood Ave 2nd Flr
Concord, Ontario
L4K 4E5

Attention: Antonio Conte (a.conte@contelaw.ca)

or such change of address and other particulars as the Participating 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 (Nathan.Hyde@erin.ca)

with copies to:

Loopstra Nixon LLP
135 Queens Plate Drive
Suite 600
Toronto, Ontario
M9W 6V7

Attention: Quinto M. Annibale (qannibale@loonix.com)

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

- 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.** if by telecopier transmittal, on the date of transmission delivery.

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

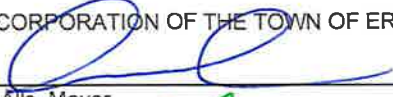
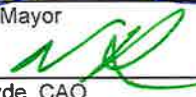

22 – Counterparts

- 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 Agreement. 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.

~ SIGNATURE PAGE FOLLOWS - REMAINDER OF PAGE LEFT INTENTINOALLY BLANK ~

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

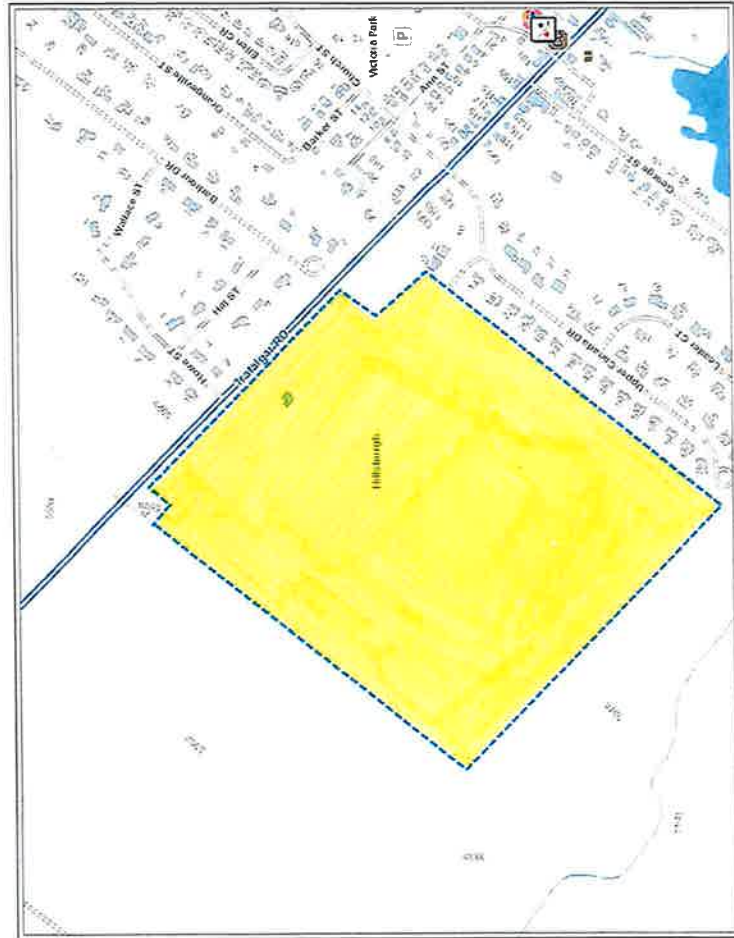
SIGNED, SEALED AND DELIVERED
In the presence of

) THE CORPORATION OF THE TOWN OF ERIN
)
) Per: 
) Allan Ails, Mayor
)
) Per: 
) Nathan Hyde, CAO
)
)
) HILLSBURGH HEIGHTS INC.
)
) Per: 
) Name: Enzo Di Giovanni
) Title: President
)
)
) Per: _____
) Name: _____
) Title: _____
)
) I/We have authority to bind the corporation.
)

Schedule "A"

The Participating Owner Lands

PT LT 26 CON 7 ERIN AS IN RO760763; ERIN S/T EASEMENT IN FAVOUR OF THE CORPORATION OF THE TOWN OF ERIN OVER PART 1, 61R8627 AS IN LT66248 (PIN: 71139-0239 (LT)).



