THE CORPORATION OF THE TOWNSHIP OF SOUTHGATE

PROPERTY SALE

Concession 15, Lot 15, Geographic Township of Proton, Township of Southgate, County of Grey, alternately known as 225579 Southgate Road 22

OFFERS FOR PURCHASE

This package includes the following documents:

Notice of Sale by Public Tender
Property Summary
Land Use Planning Information Summary
Agreement of Purchase and Sale
Profit A Prendre Agreement
Easement Schedule
Offer Form

If your package is missing any of the above noted documents or you have any questions regarding this sale of land, please contact one of the undersigned:

For questions relating to the lands and the aggregate license please contact Jim Ellis, CAO – jellis@southgate.ca 519-923-2110 ext. 210

For questions relating to the land sale process directly please contact Lindsey Green, Clerk – lgreen@southgate.ca 519-923-2110 ext. 230

To schedule a time to view the property please contact John Watson, Acting Public Works Manager - jwatson@southgate.ca 519-923-2110 ext. 250

SALE OF LANDS BY PUBLIC TENDER

The Corporation of the Township of Southgate invites offers to purchase for the following property, which is owned by the Township and has been declared surplus to the needs of the Township:

Concession 15, Lot 15, Geographic Township of Proton, Township of Southgate, County of Grey, alternately known as 225579 Southgate Road 22

Property Information

The property is located at 225579 Southgate Road 22, also known as the "Road 22 Pit". Please see the below key map for detail (yellow outlined):

The property is being sold in an "as is" condition, without any representations or warranties from the seller. The buyer agrees to take the property titles "as is" and should therefore do their own due diligence prior to submitting an offer to purchase.

The purchaser shall take notice that the Township of Southgate will retain the Ministry of Natural Resources and Forestry Aggregate License No. 625870 until the extraction and the rehabilitation operations are completed by the Township. The Township of Southgate shall have easement access to and maintain responsibility of the dust control of the entrance/driveway of the pit haul route during operation season. The Township shall maintain all Aggregate License No. 625870 Operational Plan conditions such as, but not limited to, marker posts, signage, and fencing requirements.

A property summary and land use planning summary providing additional information, along with the agreement of purchase and sale, profit a prendre agreement and easement schedule, are included with this package and available at the Township of Southgate Administration Office, 185667 Grey County Road 9, Dundalk Ontario N0C 1B0.

The Township of Southgate makes no representations or warranties as to the accuracy or completeness of any information provided to purchasers and such purchasers acknowledge that any information provided by the Township of Southgate or any of its advisors or representatives is subject to the purchaser's verification and such purchaser will not hold the Township of Southgate or its advisors or representatives liable, or make any claims against them, based upon the inaccuracy or incompleteness of any such information. Except for the specific representations and warranties for the Township of Southgate contained in the Agreement of Purchase and Sale:

a. The Purchaser acknowledges that they are acquiring the Properties in an "as is" condition and that the Vendor gives no representation or warranties with respect to the Property whatsoever including, but not limited to, the existing physical conditions of this Property, environmental conditions, fitness for any purpose, or the availability of municipal services and utilities necessary for the Purchaser's proposed use of the Property.

Conditions of Sale

1. All offers must be submitted on the Township's form, included below, or may be obtained at the Corporation of the Township of Southgate Administration Office, 185667 Grey County Road 9, Dundalk Ontario N0C 1B0 and must be received via email to tenders@southgate.ca or lgreen@southgate.ca or mailed or dropped off at the Township Office before **2:00 p.m. on April 23, 2025**, in a sealed envelope clearly marked "Offer to Purchase, 225579 Southgate Road 22", and must include the following:
    a. Agreement of Purchase and Sale
    b. Profit A Prendre Agreement
    c. Minimum deposit of 10% of the purchase price, by certified cheque payable to the Corporation of the Township of Southgate
2. The Township may choose to not accept any offer received and reserves the right to negotiate with any Purchaser.
3. The Purchaser shall be responsible to retain a solicitor, preferably with experience in registering easements and notices on title to the property, to complete the transaction at their cost and must provide the Township with the name of the solicitor within ten (10) days of acceptance of the Purchaser's Offer.

Please note the following property summary should be read in conjunction with the Agreement of Purchase and Sale, Profit A Prendre Agreement and Easement Schedule and Land Use Planning Information.

Dated at the Township of Southgate this 24th day of March 2025.

Lindsey Green, Clerk
Township of Southgate,
185667 Grey County Road 9, Dundalk, Ontario N0C 1B0
Phone: 519-923-2110 ext. 230 Email: lgreen@southgate.ca

The Corporation of the Township of Southgate

Property Summary
225579 Southgate Road 22

Legal Description: Concession 15, Lot 15, Geographic Township of Proton, Township of Southgate, County of Grey, alternately known as 225579 Southgate Road 22
Roll Number: 42-07-090-003-03300-0000

Property Information:
The property is located at 225579 Southgate Road 22, also referred to as the "Road 22 Pit". The property is being sold in an "as is" condition.

The purchaser shall take notice that the Township of Southgate will retain the Ministry of Natural Resources and Forestry Aggregate License No. 625870 until the extraction and the rehabilitation operations are completed by the Township. The Township of Southgate shall have easement access to and maintain responsibility of the dust control of the entrance/driveway of the pit haul route during operation season. The Township shall maintain all Aggregate License No. 625870 Operational Plan conditions such as, but not limited to, marker posts, signage, and fencing requirements.

Approximate Size: 99.5 acres total (approx. 60 acres workable)

Details:

- Stone House – restored in 1991 (as a result of a house fire)
- Pole Shed – 32' x 48' constructed in 2000
- Bank Barn (of no value)
- Drilled well – 160 - 170 feet deep
- Septic system – installed in 1988

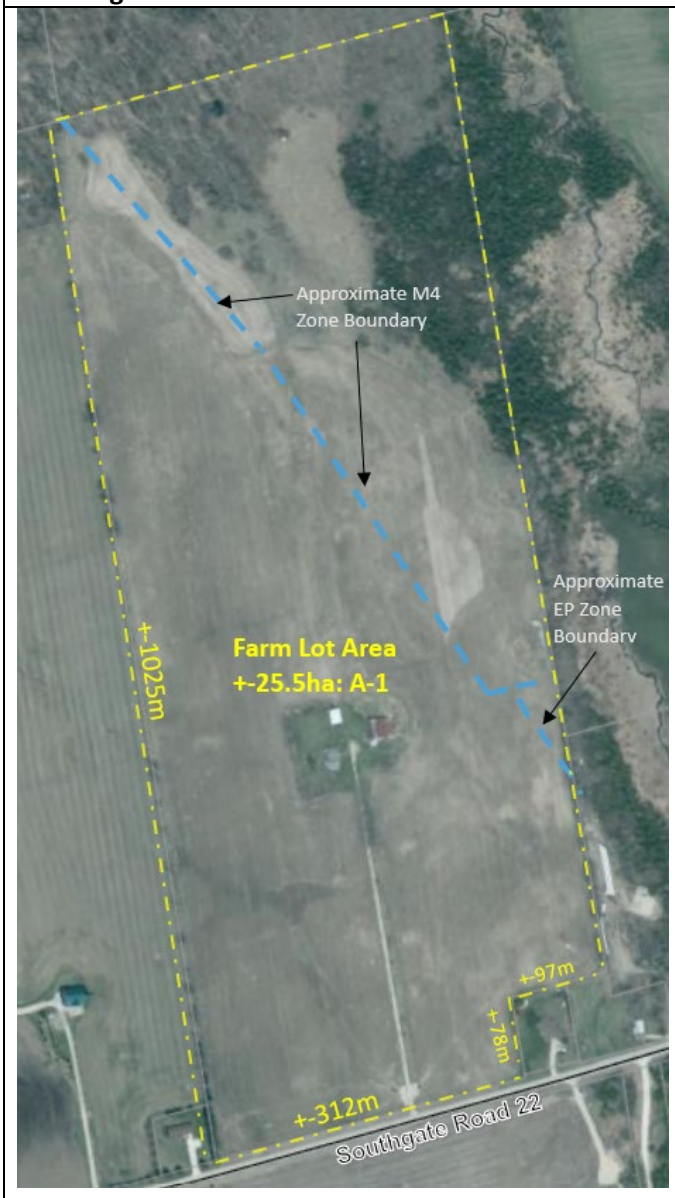
Zoning: Extractive Industrial Zone (M4), Agriculture Zone (A1) and Environmental Protection Zone (EP)

Pricing: The Township has received an opinion of market value of the property totalling One Million Nine Hundred and Fifty Thousand Dollars ($1,950,000.00).

The Township will entertain all offers submitted.

Pre-Consultation Planning Summary Public Sale of Lands

Date	March 23, 2024
Name of Owner	Township of Southgate
Email of Applicant	lgreen@southgate.ca
Address of Site	225579 Southgate Road 22
Roll Number	420709000303300
Legal	Concession 15 Part Lot 15
Description of Proposal	99.5 acres for Sale by Public Tender
Southgate Official Plan	Agriculture, Hazard Land
Southgate Zoning Bylaw	Agricultural-1 (A-1), Extractive Industry (M4), Environmental Protection (EP)
Planning Contact	Victoria Mance vmance@southgate.ca



Notes:

- Lot Frontage +-312m, Maximum Lot Depth +-125m
- Lot Area +-40 ha irregular (see public tender regarding Provincial Aggregate License 625870)

- Township Official Plan Land Use Designations: Agriculture, and mostly on northeast part of site; portions are Environmental Protection; partially Aggregate Resource, Partly Wetland & Significant Woodland. See attached Township Official Plan Land Use Map.

- Potential for Lot Severance: Limited. Refer to Section 5.4.1.3 in Township Official Plan.

- Potential For On-Farm Diversified Uses: Possible. Refer to Section 5.4.1.2 (4). Current procedures require rezoning application under Section 34 of the Ontario Planning Act .

- Township Zoning By-law A -1 zone permits agricultural uses, commercial greenhouses and other uses set in Section 6.1 subject to applicable site and building regulations in Section 6.2 and other applicable requirements

- The Grey County Official Plan contains policies that impact on development of the lands offered for sale. The Agricultural designation in the County Official Plan, and other applicable policies and provisions apply. Grey County is the approval authority for some Planning Act applications in Southgate.

-The Saugeen Valley Conservation Authority regulates lands in and around the subject lot. Conservation Authority planning and development policies and regulations may impact on future development options.

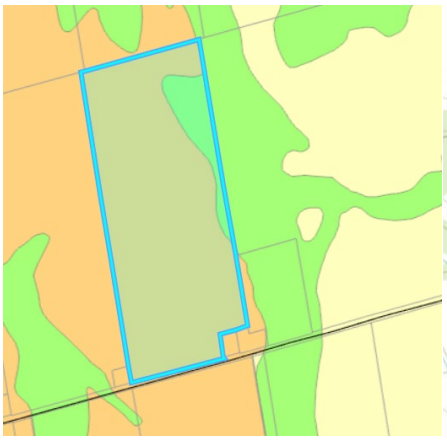
General Statement: The Township Planning Department Staff have provided the above information to summarize the development potential of the lands offered for sale. Policies of Grey County and Saugeen Valley Conservation Authority also impact development potential. Policies and zoning provisions are subject to interpretation and confirmation. Purchasers must conduct their own due diligence regarding development potential of the lands offered for sale, including contacting the County and Saugeen Valley Conservation Authority.

Background Information

225579 Southgate Road 22, A1 zoned area +-257,720 sqm 25.77ha or 63 acres

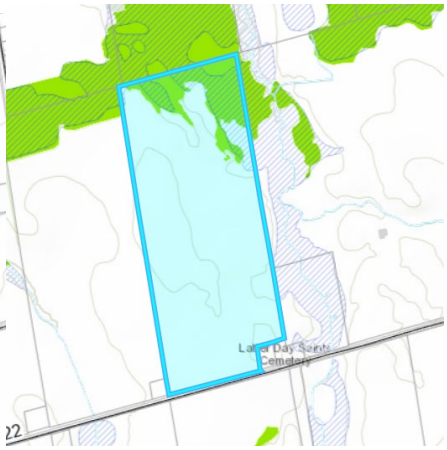
[Township Official Plan]

Land Use Agriculture/Hazard



Aggregate Resource

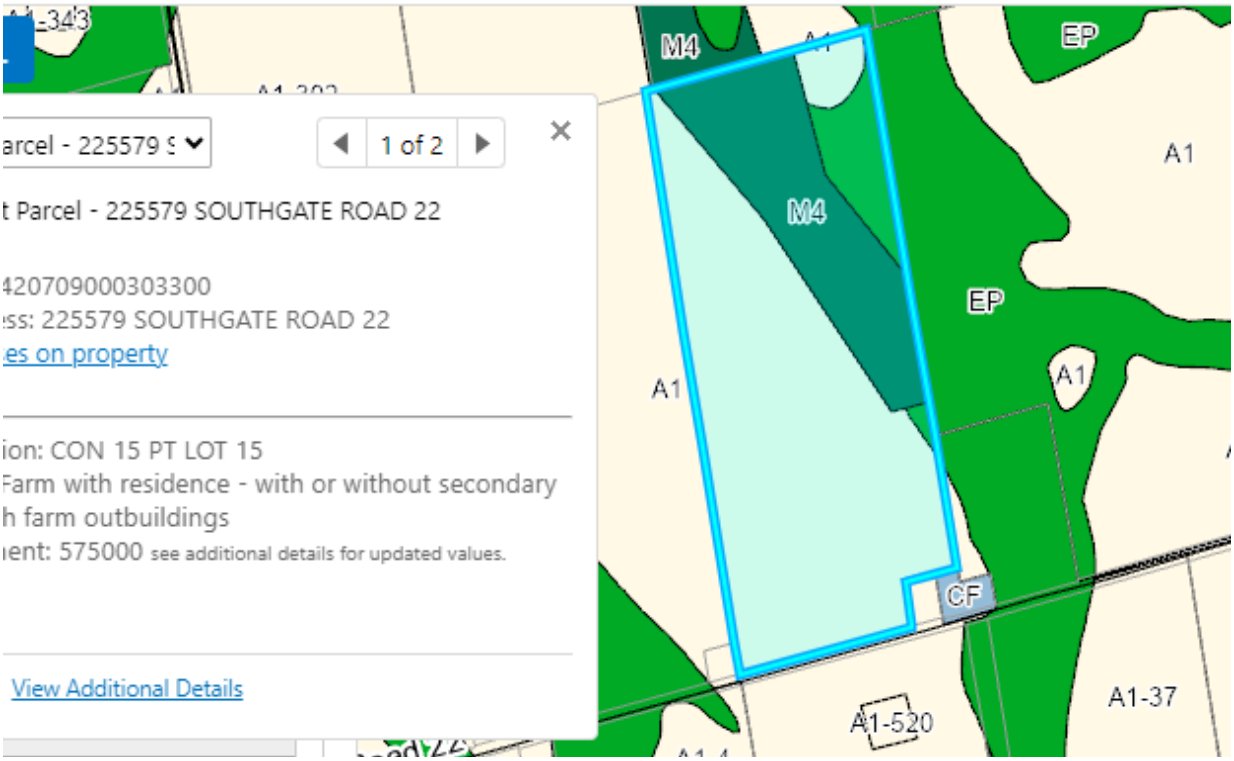
Wetland, Significant Woodland



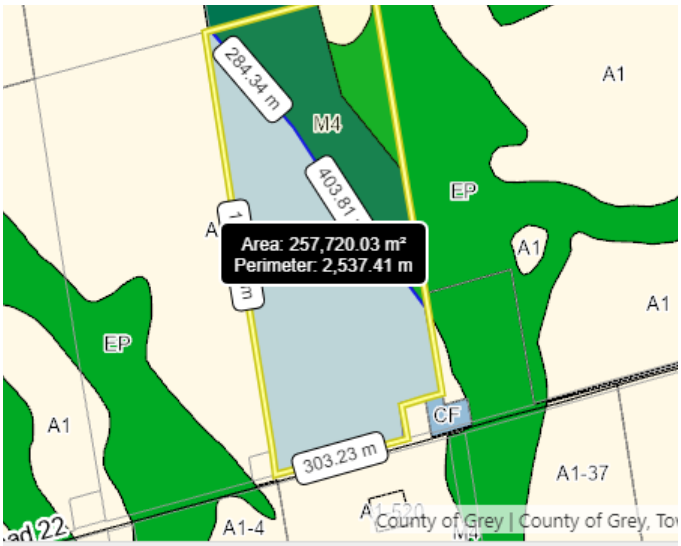
Agricultural
Rural
Village Community
Inland Lakes
Hazard Land