The Benefitting Lands

The Benefitting Lands are all lands located within the Town of Erin.

Schedule "B"

Description of Front Ended Services

1.	Linear Segment #1 (Shown in Schedule "B1")	-	\$5,190.00 per SDE
2.	Linear Segment #2 (Shown in Schedule "B2")	-	\$4,963.00 per SDE
3.	Linear Segment #3 (Shown in Schedule "B3")	-	\$4,709.00 per SDE
4.	Linear Segment #4 (Shown in Schedule "B4")	-	\$4,709.00 per SDE



Schedule "B1"**Description of Linear Segment #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.

Schedule "B2"**Description of Linear Segment #2**

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

Schedule "B3"**Description of Linear Segment #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.



Schedule "B4"**Description of Linear Segment #4**

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



Schedule "C"

Estimate of the Individual and Total Costs of the Fronted Ended Services

Schedule Date: February 25, 2021

Growth-Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation*	Landowner's Share of the Linear Segment Costs (2021\$)	D.C. Eligible Costs (75%)	Wastewater Collection D.C. Payable (2021\$) ^A	Total Wastewater Collection D.C. Payable (2021\$)	Total Front-Ended Wastewater Collection D.C. To Be Recovered from Other Development (2021\$) ^B	Total Growth-Related Payable (2021\$) ^B (K) = The greater amount between (G) and (I)
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (75%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	(K)
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 5,129,591	\$ 3,607	\$ 4,826,166	\$ 303,425	\$ 5,129,591
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 1,077,291	\$ 3,607	\$ 1,013,567	\$ 63,724	\$ 1,077,291
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 943,717	\$ 3,607	\$ 1,316,555	\$ (372,838)	\$ 1,316,555
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 542,960	\$ 3,607	\$ 757,470	\$ (214,510)	\$ 757,470
	Derrydale Golf (Erin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 646,381	\$ 3,607	\$ 901,750	\$ (255,369)	\$ 901,750
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 131,862	\$ 3,607	\$ 183,957	\$ (52,095)	\$ 183,957
	Dominion Packers & Realties (Ballantry)	700		43.1%	\$ 4,395,511	\$ 3,296,633	\$ 3,607	\$ 2,524,900	\$ 771,733	\$ 3,296,633
3 + 4	Chantler - Residential	148	\$ 10,203,865	9.1%	\$ 929,337	\$ 697,002	\$ 3,607	\$ 533,836	\$ 163,166	\$ 697,002
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 306,116	\$ 3,607	\$ 234,455	\$ 71,661	\$ 306,116
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 988,990	\$ 3,607	\$ 757,470	\$ 231,520	\$ 988,990
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 857,125	\$ 3,607	\$ 656,474	\$ 200,651	\$ 857,125
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 1,507,032	\$ 3,607	\$ 1,154,240	\$ 352,792	\$ 1,507,032
	Total	4,120	\$ 21,499,601		\$ 21,499,601	\$ 16,124,701	\$ 14,860,840	\$ 1,263,861	\$ 17,019,512	

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

^ANote 2: The Wastewater Collection D.C. of \$3,413 have been indexed from 2019 to 2021 at 5.67%

^BNote 3: The Total Payable is the greater amount between the D.C. Eligible Costs of the Linear Segment (G) and the D.C. Payable (I)