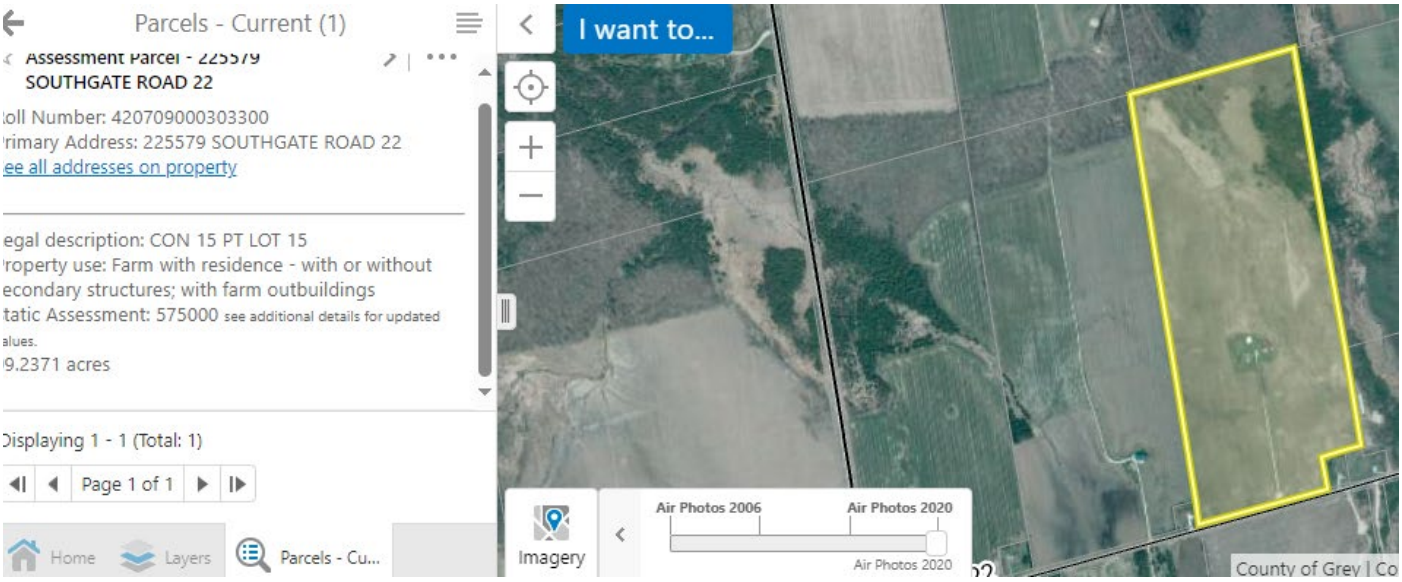
[Township Zoning Bylaw]

Agricultural 1 (A-1), Extractive Industry (M4), Environmental Protection (EP)



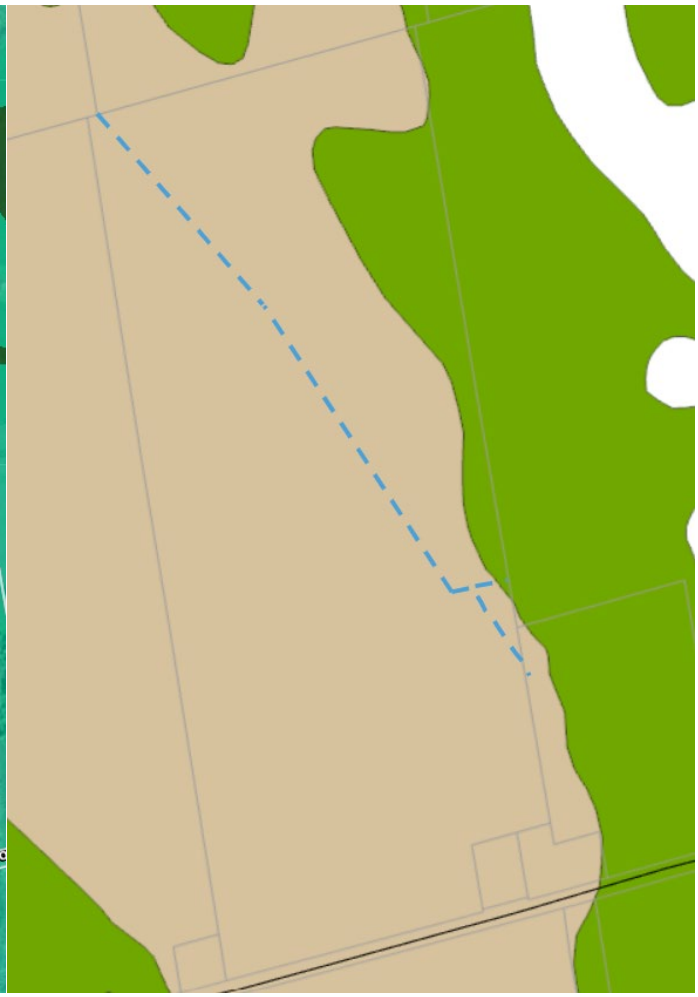
A-1 Zoned Area +-257,720 sqm 25.77ha or 63 acres



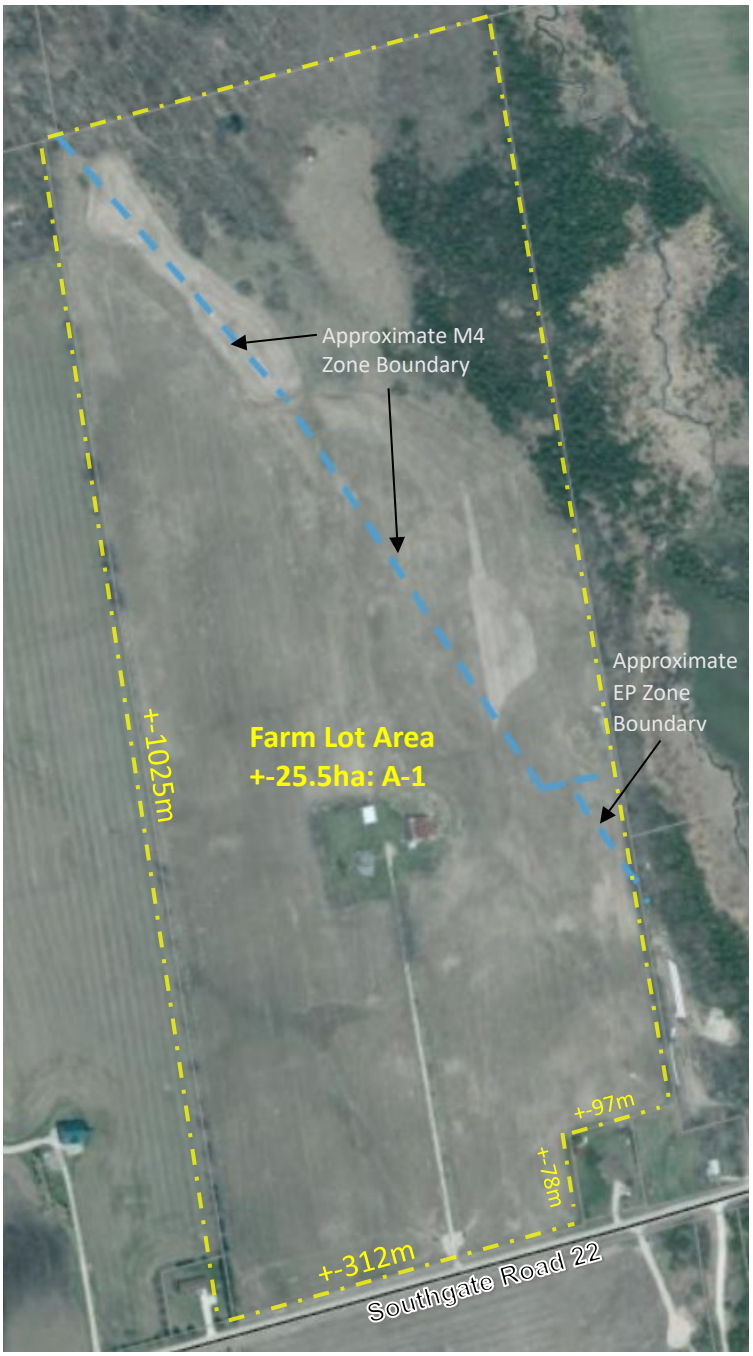


[Saugeen Valley Conservation Authority]

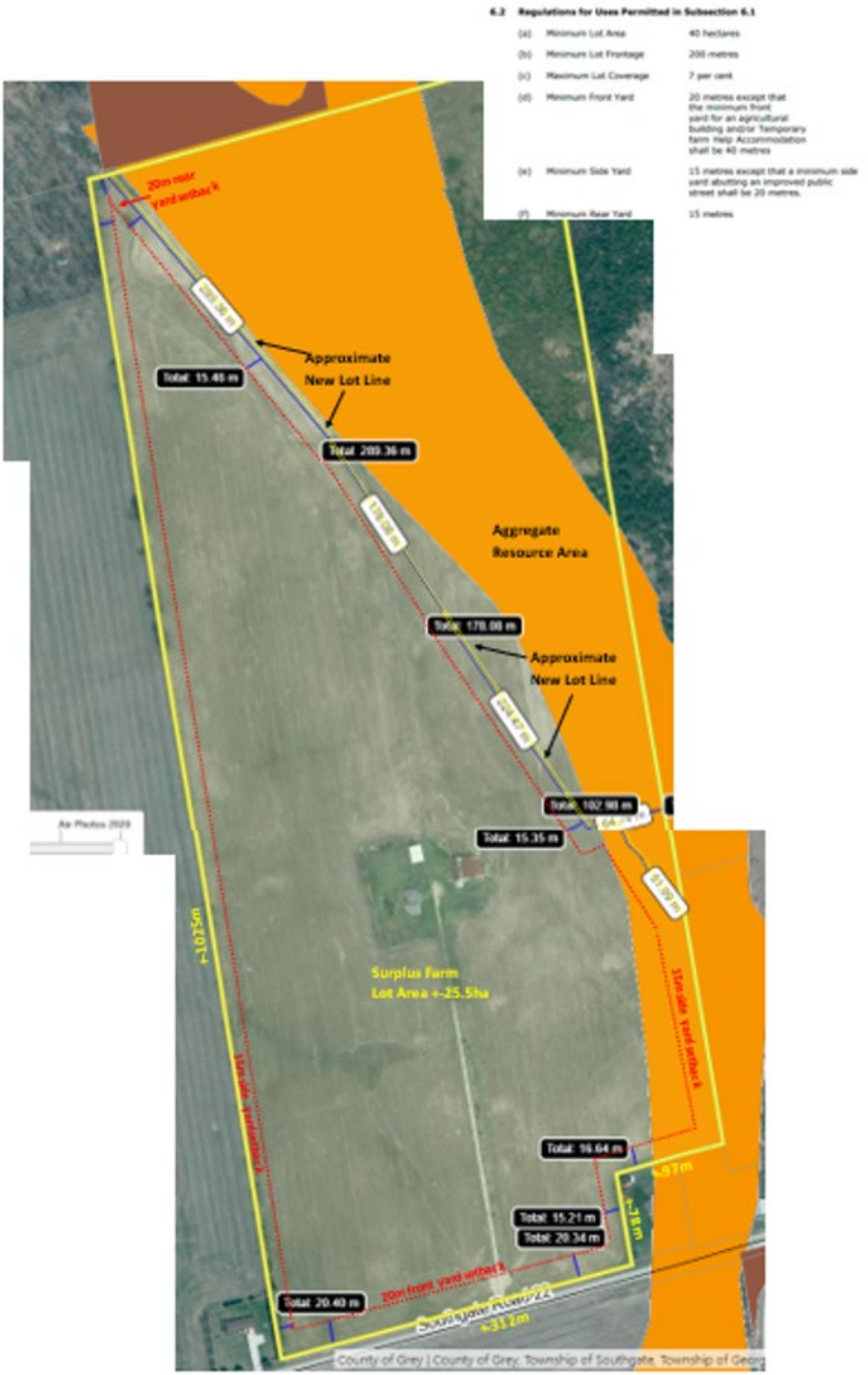
[Grey County Official Plan]



Preliminary Sketch Plan



Approximate Site Dimensions



AGREEMENT OF PURCHASE AND SALE (the "Agreement" or "APS")
this ____ day of _____, 2025.

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF SOUTHGATE

(the "Vendor")

-and-

_____

(the "Purchaser")

WHEREAS the Vendor is the owner, in fee simple, of the lands and premises described in Schedule "A" (the "Subject Property");

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

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

SECTION I
GENERAL

1. The Purchaser agrees to purchase the Subject Property and the Vendor agrees to sell the Subject Property according to the terms of this Agreement.

2. In consideration of the agreement referred to in the preceding paragraph, the Purchaser shall pay a total Purchase Price of $_____ to the Vendor. The Purchase Price shall be paid as follows:

   (a) _____ (**a minimum of 10% of the purchase price**) is payable by the Purchaser by certified cheque or bank draft upon execution of this Agreement, to be held on an interest free basis by the Solicitor for the Vendor as a deposit pending completion of this transaction on account of the Purchase Price on completion, or if this Agreement is not completed through no fault of the Purchaser, the deposit shall be returned to the Purchaser; and

   (b) The balance of the Purchase Price, subject to adjustments, shall be paid to the Vendor on the Completion Date, by certified cheque or bank draft.

3. Irrevocable Date

   (a) This APS shall be irrevocable by the Vendor until 5:00 p.m., _____, 2025, after which time, if not accepted, the APS shall become null and void and the deposit shall be returned to the Purchaser in full without interest.

SECTION II
PURCHASE OF SUBJECT PROPERTY

4. Deed, Notice of Agreement, and Easement

   (a) The Vendor agrees to deed or transfer the Subject Property to the Purchaser subject to the terms of this Agreement. The Purchaser will pay all Land Transfer Tax, Harmonized Sales Tax, Surveying, Legal Fees including but not limited to the finalization of this APS, the Profit A Prendre Agreement, and Easement referred to in this section, and other costs in connection with the registration of it.

(b) Following registration of the deed or transfer, the Purchaser agrees, at its expense, to register a Notice of Agreement, interest in the Subject Property, by the Completion Date pursuant to the Land Titles Act R.S.O. The Notice of Agreement will be in reference to the attached Schedule "B" ("Profit A Prendre Agreement") which shall be executed by the Purchaser and Vendor within 24 hours of executing this APS, failing to do so will result in this APS becoming null and void and the deposit shall be returned to the Purchaser in full without interest. The Profit A Prendre Agreement shall be referred in the Notice of Agreement by way of a schedule.

(c) Following registration of 1. the deed or transfer, and 2. the Notice of Agreement, the Purchaser agrees, at its expense, to register an easement over the Subject Property by the Completion Date, pursuant to the Land Titles Act R.S.O, in favour of the Vendor. This shall be an easement in gross, in favour of the Vendor over Part 1, Plan 16R-12183, a copy of which is attached to this APS as Schedule "C-1". The easement shall include a schedule forming part of the easement in gross, a copy of which is attached to this APS as Schedule "C-2".

5. Completion Date

(a) The closing of this transaction shall be not later than 5:00 p.m. on _____, 2025 or such other date as mutually agreed upon (the "Completion Date") at which time possession of the Subject Property in "as is, where is" condition shall be given to the Purchaser other than as provided in this APS. The Vendor acknowledges that it has the right and authority to sell the Subject Property.

6. Council Approval

(a) This transaction is subject to compliance with Section 270 of the *Municipal Act, 2001*, S.O. 2001, c. 25 as amended and the approval of the Council of The Corporation of the Township of Southgate in its sole and absolute discretion by by-law. Council approval shall be obtained on or before the Completion Date, or this agreement will be null and void and the deposit returned without interest or deduction.

7. Documents, Reports and Information

(a) The Vendor will produce and deliver to the Purchaser within thirty (30) days of the execution of the APS any documents, reports or information in its possession in respect to the Subject Property. The Purchaser agrees to return all of the above documentation to the Vendor if this transaction is not completed.

SECTION III
CONDITIONS, REPRESENTATIONS AND WARRANTIES

8. "As Is" Condition

(a) The Purchaser acknowledges that it is acquiring the Subject Property in an "as is" condition and that it must satisfy itself within thirty (30) days of the execution of the APS regarding the condition of the Subject Property including, but not limited to, all existing physical conditions of this Subject Property, environmental conditions, fitness for any purpose, suitability for construction, soil bearing capacity for any building proposed, and the availability of municipal services and utilities necessary for the Purchaser's proposed use of the Subject Property. The Purchaser acknowledges that the Vendor shall not be responsible for any physical deficiencies of this Subject Property or for any past, present or future environmental liabilities and hereby waives any claims against the Vendor in respect of any environmental liabilities on this Subject Property. The Purchaser agrees to sign a release and indemnity in favour of the Vendor on or before closing with respect to matters set out in the preceding sentence. If the Purchaser is for any reason whatsoever dissatisfied with the Subject Property, it shall deliver written notice to that effect to the Vendor by no later than the time specified herein, and this Agreement shall be terminated and the deposit shall be returned to the Purchaser without interest or deduction. If the Vendor is notified that the condition of the Subject Property is not satisfactory, then the Purchaser shall, prior to receiving its deposit monies back and prior to being entitled to a full release from the Vendor with respect to this Agreement, restore the Subject Property to its original condition as it existed prior

to such testing or inspection by the Purchaser, at the Purchaser's sole expense. If the Purchaser fails to deliver written notice to the Vendor within the time specified herein regarding this condition, this condition shall be deemed to have been waived by the Purchaser.

9. Aggregate License

Upon completion of this transaction, the Township of Southgate shall retain the Ministry of Natural Resources and Forestry Aggregate License No. 625870 and the Purchaser shall continue to provide full access to the Aggregate Pit and to allow the Township to operate and extract materials on the Aggregate Pit located on the Subject Property until the extraction and the rehabilitation operations are completed by the Township, as more clearly described in Schedule "B", the Profit A Prendre Agreement.

10. Investigation by the Purchaser

(a) The Purchaser acknowledges having inspected the Subject Property prior to executing the APS and understands that upon the execution by the parties of this APS, and subject to any conditions herein, there shall be a binding agreement of purchase and sale between the Purchaser and the Vendor. It shall be the Purchaser's responsibility to provide, at its own expense, any soil bearing capacity tests or environmental inspection, as may be required or desired, and the Vendor shall grant the Purchaser access for such testing or inspection at all reasonable times, on reasonable notice, for the purpose of conducting reasonable inspections.