Schedule Date: February 25, 2021

Non-Growth Related Recovery of Linear Segments										
Linear Segment	Development to Cost Share Segment	Number of Single Detached Equivalents (SDEs)	Linear Segment Project Costs (2021\$)	Landowner's Percentage of Linear Segment Allocation*	Landowner's Share of the Linear Segment Costs (2021\$)	Non-Growth Costs (25%)	Wastewater Collection Overcontributions Per SDE (2021\$)^1	Total Wastewater Collection Overcontributions (2021\$)	Total Non-Growth Shortfall to be Recovered (2021\$)	Total Non-Growth-related Payable (2021\$)^1/ (K) = The greater amount between (G) and (I)
(A)	(B)	(C)	(D)	(E)	(F) = (D) x (E)	(G) = (F) x (25%)	(H)	(I) = (C) x (H)	(J) = (G) - (I)	
1	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 8,275,842	82.6%	\$ 6,839,454	\$ 1,709,864	\$ 1,356	\$ 1,814,328	\$ (104,464)	\$ 1,814,328
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281		17.4%	\$ 1,436,388	\$ 359,097	\$ 1,356	\$ 381,036	\$ (21,939)	\$ 381,036
2	2779181 Ontario Ltd.	365	\$ 3,019,894	41.7%	\$ 1,258,289	\$ 314,572	\$ 1,356	\$ 494,940	\$ (180,368)	\$ 494,940
	2779176 Ontario Ltd.	210		24.0%	\$ 723,947	\$ 180,987	\$ 1,356	\$ 284,760	\$ (103,773)	\$ 284,760
	Derrydale Golf (Erlin Heights Golf Course)	250		28.5%	\$ 861,842	\$ 215,460	\$ 1,356	\$ 339,000	\$ (123,540)	\$ 339,000
	2584343 Ontario Inc. (Kensington Square)	51		5.8%	\$ 175,816	\$ 43,954	\$ 1,356	\$ 69,156	\$ (25,202)	\$ 69,156
	Dominion Packers & Realties (Ballantry)	700		43.1%	\$ 4,395,511	\$ 1,098,878	\$ 1,356	\$ 949,200	\$ 149,678	\$ 1,098,878
3 + 4	Chantler - Residential	148	\$ 10,203,865	9.1%	\$ 929,337	\$ 232,334	\$ 1,356	\$ 200,688	\$ 31,646	\$ 232,334
	Chantler - Non-Residential	65		4.0%	\$ 408,155	\$ 102,039	\$ 1,356	\$ 88,140	\$ 13,899	\$ 102,039
	Thomasfield Homes Ltd.	210		12.9%	\$ 1,318,653	\$ 329,663	\$ 1,356	\$ 284,760	\$ 44,903	\$ 329,663
	Carson Reid Homes Ltd.	182		11.2%	\$ 1,142,833	\$ 285,708	\$ 1,356	\$ 246,792	\$ 38,916	\$ 285,708
	D'Angelo	320		19.7%	\$ 2,009,376	\$ 502,344	\$ 1,356	\$ 433,920	\$ 68,424	\$ 502,344
					\$ 21,499,601	\$ 5,374,900		\$ 5,586,720	\$ (211,820)	\$ 5,934,186
Total		4,120	\$ 21,499,601		\$ 21,499,601	\$ 5,374,900		\$ 5,586,720	\$ (211,820)	\$ 5,934,186

*Note 1: The Linear Segment Costs have been allocated to each landowner in this agreement based on the proportionate number of SDEs for each landowner

*Note 2: The Overcontribution amounts of \$7,000 have been indexed from 2019 to 2021 at 5.67%

*Note 3: The Overcontribution amounts for the Wastewater Collection represents 18% of the total overcontributions per SDE

*Note 4: The Total Payable Is the greater amount between the Non-Growth Costs of the Linear Segment (G) and the Overcontributions Payable (I)

Schedule "D"

Form of 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 Corporation of 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 Chief Administrative Officer 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 Town 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 "E"**Projection of the Timeframe for Recovery**

The Wastewater Collection system will be constructed in phases. The timing of each phase will depend on the completion of the previous phase. The order of construction will be as follows:

1. Linear Segment #1 as described in Schedule "B1" to the Agreement;
2. Linear Segment #2 as described in Schedule "B2" to the Agreement;
3. Linear Segment #3 as described in Schedule "B3" to the Agreement;
4. Linear Segment #4 as described in Schedule "B4" to the Agreement.

Schedule "F"

Satisfaction Piece and Release

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the payment by the [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 THE 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], 2020 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 .

THIS EARLY PAYMENT AND ALLOCATION AGREEMENT is made this 12 day of August, 2021.

BETWEEN:

HILLSBURGH HEIGHTS 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 March 16, 2021 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 the 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 Treatment 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 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. **"Linear Segment #1"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B1" of the Front Ending Agreement;
- U. **"Linear Segment #2"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B2" of the Front Ending Agreement;
- V. **"Linear Segment #3"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B3" of the Front Ending Agreement;
- W. **"Linear Segment #4"** means the sanitary sewer and related infrastructure described in Schedules "B" and "B4" of the Front Ending Agreement;
- X. **"Notice"** means any Notice, demand, acceptance, request or other communication permitted or required to be given hereunder;
- Y. **"Owner's Lands"** means the lands of the Owner described in Schedule "A" hereto and depicted on the sketch in Schedule "B" hereto;
- Z. **"Planning Act"** means the *Planning Act*, R.S.O. 1990 c. P.13;
- AA. **"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;
- BB. **"Reserved Capacity"** means Wastewater Services capacity expressed in SDEs, reserved under clause 4;
- CC. **"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.D.;
- DD. **"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;
- EE. **"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;

- FF. **"Security"** means a Letter of Credit in the form set out in Schedule "F" to this Agreement, certified cheque, or bank draft;
- GG. **"Site Plan"** means a plan under section 41 of the Planning Act;
- HH. **"Subdivision Agreement"** means an agreement under clause 51(25)(d) of the Planning Act;
- II. **"Town"** means The Town of Erin;
- JJ. **"Wastewater Treatment Plant"** means the Wastewater Treatment Plant approved by the Urban Centre Wastewater Servicing Class EA in 2015;
- KK. **"Treasurer"** means the Town Treasurer, his successor, equivalent or delegate;
- LL. **"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;
- MM. **"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 and Construction of Works

- 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. The Owner shall be given reasonable prior written notice of any drawdown of its Security in accordance with this Agreement and shall have the option of remitting cash payment in lieu of said drawdown following receipt of said notice in accordance with clause 2.G.
- I. For greater certainty, the Security for the Wastewater Treatment Overcontribution amounts shall be posted at the time that all other Security is posted, being immediately upon execution of this Agreement. The 2020 Wastewater Treatment Overcontribution amounts are as follows: \$10,000.00 per SDE, consisting of \$8675.00 per SDE for the Wastewater Treatment Plant and \$1325.00 per SDE for Linear Segment #3.

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 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, as may be amended from time to time.
- F. The Owner acknowledges and agrees that the DC Early Payment:
- I. is 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, except for the credits set out above.
- 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".
- H. Notwithstanding anything else to the contrary herein, the Town shall use reasonable efforts to ensure that the design, tender and construction of the Wastewater Treatment Plant and Linear Segments 1, 2, 3, and 4 progress in an active, continuous and diligent manner following the date of this Agreement.

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 Owner 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.C., 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 15 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. The 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 Owner's Lands.
- 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 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;
 - V. the Owner is the registered owner of the Owner's Lands in fee simple;
 - VI. the Owner authorizes and consents to the registration of this Agreement on title to the Owner's Lands; and,
- B. The Town represents and warrants as of the date above first written as follows and acknowledges that the 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. The 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 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 Owner and the Town agree that this Agreement shall be of no force and effect until the following conditions are satisfied:
- I. The Owner shall first execute this Agreement and the Front Ending Agreement;
 - II. The 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 Owner's execution of the Front Ending Agreement.
 - III. there is enough financial take up by the landowners in Hillsburgh to build either a full 75% of the Wastewater Treatment Plant, or a full 100% of the plant, but nothing in between.
- C. If the Owner is a Defaulting Owner, the Town shall give to such party 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 Defaulting 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.
- D. If the Defaulting Owner does not cure the Default in the manner and within the time specified in the Notice given under clause 9.C. or any extension thereof, then:
- I. the Town shall give Notice in writing to the Defaulting Owner and all other parties that the Owner is a Defaulting Owner; and,
 - II. the 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:
 - i. the person who acquires the Revoked SDE shall cure the Default; and,
 - ii. 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

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.D.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.
- E. Notwithstanding anything else to the contrary in this Agreement with the exception of Clause 10.I, the Owner may terminate this Agreement and the Town shall return all unused securities to the Owner in full within 30 days of the said termination with no further recourse or claim against the Owner if at the time that the Town issues a tender for the construction of the first phase (i.e. 50%) of the Waste Water Treatment Plant and for the construction of Linear Segment #1 and Linear Segment #2:
- I. the said tender does not also include the tender for the construction of Linear Segment #3 and Linear Segment #4 under the same tender timeframe; or,
 - II. if the Owner determines that the tender price for Linear Segment #3 and/or Linear Segment #4 is too high to proceed once tenders are received.