11. Future Use

(a) It is the Purchaser's responsibility to confirm that the Purchaser's intended use of the Property is compliant with current zoning of it or if rezoning is necessary and other compliance requirements. Further, existing water courses or drainage ditches on the Property must be maintained and not altered to impact other landowner's properties.

SECTION IV
PRIOR TO COMPLETION DATE

12. Purchaser May Inspect the Subject Property

(a) Purchaser acknowledges having had the opportunity to inspect the property and understands that upon acceptance of the Offer there shall be a binding agreement of purchase and sale between the Purchaser and Vendor.

(b) The Purchaser shall have the right to inspect the property one further time prior to completion, at a mutually agreed upon time, provided that written notice is given to the Vendor. The Vendor agrees to provide access to the property for the purpose of this inspection.

13. Insurance

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

SECTION V
COMPLETING THE TRANSACTION

14. Deed, Notice of Agreement, and Easement

(a) The Deed or Transfer of the Subject Property will be prepared at the expense of the Purchaser in a form acceptable to the solicitors for the Vendor and Purchaser. The

Purchaser will pay all Land Transfer Tax, Harmonized Sales Tax, Surveying, Legal Fees including but not limited to the finalization of this APS, the Profit A Prendre Agreement, and Easement referred to in this section, and other costs in connection with the registration of it.

(b) Following registration of the deed or transfer, the Purchaser agrees, at its expense, to register a Notice of Agreement, interest in the Subject Property, by the Completion Date pursuant to the Land Titles Act R.S.O. The Notice of Agreement will be in reference to the attached Schedule "B" ("Profit A Prendre Agreement") which shall be executed by the Purchaser and Vendor within 24 hours of executing this APS, failing to do so will result in this APS becoming null and void and the deposit shall be returned to the Purchaser in full without interest. The Profit A Prendre Agreement shall be referred in the Notice of Agreement by way of a schedule.

(c) Following registration of 1. the deed or transfer, and 2. the Notice of Agreement, the Purchaser agrees, at its expense, to register a Transfer Easement over the Subject Property by the Completion Date, pursuant to the Land Titles Act R.S.O, in favour of the Vendor. This shall be an Easement In Gross, in favour of the Vendor over Part 1, Plan 16R-12183, a copy of which is attached to this APS as Schedule "C-1". The easement shall include a schedule forming part of the Easement In Gross, a copy of which is attached to this APS as Schedule "C-2".

15. Electronic Registration

(a) The parties agree that the transaction shall be completed by electronic registration pursuant to Part III of the *Land Registration Reform Act*, R.S.O. 1990, c.L.4 as amended. The parties acknowledge and agree that the delivery and release of documents may, at the discretion of the lawyer: a) not occur contemporaneously with the registration of the transfer/deed and other registerable documentation, and b) be subject to conditions whereby the lawyer receiving documents and/or money will be required to hold them in trust and not release them except in accordance with the terms of a written agreement between the lawyers entered into in the form of the Document Registration Agreement adopted by the Joint LSUC-OBOA Committee on Elective Registration of Title Documents.

16. Survey or Reference Plan

(a) The parties acknowledge that a Reference Plan may be registered on title and may be used to provide a registrable description of the Subject Property.

17. Title

(a) Purchaser shall accept title to the Property on an as is basis and without limiting the generality of the foregoing, the Purchaser specifically accepts title subject to: (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services Save as to any valid objection going to the root of the title, Purchaser shall be conclusively deemed to have accepted Vendor's title to the property.

18. Adjustments

(a) The Vendor agrees that all security deposits, if any, held by the Vendor including interest thereon shall be credited to the Purchaser in the Statement of Adjustments prepared for the Completion Date.

(b) Any rents, mortgage, interest, taxes, local improvements, water and assessment rates shall be apportioned and allowed to the Completion Date, the day itself to be apportioned to the Purchaser.

(c) The Purchaser agrees that the Vendor's legal fees and costs in connection with the completion of this transaction, including the completion of the Notice of Agreement and

Easement in Gross referred to in section 14 of this APS, shall be paid by the Purchaser and reflected on the statement of adjustments to be paid on Closing.

(d) The Purchaser agrees the Harmonized Sales Tax shall be collected at Closing and reflected on the statement of adjustments subject to the provisions of section 20 below.

19. Deliveries by the Vendor To The Purchaser on Closing

(a) The Vendor covenants and agrees to deliver to the Purchaser on the Completion Date, all such deliveries to be a condition of the Purchaser's obligation to close this transaction, the following:

(i) a deed/transfer to the Subject Property;

(ii) any survey or reference plan of the Subject Property in the possession of the Vendor;

(iii) a Statutory Declaration by an authorized officer of the Vendor stating that accurateness and truthfulness of all of the representations and warranties;

(iv) a Statutory Declaration by an authorized officer of the Vendor as to possession of the Subject Property in a form acceptable to the solicitors for the Purchaser;

(v) a Statutory Declaration by an authorized officer of the Vendor that it is not now, and upon completion will not be, a "non-resident person" within the meaning and for the purpose of Section 116 of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) as amended; and,

(vi) certified copies of all appropriate Certificates, By-Laws and other documents of Vendor authorizing the transaction herein.

20. Harmonized Sales Tax

(a) The parties hereto acknowledge and agree that the transaction contemplated herein is subject to the Harmonized Sales Tax (HST) under the *Excise Tax Act*, R.S.C., 1985, c. E-15 (the "Act") and that the Purchase Price does not include HST. The Vendor shall provide the Purchaser with its HST Business Number. The Purchaser shall pay to the Vendor any HST imposed under the Act payable in connection with the transfer of the Subject Property to the Purchaser, or as it may direct, unless the Purchaser or its nominee, or its assignee, provides:

(i) a certificate on or before the Completion Date containing a representation and warranty to the Vendor that:

(1) it is registered for the purpose of the HST on the Completion Date and specifying the HST registration number;

(2) it will self-assess the HST on its GST/HST return or file the prescribed form pursuant to subsection 228(4) of the Act in connection with the purchase of the Subject Property;

(3) the Subject Property transferred pursuant to this APS is being purchased by the Purchaser, or its nominee or assignee, as principal for its own account and is not being purchased by the Purchaser as agent, trustee or otherwise on behalf of or for another person, and does not constitute a supply of residential complex made to an individual for the purpose of paragraph 221 (2)(b) of the Act;

(4) an indemnity, indemnifying and saving harmless the Vendor from any HST payable on this transaction and penalty and interest relating to HST; and,

(5) a notarial true copy of its HST registration confirmation.

SECTION VI
MISCELLANEOUS

21. Entire Agreement

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

22. Tender

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

23. Time of Essence

(a) Time shall be of the essence of this Agreement.

24. Planning Act

(a) This Agreement shall be effective only if the provisions of Section 50 of the *Planning Act*, R.S.O. 1990, c.P.13, as amended are complied with.

25. Notices

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

Solicitors for the Vendor:

Dhanoa Law
ATTENTION: Invir Dhanoa
508 Riverbend Drive, Suite 237
Kitchener ON N2K 3S2
Phone: (226) 407-6240
Fax: (228) 946-1364
Email: invir@dhanoalaw.ca

Solicitors for the Purchaser:

ATTENTION:

Phone:
Fax:
Email:

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

26. Successors and Assigns

(a) The Purchaser shall be not be permitted to assign any and all of its right, title and interest in and to this APS. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

27. Schedules

(a) The following Schedules shall form an integral part of this Agreement:

(i) Schedule “A” Description of Subject Property; and

(ii) Schedule “B” Profit A Prendre Agreement.

(iii) Schedule “C-1” Plan 16R-12183

(iv) Schedule “C-2” Schedule to Easement in Gross

28. Acceptance by Fax or Email

(a) The Purchaser and Vendor acknowledge and agree that the communication of this Agreement of Purchase and Sale may be transmitted by way of facsimile or electronic mail, and that they agree to accept such signatures and documents to be legal and binding upon them.

29. Counterparts

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

30. Severability

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

----------remainder of this page left intentionally blank----------

IN WITNESS WHEREOF the parties have executed this Agreement.

The Corporation of the Township of Southgate

Brian Milne
Mayor

Lindsey Green
Clerk

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

XX

Per:
Title:
I have the authority to bind the corporation.

SCHEDULE "A"
LEGAL DESCRIPTION OF
THE SUBJECT PROPERTY

ALL AND SINGULAR that certain parcel or tract of land and premises situated, lying and being in the Township of Southgate in the County of Grey, being compromised of:

LT 15 CON 15 PROTON EXCEPT PT 1-4 17R2602; SOUTHGATE
LRO #16
PIN: 37278-0112

SCHEDULE "B"
PROFIT A PRENDRE AGREEMENT

PROFIT A PRENDRE IN GROSS AGGREGATE EXTRACTION AGREEMENT

(herein called the **"PaPA"** or the "**Agreement**")

THIS AGREEMENT is made the ___ day of _____, 202__

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF SOUTHGATE., (the "Township")

-and-

_____., (the "Purchaser")

BACKGROUND

1. **WHEREAS** pursuant to an Agreement of Purchase and Sale between the Township and Purchaser, the Purchaser shall own in fee simple the property legally described as LT 15 CON 15 PROTON EXCEPT PT 1-4 17R2602; SOUTHGATE in Schedule A ("the Subject Property") and as shown on the map depicted in Schedule B, (the "Map of the Subject Property").

2. **AND WHEREAS** the Township is the Licencee and is authorized pursuant, to a licence (the "Subject Licence") marked as Schedule C-1 issued by the Province of Ontario (MNRF), and by the approved Operational Plan marked as Schedule C-2, to extract aggregate from the Subject Property, in accordance with the terms of the Subject Licence. The Township obtained the Subject Licence as the registered owner of the Subject Property, prior to transferring title of the Subject Property to the Purchaser.

3. **AND WHEREAS** it is the Parties intention that the Township shall retain the Subject Licence notwithstanding the ownership of the Subject Property.

4. **AND WHEREAS** The Township and the Purchaser, mutually want to enter into this "Profit a Prendre in Gross Aggregate Extraction Agreement" ("PaPA" or "Agreement"), wherein the Township shall have the exclusive right, for a term of forty (40) years from the date of execution of the Agreement, to conduct aggregate "Extraction Operations" (the "Operations") from and upon the Subject Property, on the terms and condition set out in this PaPA.

NOW THEREFORE IN CONSIDERATION of the premises and the mutual covenants herein contained, and the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS, INTERPRETATION AND SCHEDULES

(a) The definitions for this Agreement are set forth in Schedule "D" and are incorporated by reference and made a part of this Agreement.

(b) Unless specified otherwise, a reference in this Agreement to a statute or statutory provision refers to that statute or statutory provision as it may be amended, or to any restated or successor statute or statutory provision of comparable effect. A reference to a statute includes any statutory instruments, rules and regulations made under such statute.

(c) The division of this Agreement into articles, sections, subsections, paragraphs and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement**.** References to section, paragraph or schedule refer to the applicable section, paragraph or schedule of this Agreement. All uses of the words "hereto", "herein," "hereof," "hereby" and "hereunder" and similar expressions refer to this Agreement as a whole and not to any particular section or portion of it.

(d) In this Agreement, words in the singular include the plural and vice-versa and words in one gender include all genders. The term "including" means "including without limitation".

(e) This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada in force in Ontario.

(f) Any action is required to be taken pursuant to this Agreement on or by a specified date which is not a Business Day, then such action shall be valid if taken on or by the next succeeding Business Day. In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Toronto time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall terminate at 5:00 p.m. (Toronto time) on the next Business Day.

(g) The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and the parties to this Agreement have contributed to the drafting and review of the Agreement, and no rule of *contra preferendum* or strict construction shall be applied against any Party.

(h) The following schedules are incorporated by reference into and form part of this Agreement

Schedule	Description of Schedule
A	Legal Descriptions of the Subject Property
B	The Map of the Subject Property
C-1	The Subject Licence
C-2	Operational Plan
C-3	Haul Route
D	Definitions and Interpretation
E	Agreed Admissions by the Township & the Purchaser
F	PaPA Case law

(i) The recitals (Background) are true in substance and in fact, and form an integral part of the Agreement.

2. RETENTION OF THE SUBJECT LICENCE

The Township and the Purchaser agree that the Township shall retain ownership of the Subject Licence, irrespective of the Purchaser holding title to the Subject Property. The following terms shall apply:

(a) The Township and the Purchaser have agreed that the Township will continue to occupy areas of the Subject Property, specifically, the areas on which the aggregate Pit is located, being (the "Licenced Lands"), and the roadway used to access the Licensed Lands, being the ("Haul Route") as shown on the Reference Plan as Part 1 on Plan 16R-12183, attached hereto as Schedule C-3, both of which are subject to the terms of this Profit-a-Prendre In Gross Agreement, which permits the Township to have the rights of 40 years from the date of execution of this Agreement, to exercise the extraction rights to mine for, extract, and process, if applicable, and remove all separated aggregate from the "Licenced Lands" and such other ancillary rights that may reasonably be needed to mine for, extract, and process, if applicable, and remove all separated aggregate, including, access to and from the extraction areas, being the Haul Route, constructing a road system within the "Licenced Lands" if needed, and also being within the active extraction areas, locating equipment and structures ancillary to such extraction uses, such as weigh scales for weighing and/or measuring all aggregate and topsoil, if any, taken off-site of the "Licenced Lands" by the Township or any third party, who / which is about to remove any such aggregate or topsoil, from the "Licenced Lands".

(b) The Purchaser grants to the Township the exclusive right to conduct Investigations and use the Subject Property for Operations. In addition thereto, the Township shall have the right to import and recycle asphalt and concrete upon the Subject Property.

(c) The Township shall exercise the rights granted to it under Section 2(b) in accordance with the terms of this Agreement and shall, at all times during the Term, comply in all material respects with Applicable Law in respect of its conduct of Operations on the Property. Without limiting the generality of the foregoing, in conducting the Operations on the Property, the Township shall comply in all material respects with all requirements of Environmental Laws and the discharge and handling of Hazardous Materials.

(d) The Purchaser grants the Township the exclusive right to conduct Operations during the term of this Agreement, and the Purchaser shall not enter into any other agreement or arrangement directly or indirectly with any other Person or entity such that the Operations are or may be interfered with or restricted in any manner during the term of the Agreement.

3. COOPERATION OF THE PURCHASER

(a) The Purchaser shall refrain from taking any action that could result in a breach of or default under a Site Plan or any Licence relating to any of the Subject Property or that could otherwise impair the validity of any such Licence or impair or interfere or restrict the Operations.

(b) The Purchaser shall further cooperate with the Township and do all things necessary in order for the Township to and obtain:

(i) any amendments to the Subject Licence, as deemed necessary or desirable by the Township (including to extract at deeper levels at the Subject Property); and,

(ii) any other approval, consent, licence, permit or authorization (and/or any amendment thereto) from any Governmental Authority or other third party, or any change to any Applicable Law, that may be required from time to time in order to allow the Township to conduct Operations on the Subject Property, and to give effect to this Agreement.

4. PROFIT A PRENDRE IN GROSS TERMS

(a) The Purchaser hereby grants to the Township, as appurtenant for the Subject Property in the nature of Operational Easements in, through, along and upon such portions of the Subject Property required for the purposes of conducting Operations. The Operational Easements shall apply to the Operations and ancillary requirement to conduct the Operations including but not limited to operating and improving the Subject Property, maintaining and replacing any

utilities required for the Operations, ingress and egress from the Subject Property, to and from all public roadways accessible to the Subject Property and all ancillary activities for the Operations including but not limited to berming, sodding, tree planting, fencing, well construction and monitoring, silt fencing, repair and maintenance of all the foregoing.

(b) For the purposes of conducting Operations, all requirements and Entrance Design and construction, will be the responsibility and at the cost of the Township, including, fencing, earthworks and berm construction, internal road works, hydro service, utilities.

(c) The Township shall be entitled to use and occupy the Subject Property for the purpose of Operations and ancillary and related uses including but not limited to undertaking the operation of a Pit and the conducting of Operations on the Subject Property in accordance with Applicable Law and the provisions of the Subject Licence.

(d) The Purchaser shall pay all land taxes, charges and assessments, that may be assessed, levied or charged against the Subject Property.

(e) The Township shall annually, (within 30 days of the anniversary of renewal of the following policy of insurance,) provide a copy to the Purchaser and maintain in good standing a liability insurance policy on an annual basis for an amount of five million dollars ($5,000,000.00). The Purchaser shall be a named insured in respect to the said policy of insurance. This Insurance policy amount will be reviewed annually.

5. REGISTRATION OF NOTICE OF AGREEMENT

(a) The Purchaser shall be required to register Notice of the PaPA interest in the Subject Property, pursuant to the *Land Titles Act* R.S.O. 1990, as amended. In the event that there are registered instruments or actual notice of liens or encumbrances in respect to the Subject Property, the Purchaser shall contemporaneously, with the execution of the Agreements, shall obtain and register at its own expense, non-disturbance agreements, in favour of the Township which shall contain:

(i) an acknowledgement and consent to this Agreement;

(ii) an agreement that as long as the Township is not in material default of this Agreement, the Township shall have the right, notwithstanding any default pursuant to the terms of the lien or encumbrance, to peacefully and quietly have, hold and enjoy the right to conduct Operations for the Term, as defined infra, of the Agreement; and

(iii) an acknowledgment of the priority of the Township**'s** right of first refusal contained in Section 7 below.

6. TERM

(a) The term of this Agreement (the "Term") shall commence on the date that this Agreement is fully executed, and will continue until such time as is determined under Section 6 herein.