The right to terminate under this clause may only be exercised up to three (3) days following the opening of tenders by the Town and delivery of notice of the results of such tenders by the Town to the Owner. The right to terminate must be exercised by the Owner by providing written notice to the Owner and the Town in accordance with clause 13.

- F. Notwithstanding anything else to the contrary in this Agreement, in the event that, for any reason, other than the Default of the Owner or reasons out of the control of the Town, construction of Linear Segment #3 and Linear Segment #4 is not awarded and a contract is not signed therefor, by December 31, 2022:
- I. The Owner shall have the right to elect to front end the cost of constructing such Segments 3 and/or 4 on behalf of the Town and can make use of the unused posted Security held by the Town (from the Owner and others) to undertake such front ended construction by a firm approved by the Town and to the Town's design and construction standards and to the Town's direction and satisfaction (which includes approval of the form of construction contract, the location of the works, the approval of the design and the construction techniques to be utilized therefor); or,
 - II. The Owner may terminate this Agreement with written notice to the Owner and Town in accordance with clause 13 and the Town shall, subject to clause 10.I, return all unused Security and front-ended costs to the Owner, in full, within 30 days of the said termination with no further recourse or claim against the Owner.

For clarity, in the event that the Owner elects to terminate this Agreement pursuant to clause 9F.II

above, the Owner shall not be entitled to any return of any securities posted for the construction of the Wastewater Treatment Plant, but only to a return of residual unused securities for the construction of Segments 3 and 4 of the Collection System.

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.C; 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.C,

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, and incurred debt to fund part of the cost of the Front Ended Services, 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 as the case may be 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 Ontario Land 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:

HILLSBURGH HEIGHTS INC.
636 Edward Avenue, Suite 14
Richmond Hill, Ontario
L4C 0B4

Attention: Enzo Di Giovanni (enzo@brianwoodhomes.ca)

with copies to:

A. Conte Professional Corporation
12-242 Applewood Ave 2nd Flr
Concord, Ontario
L4K 4E5

Attention: Antonio Conte (a.conte@contelaw.ca)

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 (Nathan.Hyde@erin.ca)

with copies to:

Loopstra Nixon LLP
135 Queens Plate Drive
Suite 600
Toronto, Ontario
M9W 6V7

Attention: Quinto M. Annibale (gannibale@loonix.com)

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

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.

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.

~ SIGNATURE PAGE FOLLOWS – REMAINDER OF PAGE LEFT INTENTIONALLY BLANK ~

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: Nathan Hyde, CAO

HILLSBURGH HEIGHTS INC.

Per: 
Name: Enzo Di Giovanni
Title: President

Per. _____
Name: _____
Title: _____

I/We have authority to bind the corporation.

Schedule "A"