(b) Notwithstanding Section 6(a), the Term shall cease upon the occurrence of any one of the following events, being whichever event occurs first:

(i) the date of the closing of the purchase of the Subject Property by the Township pursuant to Section 7 (Right of First Refusal);

(ii) the date that an Early Termination Notice is delivered pursuant to Section 15(b);

(iii) the date upon which the Township surrenders the Subject License;

(iv) the date that the Township at its sole and absolute discretion determines that the Extraction Operations have been completed. The Township shall provide written notice to the Purchaser in exercising this discretion; or

(v) The forty (40) year period referred to in the Background of this Agreement ending.

7. RIGHT OF FIRST REFUSAL

(a) If the Purchaser receives a *bona fide* arm's length offer from a Third Party for the Transfer of the Subject Property that the Purchaser wishes to accept (a "Third Party Offer"), then, prior to accepting any such Third Party Offer, the Purchaser must first give the Township the right to match such Offer (the "Right of First Refusal") on the following terms:

(i) within fifteen (15) business days of receiving a Third Party Offer, the Purchaser shall send written notice to the Township indicating that they have received such Third Party Offer (an "**Offer Notice**");

(ii) the Offer Notice shall include a copy of the Third Party Offer, and the Offer Notice shall be deemed to constitute an offer from the Purchaser to the Township for the Transfer of the Subject Property to the Township on the same terms as are contained in the Third Party Offer (the "**ROFR Offer**");

(iii) within forty-five (45) days of receiving an Offer Notice that complies with the terms of Section 7(ii), the Township, if it wishes to exercise its Right of First Refusal, must send written notice to the Purchaser indicating that it accepts the ROFR Offer (an "**Acceptance Notice**");

(iv) if the Township delivers an Acceptance Notice within the 45-day period set out in Section 7(iii), then the Transfer of the Property as set forth in the **ROFR Offer** shall be completed between the Township and the Purchaser as promptly as is reasonably practicable, but not later than sixty (60) days

thereafter unless the Parties hereto do otherwise so agree;

(v) if the Township fails to send an **Acceptance Notice** within the 45-day period set out in Section 7(a)(iii) or gives written notice to the Purchaser that it does not wish to exercise its Right of First Refusal, then the Purchaser may complete the Transfer of the Subject Property as contemplated in the Third Party Offer, on the terms contemplated therein, provided that (i) the Third Party expressly accepts in writing an assignment of this Agreement by way of entering into an Assignment Agreement, wherein the Third Party agrees to be bound to the terms hereof in place of the Purchaser. The Assignment Agreement shall be drafted to the satisfaction and approval of the Township and shall be in compliance with Section 16 of this Agreement.

8. IMPROVEMENTS, SIGNAGE AND COMMENCING OPERATIONS

(a) Subject to the terms of any applicable Licences, the Subject Property Plans, and Applicable Law, the Township shall be permitted to make such permanent improvements to the Subject Property, by way of the construction of buildings or other infrastructure or otherwise, as the Township considers necessary or desirable in connection with its conduct of Extraction Operations on the Subject Property without the consent of the Purchaser. For greater certainty, it is acknowledged by the Purchaser that **(i)** all equipment, portable buildings and structures, weigh scales, and other items brought onto or erected on the Subject Property by the Township, if any; and, **(ii)** all stockpiles of Aggregate located on the Subject Property, shall not be or become a fixture or form part of the Subject Property.

(b) The Township shall be permitted to erect any signs on the Subject Property or on roads adjacent to the Subject Property that the Township requires to identify, advertise and promote the Operations on the Subject Property in compliance with all applicable Laws.

9. RIGHTS OF WAY, ENTRANCES AND ROAD UPGRADES

(a) The Township shall be responsible at its own expense for the maintenance of the rights of way and shall restore the said rights of way at the end of the Term in the same condition, as is reasonably practicable, as existed, at the commencement of the Agreement, subject to the Parties recollection of the existing conditions, using the methodology and materials, then in use and then in existence. The Township shall have the right to utilize aggregate from the Subject Property for this purpose, at no cost and/or payment of royalty to the Purchaser.

10. REHABILITATION

(a) Save and except as provided herein, all License related fees required for the Subject Property, subject to the Licence shall be paid for by the Township.

11. CONDUCT OF OPERATIONS

(a) The Township shall perform the Operations in a diligent, careful and skillful manner and in conformity with the Subject Licence.

12. REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser represents and warrants to the Township as follows and acknowledges that the representations and warranties are material for the Township to enter into this Agreement notwithstanding any investigations or independent knowledge conducted or in the possession of the Township.

General

(a) This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation by the Purchaser, enforceable against the Purchaser in accordance with its terms.

(b) No proceedings have been taken or authorized by the Purchaser or by any other Person with respect to the bankruptcy or insolvency of the Purchaser.

(c) No Person other than the Township has any agreement with the Purchaser or has been granted any right relating to the conducting of Extraction Operations on the Subject Property.

(d) There are no other agreement, or encumbrances, registered or unregistered on title to the Subject Property that would make this Agreement inoperable and that would hinder the conduct of Operation upon the Subject Property in accordance with his agreement.

Real Property

(e) Schedule 'A' of this Agreement sets forth an accurate and complete legal description of the Subject Property. The Purchaser who is indicated thereon as the owner of the Subject Property is the registered, legal and beneficial owner thereof in fee simple and has good and marketable title thereto.

(f) The Purchaser has all rights of ingress and egress to and from the Subject Property as long as the exercise of ingress or egress, does not interfere or imped in any manner the operations.

(g) There are no matters affecting the right, title and interest of the Purchaser in and to the Subject Property that could or would adversely affect the ability of the Township to conduct Operations.

Environmental

(h) The activities of the Purchaser and the occupants of the Subject Property, and the condition of the Subject Property, have at all times been, and are currently, in compliance with all Environmental Laws.

(i) The Purchaser is not aware of any facts that would give rise to non-compliance by them or any occupant of the Subject Property with any Environmental Laws.

The representations, warranties and covenants made by the Purchaser in this Agreement shall survive the execution and delivery of this Agreement and the completion of any transaction contemplated by this Agreement and will **c**ontinue in full force and effect during the Term. All representations and warranties of the Purchaser contained in this Agreement are deemed to be continuously given during the Term of this Agreement.

13. REPRESENTATIONS AND WARRANTIES OF THE TOWNSHIP

The Township represents and warrants to the Purchaser as follows and acknowledges that the representations and warranties are material for the Purchaser to enter into this Agreement notwithstanding any investigations or independent knowledge conducted or in the possession of the Purchaser:

(a) The Township is a corporation duly incorporated, organized and validly existing under the laws of the Province of Ontario.

(b) The Township has all necessary power, authority and capacity to enter into and perform its under this Agreement.

(c) This Agreement has been duly executed and delivered by the Township and constitutes a valid and binding obligation of The Township, enforceable against it in accordance with its terms.

(d) The execution and delivery of this Agreement by the Township, and the performance by the Township, of its obligations under this Agreement, or the completion by the Township of the transactions contemplated by this Agreement will not:

(i) result in or constitute a breach of any term or provision of, or constitute a default under, any agreement to which the Township is a party;

(ii) contravene any judgment, order, writ, injunction or decree of any Governmental Authority.

(e) In order to complete the transactions contemplated by this Agreement, there is no requirement on the part of the Township to obtain any consent of any Person under Applicable Law or under any agreement to which the Township is a party, except as follows:

(i) This transaction is subject to compliance with Section 270 of the Municipal Act, 2001, S.O. 2001, c. 25 as amended and the approval of the council of the Township in its sole and absolute discretion by by-law. Council approval shall be obtained on or before the execution of this Agreement, or this Agreement will be null and void.

(f) The representations, warranties and covenants made by the Township in this Agreement shall survive the execution and delivery of this agreement and the completion of any transaction contemplated by this Agreement, and will continue in full force and effect during the Term. All representations and warrantied of the Township contained in this Agreement are deemed to by continuously given during the Term of this Agreement**.**

14. PURCHASER NOT RESPONSIBLE

The intent of this Agreement, unless expressly stated otherwise in the Agreement, is that the Purchaser has no liabilities, responsibilities or costs whatsoever in relation to the Operations. The Township bears all liabilities, responsibilities and costs related to the Operations. Any ambiguity or matters not contemplated by this Agreement shall be resolved by interpreting this Agreement to fulfill the intent of this Section.

15. DEFAULT AND REMEDIES

(a) Any of the following events or circumstances shall constitute a default ("Default") under this Agreement:

(i) if any representation or warranty made by a Party in this Agreement is incorrect in any material respect;

(ii) if a Party (the "Defaulting Party") fails to observe or perform any of its covenants or obligations hereunder, and such failure continues for a period of thirty (30) days after receiving written notice from the other Party, (the "Non- Defaulting Party"), specifying such failure and requiring it to be remedied; provided, however, that if the Defaulting Party commences to remedy such failure within such 30 day period and thereafter uses its best efforts to remedy with reasonable diligence, the 30-day period of time within which such failure must be remedied shall be extended for so long as the Defaulting Party uses its best efforts to remedy such failure with reasonable diligence, (the "Remedial Period");

(iii) if an Insolvency Event occurs with respect to the Purchaser.

(b) Upon the occurrence of a Default by a Party hereto, the Non-Defaulting Party may by notice to the Defaulting Party declare the Defaulting Party to be in default and may do any or all of the following as the Non-Defaulting Party, in its sole and absolute discretion, shall determine:

(i) the Non-Defaulting Party may terminate its rights and obligations under this Agreement by giving notice ("Early Termination Notice") to the Defaulting Party, without prejudice to its rights under this Agreement accrued to the date of termination and its rights to seek damages as a result of such Default and termination;

(ii) the Non-Defaulting Party may seek specific performance, injunction or other legal or equitable remedies in respect of such Default; or

(iii) if the Defaulting Party is the Purchaser, then the Non-Defaulting Party, being the Township, may require, at the option of the Township, by notice in writing to the Purchaser, re-convey good title to the Subject Property to the Township, free and clear of all encumbrances, in consideration for payment by the Township the Purchaser of 90% of the purchase price paid by the Purchaser to the Township for the conveyance of the Subject Property in the first instance (the "Discounted Consideration"). The re-conveyance shall be completed within sixty (60) days of the notice set out in this subclause. The Township shall be allowed to deduct from the Discounted Consideration all of its reasonable costs, realty commission and legal fees incurred with respect to the original conveyance of the Subject Property by the Township to the Purchaser, as well as the costs of the Township in re-acquiring the Subject Property, including without limitation, realty commission, registration costs, land transfer tax, legal fees and such other costs as reasonably incurred by the Township. The Township shall not be required to pay for any improvements that may have been made, constructed, installed or performed by the Purchaser on the Subject Property

(c) Within ninety (90) days after the expiration of the Term (including after any early termination of the Term), the Township shall remove all of its goods, equipment, materials and inventory of Aggregate products from the Subject Property.

(d) All rights of the Parties accrued to the date of termination including any rights of indemnity, shall survive any such termination.

16. ASSIGNMENT AND SUCCESSORS

(a) It is the intent of the Parties that the Agreement and the Subject Licence referred to herein shall run with the Subject Property and be binding on subsequent purchasers, transferees or assignees of the Subject Property or any interest in the Subject Property. The Purchaser shall not sell, transfer assign or otherwise dispose of the Subject Property or any interest in the Subject Property, (subject to Section

7 of this Agreement) without first obtaining from the purchaser, transferee or assignee of the Subject Property or the interest in the Subject Property an Assignment Agreement in writing, to unconditionally assume and be bound by all of the provisions and obligations of the Purchaser under this Agreement. The Township shall have the right to refuse acceptance of the Assignment Agreement in its sole and absolute discretion. For clarity, the only instance of assigning this Agreement arises in the scenario contemplated in Section 7(a)(v) of this Agreement.

(b) The Purchaser shall, after the form of such Notice is first approved in writing by the Township, register the Notice of this Agreement under the provisions provided for within the *Land Titles Act,* R.S.O, chap. L.5 as amended, and Regulations thereunder, against the registered title of the Subject Property**.** The Purchaser shall, cause a true copy of the registered Notice of this Agreement under the *Land Titles Act,* to be provided to the Township on the same day of such registration.

17. GENERAL PROVISIONS

(a) Time is of the essence of each provision of this Agreement.

(b) Each of the parties shall execute such further and other documents and instruments and provide further assurances that may be reasonably required by the other Parties in connection with this Agreement.

(c) Any notice, demand or other communication (**"**Notice**"**) required or permitted to be given or made hereunder shall be in writing and shall be sufficiently given or made if sent registered mail, courier or email. Any notice must be sent to the intended recipient, as follows (or at any other address as any Party may at any time advise the other Parties by notice given or made in accordance with this section):

To **THE**

CORPORATION OF

THE TOWNSHIP OF

SOUTHGATE. at:

Invir Dhanoa, Lawyer
Dhanoa Law
508 Riverbend Drive, Suite 237
Kitchener, ON N2K 3S2
invir@dhanoalaw.ca
Phone # - 226-407-6240
Fax # - 226-946-1364

To _____, at:

Solicitor for the Purchaser:
XX

(d) Each notice sent in accordance with this section shall be deemed to have been received, in the case of registered mail and courier, on the fifth business day after it is mailed or couriered and in the case of email, on the same day that it was sent, if sent on a Business Day before 5:00 p.m. and otherwise on the first Business Day thereafter.

(i) Each Party shall hold in strict confidence and not disclose any Confidential Information to any Person, except as may be required by Applicable Law or court order, and except to its directors, officers, employees, agents and advisors who need to know such information in order to carry out the terms of this Agreement. Each Party shall refrain from using Confidential Information for any purpose other than to observe and perform its obligations and covenants under this Agreement. Each Party's obligations with respect to Confidential Information shall survive any termination of this Agreement.

(ii) Each Party shall do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents, and provide any assurances, undertakings and information as may be required at any time to give effect to this Agreement or as may be required at any time by any Governmental Authority.

(iii) No Party shall make any public statement or issue any press release concerning this Agreement or the transactions contemplated hereby without the prior written consent of the other Party, except as may be required by the Township in order to comply with Applicable Law or internal policies, save and except the Township may without providing the particulars of the Agreement or the Agreement itself advertise and promote the Operations.

(iv) The invalidity of any provision of this Agreement shall not affect the validity of any other provision of this Agreement. If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such provisions are declared to be separate, distinctive and severable.

(v) This Agreement may be amended, modified or supplemented only by a written agreement signed by both Parties.

(vi) Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given.

(vii) No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. Nosingle or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

(viii) This Agreement may be executed and/or delivered electronically and/or in any number of counterparts. Each such executed and delivered counterpart shall be deemed to be an original. All such executed and delivered counterparts taken together shall constitute one and the same original Agreement.

THE BALANCE OF THIS PAGE IS LEFT INTENTIONALLY BLANK

18. SIGNATORY PAGE

IN WITNESS WHEREOF THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT.

Purchaser

Per: _____
Name: **XX**

Per: _____
Name: **XX**

We have authority to bind the corporation.

THE CORPORATION OF THE TOWNSHIP OF SOUTHGATE

Per: _____
Name: **Brian Milne**
Title: **Mayor**

Per: _____
Name: **Lindsey Green**
Title: **Clerk**

We have authority to bind the corporation.

SCHEDULE "A"

LEGAL DESCRIPTIONS

Properties	Registered & Beneficial Owner	Address / Legal Description
The Subject Property Licensed area #625870	The Purchaser	Concession 15, Lot 15, Geographic Township of Proton, Township of Southgate, County of Grey, alternately known as 225579 Southgate Road 22 99.2 acres LT 15 CON 15 PROTON EXCEPT PT 1-4 17R2602; SOUTHGATE PIN: 37278-0112 (LT)

SCHEDULE “B”

THE MAP OF THE SUBJECT PROPERTY


M4
A1
EP
M4
A1
EP
A1
A1
EP
A1
CF
A1-37
County of Grey | County of Grey, Township of Southgat

SCHEDULE "C-1"

THE SUBJECT LICENSE

The Subject License:

Licence No. 625870 as approved by the **MNRF** to the Township of Southgate under the *Aggregate Resources Act* was issued on and has been effective since November 30, 2023 (a copy of which is attached hereto as part of this Schedule C-1).

Ontario

LICENCE
Aggregate Resources Act

PERMIS
Loi sur les ressources en agrégats

Licence No.
No du permis 625870

New Licence

Pursuant to the Aggregate Resources Act and Regulations thereunder, and subject to the limitations thereof and to the conditions of the licence and the requirements of the site plan,

Conformément à la Loi de 1997 sur les ressources en agrégats et à ses réglements, et sujet aux restrictions qu'ils comportent, aux conditions d'octroi du permis et aux exigences du plan du site,

this Class
nous délivrons ce permis de classe: **A** licence is issued to:
à:

TOWNSHIP OF SOUTHGATE

185667 Grey Rd. 9
RR #1
Dundalk, ON
CANADA
N0C 1B0

to operate a
pour exploiter un/une Pit on a
sur le terrain de 10.2 hectare site located in:
hectares situé à l'endroit suivant:

Part 15	15		PROTON	SOUTHGATE TP	GREY CO
Lot	Concession	Section	Geographic Township	Local Municipality	County / Regional Municipality / District

The licence is subject to the following conditions:
Ce permis est assujetti aux conditions suivantes: As shown on attached Schedule A and B

Effective the 30 day of
En vigueur le jour de November 2023

Minister of Natural Resources and Forestry
Ministre des Richesses Naturelles et des Forêts

Ontario

LICENCE
Aggregate Resources Act

PERMIS
Loi sur les ressources en agrégats

Licence No.
No du permis 625870

New Licence

SCHEDULE A

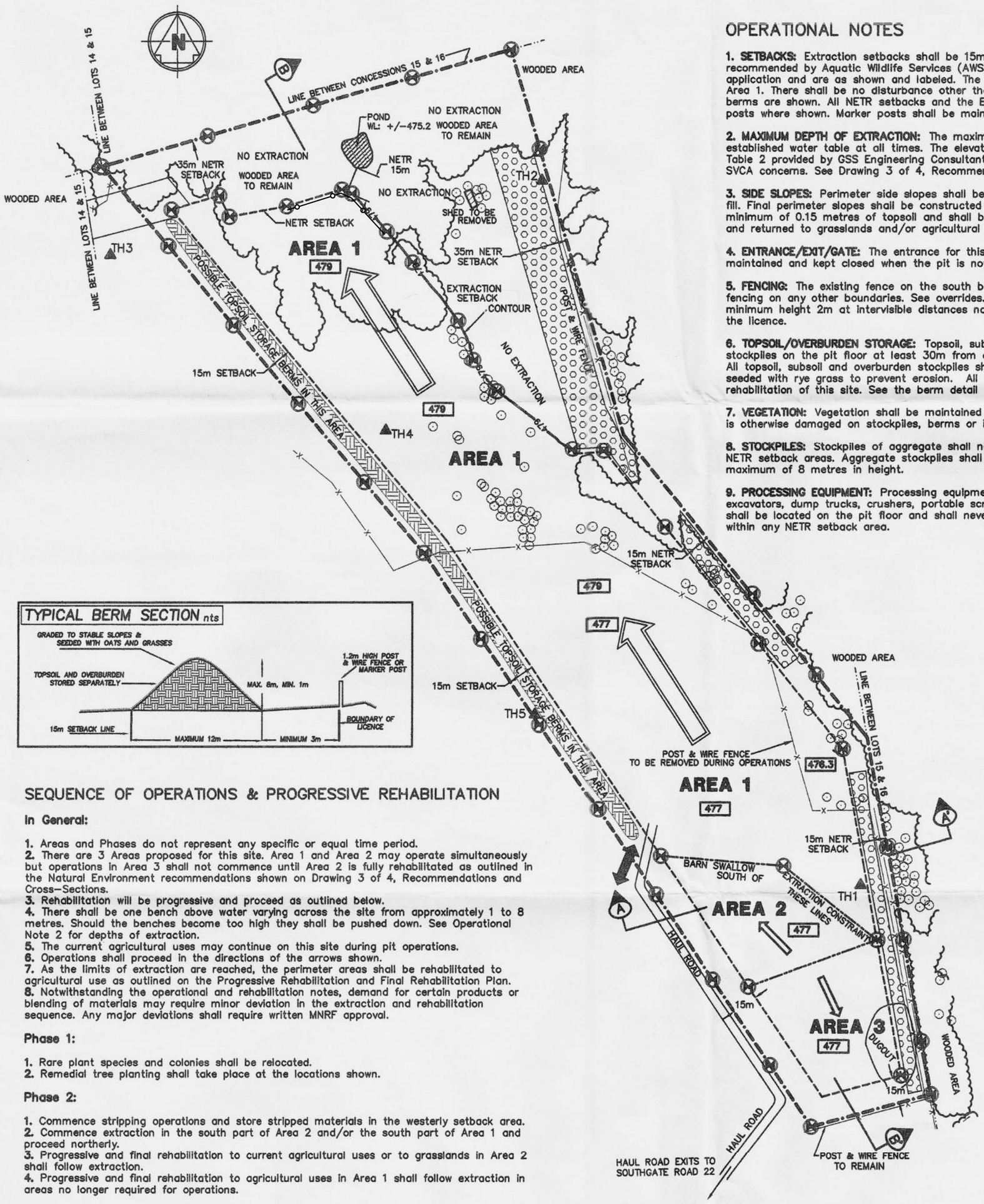
1. The licensee shall apply water or another provincially approved dust suppressant to internal haul roads and processing areas, as necessary to mitigate dust, if the pit is located within 1,000 metres of a sensitive receptor.
2. The licensee shall equip any processing equipment that creates dust with dust suppressing or collection devices if it is located within 300 metres of a sensitive receptor.
3. The licensee shall obtain an Environmental Compliance Approval under the Environmental Protection Act where required to carry out operations at the pit.
4. The licensee shall obtain a Permit to Take Water under the Ontario Water Resources Act where required to carry out operations at the pit.
5. The licensee shall ensure that fuel storage tanks are installed and maintained in accordance with the Technical Standards and Safety Act, 2000.
6. The licensee shall ensure that a Spill Contingency Plan is developed prior to any operation of the pit and followed during the operations.
7. The licensee shall mitigate the amount of dust generated at the site of the pit to minimize any off-site impact.
8. The licensee shall track and report the quantity of recycled aggregate removed from the site each month in an annual production report.

SCHEDULE B

1. In the event that oil or gas works are found on the licenced site, the licensee must contact MNRF immediately to discuss the appropriate setback that will be established around the oil or gas works.

SCHEDULE "C-2"

OPERATIONAL PLAN



TYPICAL BERM SECTION nts

SEQUENCE OF OPERATIONS & PROGRESSIVE REHABILITATION

In General:

1. Areas and Phases do not represent any specific or equal time period.
2. There are 3 Areas proposed for this site. Area 1 and Area 2 may operate simultaneously but operations in Area 3 shall not commence until Area 2 is fully rehabilitated as outlined in the Natural Environment recommendations shown on Drawing 3 of 4, Recommendations and Cross-Sections.
3. Rehabilitation will be progressive and proceed as outlined below.
4. There shall be one bench above water varying across the site from approximately 1 to 8 metres. Should the benches become too high they shall be pushed down. See Operational Note 2 for depths of extraction.
5. The current agricultural uses may continue on this site during pit operations.
6. Operations shall proceed in the directions of the arrows shown.
7. As the limits of extraction are reached, the perimeter areas shall be rehabilitated to agricultural use as outlined on the Progressive Rehabilitation and Final Rehabilitation Plan.
8. Notwithstanding the operational and rehabilitation notes, demand for certain products or blending of materials may require minor deviation in the extraction and rehabilitation sequence. Any major deviations shall require written MNRF approval.

Phase 1:

1. Rare plant species and colonies shall be relocated.
2. Remedial tree planting shall take place at the locations shown.

Phase 2:

1. Commence stripping operations and store stripped materials in the westerly setback area.
2. Commence extraction in the south part of Area 2 and/or the south part of Area 1 and proceed northerly.
3. Progressive and final rehabilitation to current agricultural uses or to grasslands in Area 2 shall follow extraction.
4. Progressive and final rehabilitation to agricultural uses in Area 1 shall follow extraction in areas no longer required for operations.

Phase 3:

1. Operations may commence in Area 3 when rehabilitation has been completed in Area 2 as outlined above.
2. Operations in Area 1 shall continue.
3. Progressive and final rehabilitation to current agricultural uses or to grasslands in Area 3 shall follow extraction.
4. Progressive and final rehabilitation to agricultural uses in Area 1 shall follow extraction in areas no longer required for operations.

Phase 4:

Once extractive operations are completed:

1. All operational structures, stockpiles and equipment shall be removed.
2. Final rehabilitation shall be completed in any remaining areas where rehabilitation is not yet completed.
3. The proposed after use shall commence.

SPILLS PLAN

In case of an accidental spill of petroleum products, the following contingency plan will be activated:

a) The Ministry of Environment and Climate Change (See address & phone number below) and surrounding landowners will be notified.

b) For a leakage or spill immediate action will be taken to stop it. At the same time measures will be taken to prevent spreading. These measures may include building or a berm or construction of a ditch, for instance.

c) The pit operator shall commence recovery procedures by collecting the spilled substance into containers.

d) The soil in the area affected by the spill or leak shall be removed and disposed of at a location prescribed by the Ministry of the Environment and Climate Change.

Ministry of Environment and Climate Change
Southwest Regional Office
733 Exeter Road, 2nd Floor
London, Ontario, N6E 1L3

Spills Action Centre: 1-800-268-6060

OPERATIONAL NOTES

1. SETBACKS: Extraction setbacks shall be 15m along the west boundary and the south boundary. NETR setbacks as recommended by Aquatic Wildlife Services (AWS) have been taken from the AWS report that was prepared for this application and are as shown and labeled. The 479m contour is the extraction setback line on the northeasterly side Area 1. There shall be no disturbance other than tree planting in any setback areas except in areas where possible berms are shown. All NETR setbacks and the Barn Swallow Constraint line shall be marked with 2m high painted marker posts where shown. Marker posts shall be maintained for the life of the licence.

2. MAXIMUM DEPTH OF EXTRACTION: The maximum depth of extraction shall be to a minimum of 1.5m above the established water table at all times. The elevation of the established water table varies across the extraction area. See Table 2 provided by GSS Engineering Consultants Ltd. (July, 2015) that was prepared for this application in response to SVCA concerns. See Drawing 3 of 4, Recommendations and Cross-Sections.

3. SIDE SLOPES: Perimeter side slopes shall be created by backfilling with onsite overburden and imported, clean, inert fill. Final perimeter slopes shall be constructed no steeper than 3(horizontal) to 1(vertical). Slopes shall be spread with a minimum of 0.15 metres of topsoil and shall be seeded with a grass-legume mixture such as rye grass and white clover and returned to grasslands and/or agricultural crops similar to what currently exist.

4. ENTRANCE/EXIT/GATE: The entrance for this pit shall be where shown on the south boundary. A gate shall be maintained and kept closed when the pit is not operating.

5. FENCING: The existing fence on the south boundary shall be maintained for the life of the licence. There shall be no fencing on any other boundaries. See overrides. All unfenced boundaries shall be marked with highly visible marker posts, minimum height 2m at intervisible distances not to exceed 60 metres. Marker posts shall be maintained for the life of the licence.

6. TOPSOIL/OVERBURDEN STORAGE: Topsoil, subsoil and overburden shall be separately stripped and may be stored in stockpiles on the pit floor at least 30m from any boundary or in the berm storage area shown along the west boundary. All topsoil, subsoil and overburden stockpiles shall be a maximum of 8 metres in height, graded to stable slopes and seeded with rye grass to prevent erosion. All topsoil stripped in the operation of this site shall be used in the rehabilitation of this site. See the berm detail on this page.

7. VEGETATION: Vegetation shall be maintained on all topsoil stockpiles and rehabilitated areas. Vegetation that dies or is otherwise damaged on stockpiles, berms or in areas that have been rehabilitated shall be restored.

8. STOCKPILES: Stockpiles of aggregate shall never be located within 30 metres of any boundary or within any of the NETR setback areas. Aggregate stockpiles shall be located on the pit floor near the processing equipment and be a maximum of 8 metres in height.

9. PROCESSING EQUIPMENT: Processing equipment to be utilised on this site shall include scrapers, bulldozers, loaders, excavators, dump trucks, crushers, portable screening equipment, conveyors and equipment trailers. Processing equipment shall be located on the pit floor and shall never be parked, stored or installed within 30 metres of any boundary or within any NETR setback area.

10. DUST CONTROL: Dust control shall be maintained through the application of water when required.

11. NOISE, DUST OR GROUNDWATER INTERFERENCE PROBLEMS: Should noise, dust or groundwater interference complaints be received, the licensee shall take appropriate measures as deemed necessary by the Ministry of the Environment and Climate Change to rectify the problem(s).

12. DEWATERING/WASHING: No dewatering or pumping to artificially lower the water levels shall take place on this site. There shall be no washing on this site.

13. SCRAP STORAGE: No scrap shall be stored on this site.

14. FUEL STORAGE: Portable fuel tanks shall be used at this site. The portable tanks shall be the engineered double-tanked variety with vacuum sealed valves.

All fuel storage shall be in compliance with the Technical Standards and Safety Act, 2000 and the Liquid Fuels Handling Code 2001, as may be amended. Any spills shall be removed and disposed of at a facility approved by the Ministry of the Environment and Climate Change. See the Spills Plan on this page.

15. BUILDINGS: An equipment trailer may be located on the pit floor but may not be located within 30m of any boundary or within any NETR setback area.

16. DRAINAGE: Surface drainage initially shall be by percolation into the pit floor. As rehabilitation is completed the site shall be graded to direct drainage as shown and as outlined in the Natural Environment Recommendations on Drawing 3 of 4, Recommendations and Cross-Sections, which has also been implemented on Drawing 4 of 4 , Progressive Rehabilitation and Final Rehabilitation Plan.

17. HOURS OF OPERATION: Manufacturing, crushing and shipping or any other related operation shall occur Monday to Saturday between the hours of 7am to 6pm. There shall be no extractive operations or processing of materials on Sundays or civic holidays.

18. EXTRACTION AREA: The area to be extracted is 6.0 hectares. (Area 1=5.0ha., Area 2=0.5ha. Area 3= 0.5ha.)

19. TONNAGE CONDITION: The maximum number of tonnes to be removed from this site in any calendar year is 100,000 tonnes.

20. TREES & STUMPS: Any trees and stumps that may be taken down shall be utilized for lumber where possible or, shall be removed from the site for mulching and resale, or for use as firewood.

21. IMPORTATION OF INERT FILL: Clean, inert fill (topsoil, subsoil and/or overburden) may be imported to facilitate the creation of 3:1 slopes. The licensee must ensure that the material is tested at the source before it is deposited on site. The testing shall ensure that the material meets the Ministry of Environment and Climate Change (MOECC) parameters as set out in "Table 1" of MOECC publication "Soils, Groundwater and Sediment Standards for use in Part XV.I of the Environmental Protection Act". Testing results for these imported materials shall be provided to the Ministry of Environment and Climate Change and the Ministry of Natural Resources and Forestry upon request.

22. CONSULTANT RECOMMENDATIONS: Consultant recommendations are shown on Drawing 3 of 4, Consultant Recommendations.

23. Sediment control fencing is to installed as shown on the plan view along part of the north boundary of Area 1, along the limit of extraction abutting the pond. Sediment control fencing is to be installed once extraction reaches within 50 m of the pond, and the fencing is to be maintained at all times during active extraction operations within 50 m of the pond.

SITE PLAN OVERRIDES OF THE OPERATIONAL STANDARDS

1. STANDARD 5.1 – Post & wire fencing (minimum height 1.2 metres) shall be maintained only on the south licence boundary where shown. There shall be no fencing on any other boundaries as the terrain and trees make inadvertent access unlikely. All unfenced boundaries shall be marked with highly visible marker posts, minimum height 2m at intervisible distances not to exceed 60 metres. Marker posts shall be maintained for the life of the licence.

Ministry of Natural Resources
and Forestry
APPROVED
Under the *Aggregate Resources Act*
Date: November 30, 2023

LEGEND:

- BUILDING
- MAXIMUM EXTRACTION DEPTH
- DIRECTION OF EXCAVATION
- EXTRACTION SETBACK LINE
- LICENCE BOUNDARY
- ENTRANCE/EXIT
- 1.2m HIGH FENCE
- LOT LINE
- POSSIBLE BERM
- TREE DRIPLINE
- MARKER POST
- REMEDIAL TREE PLANTING AREA
- TREE
- Sediment Control Fencing

TOWNSHIP OF SOUTHGATE
185667 GREY COUNTY ROAD 9, DUNDALK, ON, N0C 1B0

SIDEROAD 22 PIT

PART LOT 15, CONCESSION 15
GEOGRAPHIC TOWNSHIP OF PROTON
TOWNSHIP OF SOUTHGATE
COUNTY OF GREY

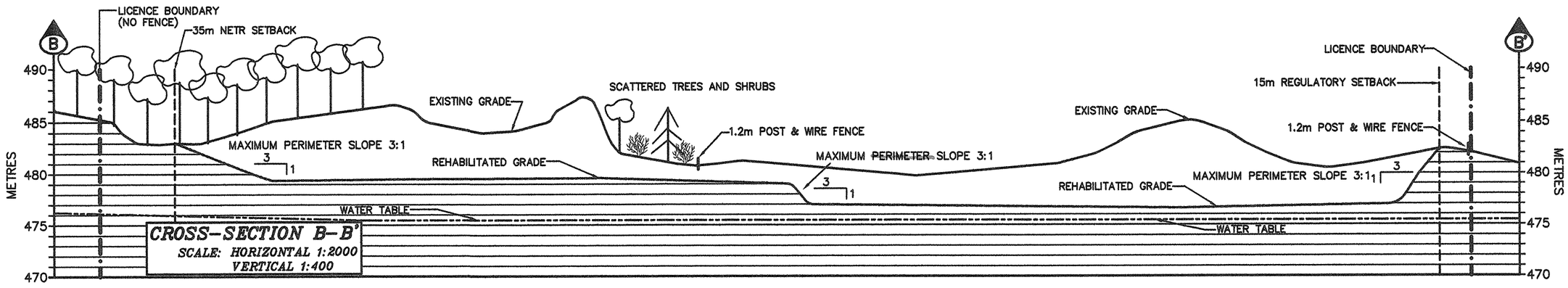
OPERATIONAL PLAN

DRAWING 2 of 4

SCALE 1: 2000

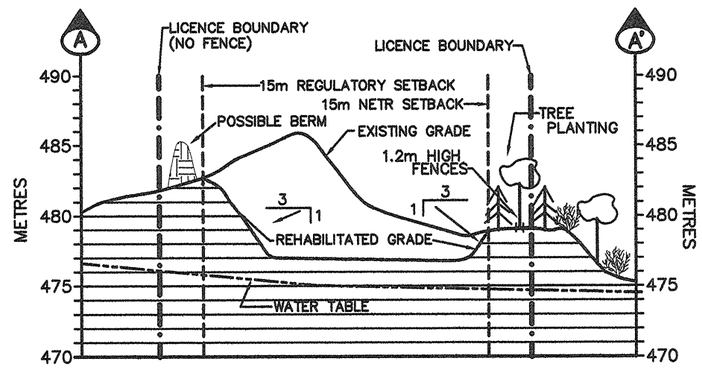
50 0 50 100 150

No.	AMENDMENT	DATE



CROSS-SECTION B-B'
SCALE: HORIZONTAL 1:2000
VERTICAL 1:400

THE FOLLOWING RECOMMENDATIONS HAVE BEEN TAKEN DIRECTLY FROM THE NATURAL ENVIRONMENT TECHNICAL REPORT BY AQUATIC WILDLIFE SERVICES THAT WAS PREPARED FOR THIS APPLICATION AND HAVE BEEN IMPLEMENTED ON THESE SITE PLANS.