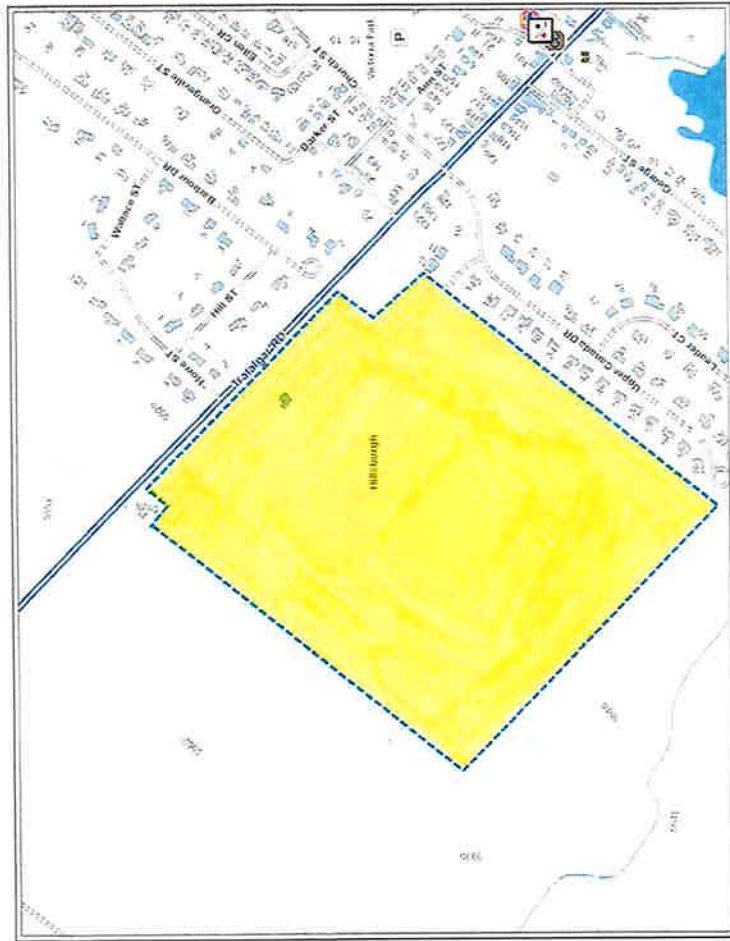
Legal Description of Owner's Lands

PT LT 26 CON 7 ERIN AS IN RO760763; ERIN S/T EASEMENT IN FAVOUR OF THE CORPORATION OF THE TOWN OF ERIN OVER PART 1, 61R8627 AS IN LT66248 (PIN: 71139-0239 (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 & Infill/Intensification	Existing Community & Infill/Intensification
SDEs Serviced	1,685	1,685	1,685	1,685
Cummulative 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 \$

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Schedule "D"

Reservation of SDEs and DC Early Payment Instalments

Schedule Date: February 25, 2021

Development Charge (D.C.) Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Wastewater Treatment D.C. Per SDE (2021\$)^	Total Wastewater Treatment D.C. Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 10,548	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 10,548	\$ 14,113,224
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 10,548	\$ 2,963,988
10	Logel's Auto Parts Ltd.	-	\$ 10,548	\$ -
11	Town of Erin	-	\$ 10,548	\$ -
5	2779181 Ontario Ltd.	365	\$ 10,548	\$ 3,850,020
6	2779176 Ontario Ltd.	210	\$ 10,548	\$ 2,215,080
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 10,548	\$ 2,637,000
4	Dominion Packers & Realties (Ballantry)	700	\$ 10,548	\$ 7,383,600
16	Chantler - Residential	148	\$ 10,548	\$ 1,561,104
	Chantler - Non-Residential	65	\$ 10,548	\$ 685,620
3	Thomasfield Homes Ltd.	210	\$ 10,548	\$ 2,215,080
2	Carson Reid Homes Ltd.	182	\$ 10,548	\$ 1,919,736
1	D'Angelo	320	\$ 10,548	\$ 3,375,360
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 10,548	\$ 537,948
Subtotal		4,120		43,457,760

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Wastewater Treatment D.C. of \$9,982 have been Indexed from 2019 to 2021 at 5.67%

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Schedule Date: February 25, 2021

Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Overcontributions Per SDE (2021\$)^#	Total Overcontribution Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 6,041	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 6,041	\$ 8,082,858
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 6,041	\$ 1,697,521
10	Logel's Auto Parts Ltd.	-	\$ 6,041	\$ -
11	Town of Erin	-	\$ 6,041	\$ -
5	2779181 Ontario Ltd.	365	\$ 6,041	\$ 2,204,965
6	2779176 Ontario Ltd.	210	\$ 6,041	\$ 1,268,610
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 6,041	\$ 1,510,250
4	Dominion Packers & Realties (Ballantry)	700	\$ 8,644	\$ 6,050,800
16	Chantler - Residential	148	\$ 6,041	\$ 894,068
	Chantler - Non-Residential	65	\$ 6,041	\$ 392,665
3	Thomasfield Homes Ltd.	210	\$ 8,644	\$ 1,815,240
2	Carson Reld Homes Ltd.	182	\$ 8,644	\$ 1,573,208
1	D'Angelo	320	\$ 8,644	\$ 2,766,080
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 6,041	\$ 308,091
Subtotal		4,120		28,564,356