CROSS-SECTION A-A'
SCALE: HORIZONTAL 1:2000
VERTICAL 1:400

NETR Mitigation Measures by Aquatic and Wildlife Services

The following mitigation measure shall be represented on the Site Plans to address the identified potential negative environmental impacts from the proposed aggregate extraction operation. These measures are recommended to maintain the ecological functioning role and natural heritage features that have been identified within the Site Lands and are in keeping with Provincial and Municipal policies and guidelines.

1.1 The Licence site alteration lands shall maintain a minimum setback distance of 35m from the north Licence Boundary, as depicted on the NETR Figure No. 9 and No. 10.

1.2 The Licence site alteration lands shall maintain a minimum setback distance of 30m from the northeastern portion of the Licence Boundary, as depicted on the NETR Figure No. 9 and No. 10.

1.3 The Licence site alteration lands shall maintain a minimum setback distance of 15m from the remainder of the eastern Licence Boundary, as depicted on the NETR Figure No. 9 and No. 10.

1.4 The Licence site alteration lands shall maintain a minimum setback distance of 15m from the pond/wet feature identified for significant amphibian breeding habitat within vegetation community No. 4, as depicted on the NETR Figure No. 9 and No. 10

1.5 The noted setbacks for points 18.1 to 18.4 are 'Buffer Zones' to identified Natural Environment features or support significant ecological functions of the identified feature. All N.E. Buffer Zones within the Licence Boundary are to be protected from pit site alterations with existing treed sections to remain in a natural condition.

1.6 The Buffer Zone' lands currently not supporting tree cover within vegetation community No. 1 and No. 2 shall be planted with trees following the 'Remedial Tree Planting Plan', as shown on the NETR Figure No. 9. Said remedial tree planting shall be completed prior to any site alterations within 50m to the identified Unevaluated Wetland or Significant Woodland boundaries within the Site Lands.

1.7 For the Licence site alteration lands, the 'ESA Constraint Zone' as delineated on the NETR Figure No. 10 depicts the Barn Swallow Category 3 Habitat, the following site alteration constraint note applies and shall be shown on the Site Plan(s):

i. The site alteration lands within the delineated 'ESA Constraint Zone' lands, shall be phased so that no more than 50% of the agricultural field is removed at any one time (excluding the internal haul road and berm footprint if required). Prior to site alterations commencing on the remaining 'ESA Constraint Zone' lands, the previous site altered lands shall be rehabilitated and put back into agricultural use or grassland habitat, similar to the existing land use and suitable Barn Swallow forage habitat type.

ii. Consultation with MNRF shall be completed prior to any site alterations within this 'ESA Constraint Zone' lands, confirming any ESA permitting requirements or approval if needed.

1.8 For the Licence site alteration lands, three key catchment basin areas have been depicted within the NETR Figure No. 10. Pit rehabilitation shall demonstrate that the pit floor is gently sloped in the depicted orientation, to maintain seasonal surface water input functions.

1.9 For the Licence site alteration lands, prior to any site alterations within 50m to the identified colony of the Locally rare Frostweed Aster (*Aster pilosus*) colony, said colony shall be transplanted to suitable habitat of non-treed cover within the Buffer Zone lands, as depicted on the NETR Figure No. 9. Transplanting shall be undertaken by qualified and experienced personnel, following best management practices and ideally undertaken between May 20th to July 5th.

2 Remedial Tree Planting Plan

The following tree planting targets and monitoring are applicable to those lands identified as Remedial Tree Planting Areas depicted on the NETR Figure No. 9 and as noted under mitigation measures.

- The Provincial standards for tree planting vary between 2000 deciduous trees/ha to 2300 conifers/ha. Site remedial tree planting measures are focused on a **'mixed'** regeneration forest at this site with a recommended target composition of around 65% conifer + 35% deciduous or a planting ratio of : 2 conifers to 1 deciduous.
- Remedial tree planting areas cover 1.5ha, thus requiring 3300 tree seedlings for full coverage tree planting, equating to:
  - 2200 native Conifer seedling numbers in total being an approximate equal mix of: Eastern White Cedar (*Thuja occidentalis*), White Spruce (*Picea glauca*) and White Pine (*Pinus strobus*).
  - Conifer seedlings to have a minimum height ranging from 20cm to 30cm at time of planting.
  - 1100 native Deciduous early successional seedling numbers in total being an approximate equal mix of : White Birch (*Betula papyrifera*), Aspen - Largetooth or Trembling (*Populus grandidentata* or *tremuloides*) and Sugar Maple (*Acer saccarum*).
  - Deciduous seedlings to have a minimum height ranging from 30cm to 45cm at time of planting.
  - Tree planting density to have an average spacing at 2.5m between rows and 2.0m between trees within each row. Thus within a 15m wide Buffer Zone, this equates to 2 tree planting rows with 2.5m between each row, tree planting row width of 2.0m and 2.5 between the Licence Boundary/Existing Tree Line and 6.0m setback from the inside tree row to the pit site alteration lands.
- One year post tree planting, a site inspection shall be completed by a qualified person for three consecutive years between June 15 to September 15, with reporting to the MNRF by that monitoring year calendars end. Said monitoring shall include but not limited to:
  - Assessment of planted tree stock, with a threshold target level of no more than 15% mortality rate in any given year, or 20% cumulative mortality rate over the 3-year monitoring period.
  - Action plan submission in that reporting year if deemed necessary for replacement tree planting, if planted tree mortality rate exceeds threshold levels.

THE FOLLOWING RECOMMENDATIONS ARE BY G.S.S. CONSULTANTS LTD. AND HAVE BEEN IMPLEMENTED ON THESE SITE PLANS.

RECOMMENDATIONS

It is recommended that an Operational and Rehabilitation Plan for the Southgate gravel pit be prepared using the estimated seasonal high groundwater elevations from **Table 2** below.

The bottom elevation for extraction from the gravel pit should be a minimum of 1.5m above the seasonal high groundwater elevations.

No negative impacts to surrounding natural features (including surface water) and associated groundwater features are anticipated.

Table 2

Groundwater Elevations

Southgate Gravel Pit

April 24, 2014

Location of Groundwater Elevation	Ground Elevation (m)	Depth from Ground Surface to Groundwater Level (m)	Groundwater Elevation April 24, 2014 (m)	Estimated High Spring Groundwater Elevation (m)
TH -1	478.47	3.8	474.67	474.67
TH -2	476.45	1.2	475.25	475.25
TH -3	478.84	5.4	473.44	473.44
TH -4	477.00	1.55	475.45	475.45
TH -5	479.9	4.05	475.85	475.85

Ministry of Natural Resources
and Forestry
APPROVED
Under the *Aggregate Resources Act*
Date: November 30, 2023

TOWNSHIP OF SOUTHGATE
185667 GREY COUNTY ROAD 9, DUNDALK, ON, N0C 1B0

SIDEROAD 22 PIT

PART LOT 15, CONCESSION 15
GEOGRAPHIC TOWNSHIP OF PROTON
TOWNSHIP OF SOUTHGATE
COUNTY OF GREY

RECOMMENDATIONS & CROSS-SECTIONS

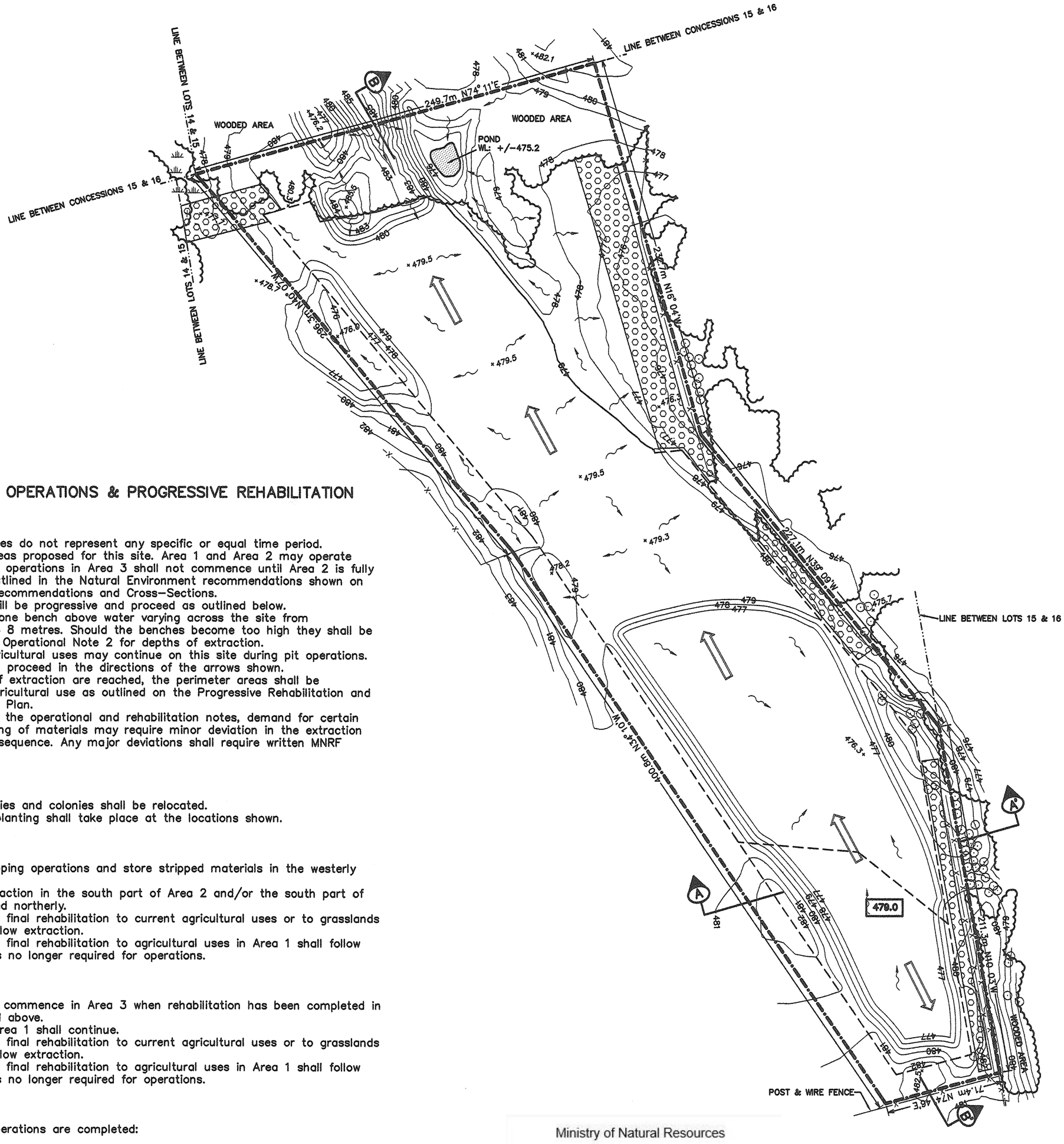
DRAWING 3 of 4

SCALE 1: 2000

50 0 50 100 150

No.	AMENDMENT	DATE

November 10, 2015



SEQUENCE OF OPERATIONS & PROGRESSIVE REHABILITATION

In General:

1. Areas and Phases do not represent any specific or equal time period.
2. There are 3 Areas proposed for this site. Area 1 and Area 2 may operate simultaneously but operations in Area 3 shall not commence until Area 2 is fully rehabilitated as outlined in the Natural Environment recommendations shown on Drawing 3 of 4, Recommendations and Cross–Sections.
3. Rehabilitation will be progressive and proceed as outlined below.
4. There shall be one bench above water varying across the site from approximately 1 to 8 metres. Should the benches become too high they shall be pushed down. See Operational Note 2 for depths of extraction.
5. The current agricultural uses may continue on this site during pit operations.
6. Operations shall proceed in the directions of the arrows shown.
7. As the limits of extraction are reached, the perimeter areas shall be rehabilitated to agricultural use as outlined on the Progressive Rehabilitation and Final Rehabilitation Plan.
8. Notwithstanding the operational and rehabilitation notes, demand for certain products or blending of materials may require minor deviation in the extraction and rehabilitation sequence. Any major deviations shall require written MNRF approval.

Phase 1:

1. Rare plant species and colonies shall be relocated.
2. Remedial tree planting shall take place at the locations shown.

Phase 2:

1. Commence stripping operations and store stripped materials in the westerly setback area.
2. Commence extraction in the south part of Area 2 and/or the south part of Area 1 and proceed northerly.
3. Progressive and final rehabilitation to current agricultural uses or to grasslands in Area 2 shall follow extraction.
4. Progressive and final rehabilitation to agricultural uses in Area 1 shall follow extraction in areas no longer required for operations.

Phase 3:

1. Operations may commence in Area 3 when rehabilitation has been completed in Area 2 as outlined above.
2. Operations in Area 1 shall continue.
3. Progressive and final rehabilitation to current agricultural uses or to grasslands in Area 3 shall follow extraction.
4. Progressive and final rehabilitation to agricultural uses in Area 1 shall follow extraction in areas no longer required for operations.

Phase 4:

Once extractive operations are completed:

1. All operational structures, stockpiles and equipment shall be removed.
2. Final rehabilitation shall be completed in any remaining areas where rehabilitation is not yet completed.
3. The proposed after use shall commence.

Ministry of Natural Resources
and Forestry
APPROVED
Under the *Aggregate Resources Act*
Date: November 30, 2023

REHABILITATION NOTES

1. The area to be rehabilitated is 6.0 hectares. Rehabilitation shall take place in the general direction of the arrows shown.

2. Notwithstanding the extraction and rehabilitation notes, demand for certain products or blending of materials may require some minor deviation in the extraction and rehabilitation phasing. However, when extraction has been completed and stockpiles have been removed from any part of an area, rehabilitation shall be carried out in accordance with the site plan or as directed by MNRF.

3. This site is to rehabilitated to an agricultural after use (grasslands and/or agricultural crops similar to what currently exist).

4. Final 3:1 perimeter slopes shall be constructed in areas where extraction has been completed Slopes will be created by backfilling with onsite materials. Graded 3:1 slopes shall be spread with overburden, subsoil and topsoil in a manner that approximates the original soil profile and shall be rehabilitated to grasslands and/or agricultural crops similar to what currently exist.

5. Final rehabilitated grades shall be a minimum of 1.5 metres above the water table. Overburden, subsoil and topsoil shall be placed in a manner that approximates the original soil profile.

6. Areas shall be graded to direct drainage as shown and as outlined in the Natural Environment Recommendations on Drawing 3 of 4, Recommendations and Cross–Sections. The final contours shown are designed to be a minimum of 1.5m above the high water table as shown in the Hydrogeological Report by GSS Engineering Consultants Ltd. that was prepared in support of this application.

7. Rehabilitation operations such as stripping and earth moving shall take place only when the soil is dry to reduce compacting of the soils.

8. The pit floor shall be ripped and scarified in compacted areas of the pit floor prior to filling, grading and topsoil placement.

9. Perimeter slopes and rehabilitated areas are to be re–graded and re–seeded in the event of washouts or die out.

10. There shall be no operational buildings or structures on site upon completion of final rehabilitation. There shall be no operational roads on site upon completion of rehabilitation.

11. Clean, inert fill (topsoil, subsoil and/or overburden) may be imported to facilitate the construction of 3:1 slopes. The licensee must ensure that the material is tested at the source before it is deposited on site. The testing shall ensure that the material meets the Ministry of Environment and Climate Change (MOECC) parameters as set out in "Table 1" of MOECC publication "Soils, Groundwater and Sediment Standards for use in Part XV.I of the Environmental Protection Act". Testing results for these imported materials shall be provided to the Ministry of Environment and Climate Change and the Ministry of Natural Resources and Forestry upon request.