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Overcontribution amounts of \$7,000 have been Indexed from 2019 to 2021 at 5.67%

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

"Note 4: The Overcontribution amounts for the Hillsburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

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Schedule Date: February 25, 2021

Total Wastewater Treatment D.C. and Overcontribution Payable				
Reference Number to Ownership Map	Owner	Unit Allocation by Landowner (SDE)*	Wastewater Treatment Plant D.C. and Overcontributions Per SDE (2021\$)^ ⁱⁱ	Total Payable (2021\$)
17	Homes in the Hill Inc.	-	\$ 16,589	\$ -
7, 8, 9	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Residential	1,338	\$ 16,589	\$ 22,196,082
	Equity Venture Group Corp. / National Properties Inc. (Solmar) - Non-Residential	281	\$ 16,589	\$ 4,661,509
10	Logel's Auto Parts Ltd.	-	\$ 16,589	\$ -
11	Town of Erin	-	\$ 16,589	\$ -
5	2779181 Ontario Ltd.	365	\$ 16,589	\$ 6,054,985
6	2779176 Ontario Ltd.	210	\$ 16,589	\$ 3,483,690
12	Derrydale Golf (Erin Heights Golf Course)	250	\$ 16,589	\$ 4,147,250
4	Dominion Packers & Realties (Ballantry)	700	\$ 19,192	\$ 13,434,400
16	Chantler - Residential	148	\$ 16,589	\$ 2,455,172
	Chantler - Non-Residential	65	\$ 16,589	\$ 1,078,285
3	Thomasfield Homes Ltd.	210	\$ 19,192	\$ 4,030,320
2	Carson Reid Homes Ltd.	182	\$ 19,192	\$ 3,492,944
1	D'Angelo	320	\$ 19,192	\$ 6,141,440
14	2584343 Ontario Inc. (Kensington Square)	51	\$ 16,589	\$ 846,039
Subtotal		4,120		72,022,116

*Note 1: SDE = Single Detached Equivalent

^Note 2: The Wastewater Treatment D.C. and Overcontributions amounts have been indexed from 2019 to 2021 at 5.67%

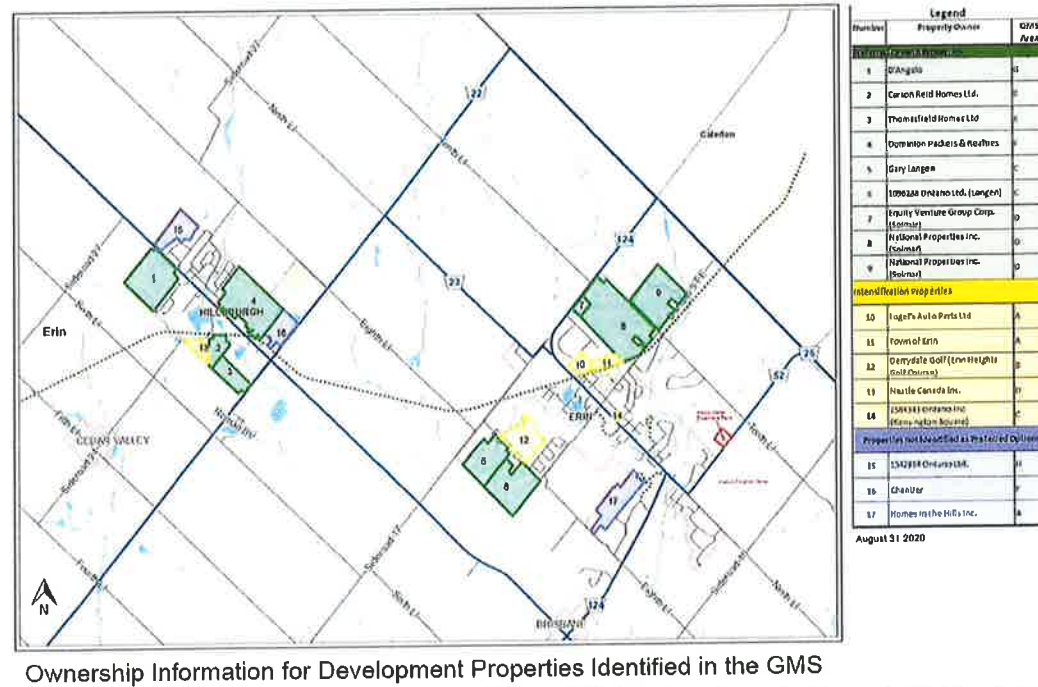
*Note 3: The Overcontribution amounts for the Wastewater Treatment Plant represents 82% of the total overcontributions per SDE

*Note 4: The Overcontribution amounts for the Hillsburgh Developers (excluding Chantler) have been updated as per their Agreement with the Town of Erin

Conversion Factor for Single Detached Equivalent (SDE) Units				
Unit Type	Persons Per Unit (Based on the 2019 D.C. Background Study)	Equivalent SDE	Wastewater Treatment D.C. Payable as of January 1, 2021	Wastewater Treatment Overcontribution (2021\$)
Singles and Semi Detached	3.193	1.00	\$10,548 Per Unit	\$6,041 Per Unit
Multiples	2.314	0.72	\$7,644 Per Unit	\$4,378 Per Unit
Apartments: 2 Bedrooms or more	1.618	0.51	\$5,345 Per Unit	\$3,061 Per Unit
Apartments: Bachelor and 1 Bedroom	1.375	0.43	\$4,542 Per Unit	\$2,602 Per Unit
Special Care/ Special Dwelling	1.100	0.34	\$3,634 Per Unit	\$2,081 Per Unit
Non-Residential			\$3.56 Per sq. ft.	\$0.00 Per sq. ft.

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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.



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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

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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.

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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 Town 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 Town 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.



THE CORPORATION OF THE TOWN OF ERIN

By-Law # 21-38

A By-law to confirm the proceedings of Council at its Special Meeting held August 24, 2021

Whereas, Section 5, Subsection 1 of the *Municipal Act*, being Chapter 25 of the Statutes of Ontario, 2001, the powers of a municipal corporation are to be exercised by its Council;

And Whereas, Section 5, and Subsection 3 of the *Municipal Act* the powers of every Council are to be exercised by By-Law;

And Whereas, it is deemed expedient that the proceedings of the Council of the Corporation of the Town of Erin at its meeting held **August 24, 2021** be confirmed and adopted by By-Law;

The Council of the Corporation of the Town of Erin Enacts as Follows:

1. That the action of the Council at its Special Meeting held on **August 24, 2021** in respect to each report, motion, resolution or other action passed and taken by the Council at its meeting, is hereby adopted, ratified and confirmed, as if each resolution or other action was adopted, ratified and confirmed by separate by-law.
2. That the Mayor and the proper officers of the Town are hereby authorized and directed to do all things necessary to give effect to the said action, or to obtain approvals where required, and, except where otherwise provided, the Mayor and the Clerk are hereby directed to execute all documents necessary in that behalf and to affix the corporate seal of the Town to all such documents.
3. That this by-law, to the extent to which it provides authority for or constitutes the exercise by the Council of its power to proceed with, or to provide any money for, any undertaking work, project, scheme, act, matter of thing referred to in subsection 65 (1) of the **Ontario Municipal Board Act**, R.S.O. 1990, Chapter 0.28, shall not take effect until the approval of the Ontario Municipal Board with respect thereto, required under such subsection, has been obtained.
4. That any acquisition or purchase of land or of an interest in land pursuant to this by-law or pursuant to an option or agreement authorized by this by-law, is conditional on compliance with **Environmental Assessment Act**, R.S.O. 1990, Chapter E.18.

Passed in open Council on August 24, 2021.

Mayor, Allan Ails

Clerk, Lisa Campion