12. For Cross–Sections see drawing 3 of 4, Recommendations and Cross–Sections

LEGEND:

- DRAINAGE DIRECTION
- GENERAL DIRECTION OF REHABILITATION
- LICENCE BOUNDARY
- 1.2m HIGH FENCE
- LOT LINE
- SPOT ELEVATION
- 1m CONTOUR
- TREE
- REMEDIAL TREE PLANTING AREA

TOWNSHIP OF SOUTHGATE
185667 GREY COUNTY ROAD 9, DUNDALK, ON, N0C 1B0

SIDEROAD 22 PIT

PART LOT 15, CONCESSION 15
GEOGRAPHIC TOWNSHIP OF PROTON
TOWNSHIP OF SOUTHGATE
COUNTY OF GREY

PROGRESSIVE REHABILITATION AND FINAL REHABILITATION PLANS

DRAWING 4 OF 4

SCALE 1:2000

50 0 50 100 150

No.	AMENDMENT	DATE

November 10, 2015

SCHEDULE "C-3"

HAUL ROUTE

SCHEDULE			
PART	LOT	CONCESSION	PIN
1	PART OF 15	15	PART OF 37278-0112

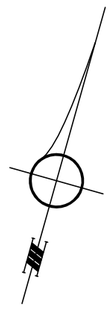
PLAN 16R-12183

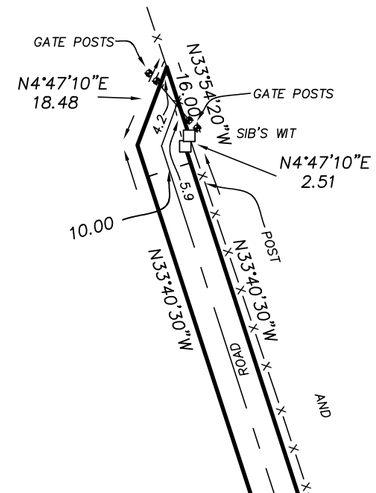
Received and deposited

February 6th, 2025

Latoya Coleman

Representative for the Land Registrar for the Land Titles Division of Grey (No.16)





PLAN OF SURVEY OF

PART OF LOT 15, CONCESSION 15

GEOGRAPHIC TOWNSHIP OF PROTON

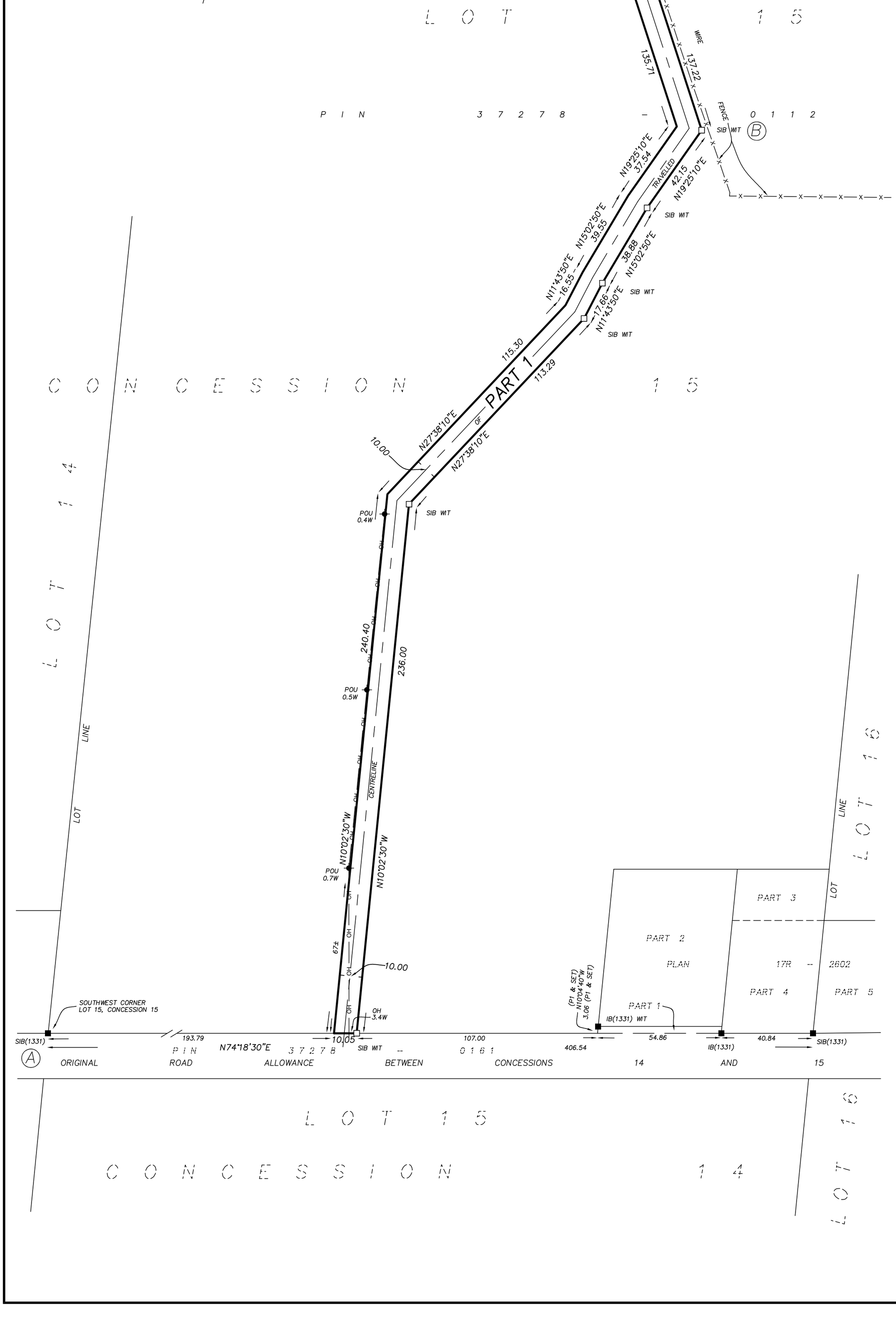
TOWNSHIP OF SOUTHGATE

COUNTY OF GREY

SCALE 1 : 1250 METRES

0 25 50 100

THE INTENDED PLOT SIZE OF THIS PLAN IS 457mm IN WIDTH BY 610mm IN HEIGHT WHEN PLOTTED AT A SCALE OF 1:1250



BEARING NOTE

BEARINGS ARE UTM GRID, DERIVED FROM OBSERVED REFERENCE POINTS A AND B, BY REAL TIME NETWORK OBSERVATIONS, UTM ZONE 17 (81° WEST LONGITUDE), NAD83(CSRS)v7(2010).

FOR BEARING COMPARISONS, THE FOLLOWING ROTATIONS WERE APPLIED: P1 - 1°17'10" COUNTER-CLOCKWISE

DISTANCE NOTES - METRIC

DISTANCES AND COORDINATES ARE IN METRES AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048.

DISTANCES ARE GROUND AND CAN BE CONVERTED TO GRID BY MULTIPLYING BY THE COMBINED SCALE FACTOR OF 0.999547.

LEGEND

■	DENOTES SURVEY MONUMENT FOUND
□	DENOTES SURVEY MONUMENT SET
SIB	DENOTES STANDARD IRON BAR
IB	DENOTES IRON BAR
WIT	DENOTES WITNESS
M	DENOTES MEASURED
P1	DENOTES 17R-2602
1331	DENOTES ALEX R. WILSON SURVEYING INC., O.L.S.
— OH —	DENOTES OVERHEAD UTILITY LINES
POU	DENOTES UTILITY POLE

SURVEYOR'S CERTIFICATE

I CERTIFY THAT:

1. THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEYS ACT, THE SURVEYORS ACT, THE LAND TITLES ACT AND THE REGULATIONS MADE UNDER THEM.

2. THE SURVEY WAS COMPLETED ON DECEMBER 20, 2024.

FEBRUARY 5, 2025 — DATE

ALYCIA ROBINSON, O.L.S.

THIS PLAN OF SURVEY RELATES TO AOLS PLAN SUBMISSION FORM NUMBER V-95428

INTEGRATION DATA

OBSERVED REFERENCE POINTS DERIVED FROM GPS OBSERVATIONS USING A REAL TIME NETWORK AND ARE REFERRED TO UTM ZONE 17 (81° WEST LONGITUDE) NAD83(CSRS)v7(2010).
URBAN ACCURACY PER SEC. 14(2), O.REG. 216/10.

POINT ID	NORTHING	EASTING
A	4887247.95	536558.86
B	4887730.20	536794.09

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PARTY CHIEF:BR	DRAWN:BG	CHECKED:AR	PLOT DATE: FEB. 5, 2025	A-051656
FILE: A-051656-RPLAN-v2				

SCHEDULE "D"

DEFINITIONS AND INTERPRETATION

Definitions in this **Agreement**:

1. "**Act**" means the *Aggregate Resources Act* (Ontario) as amended from time to time and all regulations made thereunder;

2. "**Agreement**" means this PaPA and aggregate extraction agreement, the recitals and all schedules hereto, in each case as supplemented, amended and/or restated from time to time by a written agreement signed by the Parties;

3. "**Aggregate**" has the meaning set forth in the Act; including rock, stone, clay, sand, topsoil or other substances approved for extraction found in the licensed area. Also, recycled materials.

4. "**Applicable Law**" means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, by-law, restriction, regulatory policy or guideline having the force of law, by-law (official plan, zoning or otherwise) of any Ontario Governmental Authority;

5. "**Assignment Agreement**" means the agreement referred to Section 7 and 16 of this Agreement, being an agreement approved by the Township in its sole and absolute discretion. The Assignment Agreement is to be used to assign all rights and obligations of the Purchaser under this Agreement to a third party, being a subsequent purchaser of the Subject Lands, if approved by the Township in its sole absolute and discretion.

6. "**Business Day**" means any day, other than a Saturday or Sunday, or day on which Canadian chartered banks in Toronto, Ontario are authorized or obligated by law to close or are generally closed;

7. "**Confidential Information**" means, in respect of a Party, all information (whether in written, oral or electronic form) relating to this Agreement (including its existence) and all confidential or proprietary information, intellectual property, and confidential facts relating to the business and affairs of the other Party, including all of such Party's know-how, trade secrets, data, results, procedures, methodology, technical and scientific expertise, and Personal, business, financial, marketing, manufacturing, sales, distribution, product and supply information, and information related to such Party's internal organization, Personnel, facilities, capabilities, research, development and planning. However, Confidential Information does not include any information that a Party can demonstrate (a) is generally available to or known by the public other than as a result of improper disclosure by that Party, or (b) is or was obtained by that Party from a source other than the other Party or anyone bound by a duty of confidentiality to the other Party.

8. "**Default**" has the meaning set forth in Section 15 of this Agreement;

9. "**Defaulting Party**" has the meaning set forth in Section 15(a) of this Agreement;

10. "**Early Termination Notice**" has the meaning set forth in Section 15(b) of the Agreement;

11. "**Encumbrance**" means any encumbrance of any kind whatever (registered or unregistered) and includes a security interest, mortgage, lien, hypothec, pledge, hypothecation, assignment, charge, trust or deemed trust (whether contractual, statutory or otherwise arising), any adverse claim, easement, restrictive covenant, limitation, agreement, reservation, right of way, restriction, encroachment or burden or any other right or claim of others of any kind whatever and any rights or privileges capable of becoming any of the foregoing;

12. "**Environmental Laws**" means any Applicable Law relating to the Environment and protection of the Environment, the regulation of chemical substances or products, health and safety including occupational health and safety, and the transportation of dangerous goods.

13. "**Extraction Operations**" means, in respect of the Subject Property, the extraction, processing, washing, stockpiling, marketing, selling and shipping of Aggregate on and from, the Subject Property; In accordance with the MNRF approved plan, being the Operational Plan.

14. "**Governmental Authority**" means (i) any court, judicial body or arbitral body; (ii) any federal, provincial, local, or municipal government in Canada (iii) any legislative, executive, regulatory or administrative authority, governmental department, bureau, agency, commission, board, tribunal, crown corporation, licensing body or agency of any such government;

15. **"Hazardous Material**" means any pollutant, contaminant, waste, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Applicable Law;

16. "**Insolvency Event**" with respect to a Party means:

    a. if a Party makes any voluntary assignment for the benefit of creditors under any bankruptcy, insolvency, moratorium, reorganization or analogous law of any applicable jurisdiction or if a decree or order of a court having jurisdiction is issued or entered adjudging such Party bankrupt or insolvent, ordering the winding-up or liquidation of such Party or approving any reorganization, arrangement, compromise, composition, compounding, extension of time, moratorium or adjustment of liabilities of such Party under the *Companies' Creditors Arrangement Act* (Canada), *the Bankruptcy and Insolvency Act* (Canada) or the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency, moratorium, reorganization or analogous law of any applicable jurisdiction;

    b. if a trustee, receiver, receiver and manager, interim receiver, custodian, liquidator, provisional liquidator, agent for a secured creditor or other Person with similar powers is appointed in any manner in respect of a Party or in respect of all or a substantial portion of its property or assets; or

    c. if a Party passes any resolution for its liquidation, winding-up or dissolution;

17. "**Investigations**" means the conducting of tests and investigations on a property in connection with the conducting of Extraction Operations and/or for the purpose of amending a Licence;

18. "**Licence**" means a "licence" as defined in the Act;

19. "**MNRF**" means the Ministry of Natural Resources and Forestry or such other department or ministry of the government of Ontario that is responsible for administering the Act, from time to time;

20. "**Notice**" as described in Section 17(c) in the Agreement

21. "**Operational Easements**" has the meaning set forth in Section 4(a) in the Agreement;

22. "**Operational Plan**" means the approved plan of operation prepared by W.L. Bradshaw, P.ENG. Kitchener, Ontario to extract aggregate issued by "**MNRF**" with respect to the Subject Property and as amended from time to time with the concurrence of the Purchaser and approved by the "**MNRF**". The Operational Plan is attached to this Agreement under Schedule "C-2".

23. "**Operations**" means all aspects of this PaPA needed to conduct Extraction Operations. Including Investigations, well monitoring, permits, roadway enhancement in and off site.

24. "**Parties**" means, collectively, each of the signatories to this Agreement, and "**Party**" means any of them;

25. "**Permits**" means the licences, permits or approvals that are required from a Governmental Authority in order for the Township to conduct Extraction Operations on the Subject Property in accordance with the terms of the Subject Licence (as amended as contemplated by Section 3(b)), the Operational Plan and Applicable Law;

26. "**Person**" shall be broadly interpreted and includes an individual, body corporate (with or without share capital), partnership, limited partnership, syndicate, sole proprietorship, joint venture, association, unincorporated organization, trust, trustee, a Governmental Authority and the executors, administrators or other personal representatives of an individual in such capacity;

27. **"Profit a Prendre in Gross**" is a non – encumbranceable interest in land for a term of years wherein the Recipient of that interest in the Subject Property, the Recipient has a right of access, ingress and egress to and from the Subject Licensed lands to conduct Extraction Operations therein for Pit aggregate within such Licensed Lands, including processing, storage, weighing and transporting such Pit material to outside locations.

28. "**Pit**" means, in respect of each of the Subject Property, the area (i) described in the Subject Licence upon which Extraction Operations are permitted and are to be carried out and (ii) where any Aggregate is stockpiled;

29. "**Shipped**" or "**Ships**" means when Aggregate on any of the Subject Property scaled and exits the Properties;

30. "**The Subject Licence**" has the meaning set forth in the Background section of this Agreement;

31. "**The Subject Property**" means the real property described as such on Schedule "A";

32. "**Site Plan**" means the Operational Plan for the Subject Property as approved by the **MNRF**, together with any amendments thereto, attached to this Agreement as Schedule "C-2";

33. "**Term**" has the meaning set forth in Section 6; and

34. "**Transfer**" means, in respect of any real property, any direct or indirect (including through any change of control) sale, transfer, assignment, conveyance, lease, sublease, gift, exchange, mortgage, pledge, charge or other disposition of such real property, or any other direct or indirect grant of any other right or interest in such real property.

SCHEDULE "E"

AGREED ADMISSIONS BY THE TOWNSHIP & THE PURCHASER

	ADMISSIONS BY:	***The Purchaser***	***The Township***
1	While all of the naturally located aggregate is still in its solid state, otherwise referred to in Canadian Case law, as being "*In Situ*", the aggregate, while naturally so located "In Situ", shall be the fee simple property of the Purchaser, until it is mined, typically by excavation, when the aggregate is severed from the still continuing "*In Situ*" aggregate still then owned in fee simple by the Purchaser. When that severed aggregate becomes separated from the "*In Situ*" aggregate, title to that severed aggregate will immediately then become the property of the Township, for transport elsewhere within the "Licenced Lands" for processing, if needed, and/or stored for future weighing.	**X**	**X**
2	The Purchaser and the Township both understand that the contractual relationship between them is (i) not that of a lease between a Landlord and a Tenant, and (ii) that this contractual relationship between them does not encumber the lands of the Purchaser, and (iii) that the actual relationship between the Purchaser and the Township is an incorporeal right, not having an interest in land, and that right is otherwise recognized in law as a " Profit-a- Prendre in Gross"	**X**	**X**

SCHEDULE "F"

PaPA Case Law

A. THE QUEEN IN THE RIGHT OF BRITISH COLUMBIA v. TENER,

[1985] 1 S.C.R. p. 513,

HEADNOTES

Respondents were the registered owners of mineral claims on lands now located within Wells Gray Provincial Park. The conditions governing the exploitation of a natural resource in Wells Gray Park gradually became more onerous and, for several years prior to the action, respondents were denied the park use permit necessary to explore or work the claims. Respondents were finally advised by letter that no new exploration or development work would be permitted under current park policy and were asked to itemize a quit claim price. This action was commenced--and came by way of stated case--because respondents considered their opportunity to explore their claims had been conclusively denied. The central issue was whether a refusal by the Crown to grant a park use permit needed by respondents to exploit their mineral claims gives rise to a statutory right to compensation. The trial judge found that no compensation was payable, but the Court of Appeal held that respondents were entitled to compensation under the Lands Clauses Act. The Crown appealed.

Held: The appeal should be dismissed.

Per Beetz, Estey, McIntyre, Chouinard and Le Dain JJ.: Respondents' interest was expropriated through the operation of the Park Act, and accordingly, the Lands Clauses Act had no application and compensation was to be found in the Ministry of Highways and Public Works Act. The denial of the park use permit, given the assumption that the combined effect of the Mineral Act and the Park Act required such a permit to remove these granted minerals, made the prohibitions of the Park Act operative with the result that the rights granted to the respondents were reduced in law and recovered in part by the Crown. This process, which is to be distinguished from zoning and the regulation of specific activity on certain land, constituted a taking for which compensation was required notwithstanding the fact that the respondents retained their interest in the minerals themselves.

In determining compensation, only the regulations under the Mineral Act are to be considered in valuing the expropriated mineral rights: they were regulations qua minerals unlike other regulations qua park use which were tied to the taking process. The interest taken must represent the total value of the minerals less whatever value might attach to a possible future reversal of executive policy relating to removal permits.

Per Dickson C.J. and Wilson J.: This was a case of expropriation under s. 11(c) of the Park Act for which compensation was payable under the Highways Act. Respondents had a *profit à prendre* in the land--a right to go on the land for the limited purpose of severing the minerals and making them their own--rather than two separate interests consisting of the minerals and the access rights.

The *profit à prendre* was held in gross by respondents and could be extinguished by unity of seisin. The Crown did not merely prevent respondents from realizing their interest through regulation, but expropriated their interest in that it acquired, through its permanent refusal of a permit, title to the fee free from the encumbrance of the profit à prendre. This derogation by the Crown from its earlier grant, while lawful, defeated the respondents' interest and amounted to an expropriation.
The Park Act contemplates compensation being paid in case of expropriation but not in the case of injurious affection simpliciter. The Highways Act permits compensation for expropriation and also for injurious affection coupled with expropriation and applied in this case to determine the compensation payable on the expropriation. The Lands Clauses Act permits compensation for injurious affection simpliciter but had no application in this case because of s. 18(3) of the Highways Act.
A right to compensation must be found in the statute. If land has been expropriated the statute will be construed in light of a presumption in favour of compensation but no such presumption exists in the case of injurious affection simpliciter.

EXTRACTS FROM DECISION

1. Before proceeding to a detailed consideration of the applicable legislation it is necessary, I think, to analyze with greater particularity the nature of the respondents' interest in the land. I think the learned Chambers Judge may have been in error in treating the respondents as having two separate and distinct interests in the land--the mineral claims and the right to go on the surface for the purpose of developing them--and characterizing the latter interest as a *profit à prendre.* It has been held that an owner of a mineral claim with ancillary surface rights cannot dispose of its surface rights as if they were a separate interest. Such rights can be transferred only in conjunction with a transfer of the mineral claim itself: see *In Re Reliance Gold Mining and Milling Co.* (1908), 13 B.C.R. 482, *per* Wilson Lo. J., at p. 483. I believe that what the respondents had was one integral interest in land in the nature of a profit à prendre comprising both the mineral claims and the surface rights necessary for their enjoyment.

2. A *profit à prendre* is defined in *Stroud's Judicial Dictionary* (4th ed.), vol. 4, at p. 2141, as

> "a right vested in one man of entering upon the land of another and taking therefrom a profit of the soil".

In *Black's Law Dictionary* (5th ed.), it is defined as

> "a right to make some use of the soil of another, such as a right to mine metals, and it carries with it the right of entry and the right to remove and take from the land the designated products or profit and also includes the right to use such of the surface as is necessary and convenient for exercise of the profit".

3. Wells J. elaborated on the nature of a profit à prendre in *Cherry v. Petch*, [1948] O.W.N. 378, where he said, at p. 380

> " It has been said that a *profit à prendre* is a right to take something off the land of another person. It may be more fully defined as a right to enter on the land of another person and take some profit of the soil such as minerals, oil, stones, trees, turf, fish or

game, for the use of the owner of the right. It is an incorporeal hereditament, and unlike an easement it is not necessarily appurtenant to a dominant tenement but may be held as a right in gross, and as such may be assigned and dealt with as a valuable interest according to the ordinary rules of property."

It is important to note that it is the right of severance which results in the holder of the *profit à prendre* acquiring title to the thing severed. The holder of the profit does not own the minerals *in situ*. They form part of the fee. What he owns are mineral claims and the right to exploit them through the process of severance. This may be significant when attempting to answer the questions: what constitutes the expropriation of a *profit à prendre*? what constitutes injurious affection in the case of a *profit à prendre*?

4. *Profits à prendre* may be held independently of the ownership of any land, *i.e.*, they may be held in gross. In this they differ from easements. Alternatively, they may be appurtenant to land as easements are, *i.e.*, they may be a privilege which is attached to the ownership of land and increases its beneficial enjoyment. In this case the respondents would appear to have a *profit à prendre in gross* since they do not own any land to which the profit is appurtenant.

5. *Profits à prendre in gross* are extinguished by unity of seisin, *i.e.*, if the holder of the profit either:

(a) releases it in favour of the owner of the land in which the profit subsists; or

(b) becomes the owner of the land in which the profit subsists.

The extinguishment arises from the fact that if the ownership of the profit and the ownership of the land in which the profit subsists devolve on the same person, the profit can no longer exist as a separate interest in the land. The profit merges in the fee and is extinguished.

B. QUERCUS ALGOMA CORPORATION ET AL. v. ALGOMA CENTRAL CORPORATION, 2021 ONSC 2457

HEADNOTES

The parties entered into a mining rights option agreement (MROA) with a term of 40 years. Notice of the MROA was registered on title to various properties in 1997. The respondent had an option to purchase an undivided one-half interest in mining rights with associated profits regarding some of those lands. A disagreement arose between the parties as to the validity of the option. The *Perpetuities Act* provided that the rule against perpetuities did not apply to options to acquire reversionary interests, and pursuant to s. 13(3) the perpetuity period for all other options to acquire for valuable consideration any interest in land was 21 years. Under s. 14, the perpetuity period was 40 years in the case of an easement, *profit à prendre*, or other similar interest. According to the applicants, the property interest created by the MROA fell within the scope of "all other options" within the meaning of s. 13(3), and as such the option had expired. The respondent submitted that it fell within "other similar interest" within the meaning of s. 14 and as such was presumptively valid. The applicants sought to declare the option void.

Held: The application should be dismissed.

The option created by the MROA was a right exercisable within the meaning of s. 14 such that the vesting period was 40 years and the option was valid. The object of the legislation was to modify the common law rule against perpetuities to reflect the modern reality of commercial transactions. The history of the legislation, and ss. 13 and 14 in particular, demonstrated an intention to create a longer vesting period for the exercise of future rights over incorporeal property interests. The reading of the two sections together led to the conclusion that "other options" related only to options to acquire for valuable consideration an interest in corporeal hereditaments. The reference to a "similar interest" meant interests similar in nature to easements and *profits à prendre*, being incorporeal interests. Section 14 reflected the commercial reality that transactions involving incorporeal hereditament interests were generally the product of sophisticated commercial transactions and should not be frustrated by the rule against perpetuities. The fact that s. 14 provided a longer vesting period than the common law vesting period of 21 years further supported that view. The MROA did not deter future commercial development of the property since it was the applicants who exercised complete control over when, how and whether to enter into mineral exploration, extraction, and development. The MROA was registered on title and the option was a covenant running with the land and as a charge. The fact that the contingent incorporeal interest was framed within a commercial contract as an "option" did not transform it into an interest in a corporeal hereditament within the meaning of the *Perpetuities Act.*

EXTRACTS FROM DECISION

[1] This is an application seeking declaratory relief regarding the validity or invalidity of an option exercisable by Algoma Central Corporation (“ACC”) to purchase an undivided one-half interest in

Mining Rights with associated profits regarding certain lands in eastern Ontario referred to collectively by the parties as the Quercus Algoma Parcels, pursuant to s. 5(1) of the *Perpetuities Act*, R.S.O. 1990, c. P.9.

[2] At issue is whether the option provided for in the Mining Rights Option Agreement ("MROA") is captured under s. 13(3) of the *Perpetuities Act* or, alternatively under s. 14. This is important to the parties because if the option is captured under s. 13(3) and the associated 21-year vesting period, as urged by the Applicants, the option has expired and is voided. However, if the option is captured under s. 14, as urged by the Respondent, then the 40-year vesting period applies and the option has not yet expired and is presumptively valid.

[3] The parties have advised that they cannot find any reported decision in which the scope and ambit of ss. 13(3) and 14, including, in particular, how the two legislative provisions interrelate. Therefore, this is a case of first impression

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[28] The Court of Appeal in *Third Eye Capital Corporation v. Ressources Dianor Inc.*, 2018 ONCA 253, 141 O.R. (3d) 192 ("Third Eye"), at para. 31, defined corporeal and incorporeal hereditaments as follows,

> "At common law, rights in relation to land are divided into corporeal and incorporeal hereditaments … A corporeal hereditament is an interest in land that is capable of being held in possession, such as a fee simple. An incorporeal hereditament is an interest in land that is non-possessory such as easements, *profits à prendre*, and rent charges. Under each type of incorporeal hereditament, the holder has an interest in land."

[29] Accordingly, the right created by the entitlement to purchase a one-half undivided interest in the Mining Rights and the related share of revenues in the MROA is an incorporeal hereditament.

[30] More specifically, the type of incorporeal hereditament created by the MROA is an option to purchase what in essence is a share in a *profit à prendre*. *Black's Law Dictionary* defines a *profit à prendre* as:

> "A right exercised by one person in the soil of another, accompanied with participation in the profits of the soil thereof. A right to take part of the soil or produce of the land. A right to take from the soil, such as by logging, mining, drilling, etc. The taking (profit) is the distinguishing characteristic from an easement".

Right of "*profit à prendre*" is a right to make some use of the soil of another, such as a right to mine metals, and it carries with it the right of entry and the right to remove and take from the land the designated products or profit and also includes right to use such of the surface as is necessary and convenient for the exercise of the profit.

[31] A property interest is either vested or contingent. The vesting of a contingent interest is delayed by the occurrence of some future event (i.e., subject to a condition precedent): *Reyhani*, at para. 13.

Both parties agree that the interest created in the MROA is a contingent interest because the resulting entitlement to a share of revenues by ACC as Optionee will only vest upon its exercise of the option to purchase the one-half undivided interest in the Mining Rights (and payment by the Optionee of $25 per acre to the Optionor). According to the terms of the MROA, the option is exercisable by ACC at any time within 40 years from the date of the MROA.

[32] The Supreme Court of Canada, in *Bank of Montreal v. Dynex Petroleum Ltd*., [2002] 1 S.C.R. 146, changed the common law with respect to the characterization of royalties in the oil and gas industry as an interest in land.

[33] *Dynex* has particular relevance to the case at bar as it deals with royalties which is an incorporeal hereditament. Royalties are similar in nature to the profit-sharing scheme set out in the MROA.

[34] As noted by the Supreme Court, at para. 8, "At common law, an interest *in land* could issue from a corporeal hereditament but not from an incorporeal hereditament" (emphasis added).

[35] At para. 10, the Supreme Court quoted with approval, Laskin J.'s dissent from *Saskatchewan Minerals*, at p. 722,

> The language of "corporeal" and "incorporeal" does not point up the distinction between the legal interest and its subject-matter. On this distinction, all legal interests are "incorporeal", and it is only the unconfronted force of a long history that makes it necessary in this case to examine certain institutions of property in the common law provinces through an antiquated system of classification and an antiquated terminology. The association of rents and royalties has run through the cases … but without the necessity hitherto in this Court to test them against the common law classifications of interests in land or to determine whether those classifications are broad enough to embrace a royalty in gross.

[36] The Supreme Court accepted the Alberta Court of Appeal's finding that the longstanding practice of the oil and gas industry is to recognize that the owners of mineral rights can offer royalties as an interest in land to raise financing for ongoing exploration and development of "unproduced minerals": *Dynex*, at paras. 6, 15. The Supreme Court concluded, at paras. 15-21, that there were no compelling policy reasons for maintaining the common law prohibition on the creation of an interest in land from an incorporeal hereditament other than "fidelity to common law principles", reflecting the commercial reality of the mechanisms used by the industry to fund expensive drilling and exploration projects. Thus, the Supreme Court of Canada held that incorporeal hereditaments, such as royalties on unproduced minerals, *can* give rise to the creation of an interest *in land* providing that was the intention of the parties as determined by the contract giving rise to those rights.

[37] In summary, the Supreme Court of Canada found, at para. 21, that "[a] royalty which is an interest in land may be created from an incorporeal hereditament such as a working interest or a *profit à prendre*, if that is the intention of the parties."

[38] A *profit à prendre*, in the mining context, was recently defined by our Court of Appeal, in *Third Eye*, at para. 34, as "a working interest" and "a right given by the fee owner (often the Crown) to a miner to enter the owner's land and extract minerals or resources from the property." In *Third Eye*, at para. 63, the Court also emphasized that to determine whether a grant was intended to convey an

interest in land by way of an incorporeal hereditament, the court must examine the parties' intention "from the agreement as a whole, along with the surrounding circumstances".

[39] As will become apparent, it is important to repeat that the change in the common law by the Supreme Court of Canada in *Dynex* declaring that interests in land can now be created by incorporeal hereditaments was made in 2002, after the enactment of the *Perpetuities Act* and after the date of the MROA. Also important is that the courts in *Dynex* and *Third Eye* were not dealing with the concept of incorporeal hereditaments being interests in land within the context of the rule against perpetuities

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[76] On the other hand, s. 14 deals with incorporeal hereditaments including easements and *profits à prendre* and "similar interests" in relation to rights exercisable in the "servient land".

[77] The reference to "other options" in s. 13(3) when read in harmony with the other subsections of that provision along with s. 14, leads me to the conclusion that "other options" relates only to options to acquire for valuable consideration an interest in corporeal hereditaments – then characterized as the "interest in land", before the decision in *Dynex*. Similarly, the reference to "similar interests" in s. 14, when read together with s. 13, means interests similar in nature to easements and *profits à prendre*, which are incorporeal interests and, at common law, the subject of which was also one of confusion under the common law rule against perpetuities. An option to acquire a *profit à prendre* is still an incorporeal interest that is an "exercisable right in the servient land" and as such falls within the category of "similar interests" under s. 14.

[78] In my view, this interpretation of the interrelationship between ss. 13 and 14 reflects the intent of the legislature, as reflected in the legislation the day after its enactment, to modify or clarify the common law rule against perpetuities drawn along the lines of treatment of corporeal hereditament interests and incorporeal hereditament interests. In particular, s. 14 reflects the commercial reality that transactions involving incorporeal hereditament interests are generally the product of sophisticated commercial transactions and should not be frustrated by the rule against perpetuities. The fact that s. 14 provides a longer vesting period (40 years) than the common law vesting period (21 years) further supports this view.

B. KINSLEY v. GRM CONTRACTING LTD. (ON Gen. Div.)

4 OR (3d) 648 - 82 DLR (4th) 751 - 1991 CanLII 7382 (ON SC)

Planning -- Subdivision control – Profit a Prendre for gravel pit not infringing subdivision control legislation -- Transaction not violating spirit or intent of legislation -- Planning Act, R.S.O. 1980, c. 397, s. 29(3).

HEADNOTES

In 1982, K signed an agreement with GRM in which, in return for royalty payments, K granted GRM the right to operate a pit it as contemplated under the Pits and Quarries Control Act on lands owned by K. K granted GRM the right to carry away materials from K's lands, the right to erect structures and a right of entry as necessary to operate the pit. The agreement restricted GRM from operating "within 100 feet of any existing buildings and also from three hills located to the west of the dwelling place located on the said lands". The term of the agreement was "until the pit is exhausted or GRM wishes to surrender its rights or 25 years" whichever first occurs. In the agreement K was described as "lessor" and GRM as "lessee". In 1988, K sold the lands to L who was in the gravel business. K and L applied to have the agreement with GRM declared void and set aside. K and L argued that the agreement violated s. 29(3) of the Planning Act because it had the effect of granting the use or right in land for 21 years or more while K retained the fee or equity of redemption in abutting land.

Held: The application to set aside the agreement should be dismissed.

Although the document styled the parties as lessor and lessee, the agreement was not a lease since there was no grant of exclusive possession, no habendum, no mention of rent and no covenant for quiet enjoyment. The agreement was a Profit a Prendre, a right to enter upon the land of another and take a profit from the soil. The owner of the Profit a Prendre, does not own the materials extracted in situ and does not sever the fee of the land. Until the gravel is severed by GRM -- which process then makes GRM the owner of the resulting chattel property -- K continues to own the whole fee. The agreement did not convey a right in land and there was no question of the retention of an ownership interest in "abutting lands". The restriction that preserved the dwelling and the three hills did not constitute a subdivision within the meaning of the Planning Act. While, by statute, the operation of a gravel pit is a use of land for zoning purposes, it is not a use of land for subdivision control. If these conclusions were wrong, then the Planning Act still did not apply since the Act was not intended to apply to the subject-matter of this transaction. The agreement with GRM did not violate the spirit or intent of the statute. Finally, even if the agreement created a use of or right in land, the agreement did not necessarily constitute a use or right which exists for a period of 21 years or more.

MOTION to set aside agreement as violating s. 29(3) of the Planning Act, R.S.O. 1980, c. 379.

LANGDON J.:-- Kinsley owned certain lands and in 1982 entered into an agreement with GRM Contracting Ltd. (GRM) in which Kinsley was styled "lessor" and GRM "lessee". The agreement recites that Kinsley is the owner of the lands and that GRM "presently is extracting gravel ... from the lands". The text of the agreement confers on GRM certain rights:

1. To operate a pit as contemplated by the Pits and Quarries Control Act, R.S.O. 1980, c. 378 [now superseded by the Aggregate Resources Act, 1989, S.O. 1989, c. 23].

2. To dig and carry away materials from the owner's land and erect structures for that purpose.

3. A “right of way" over and upon the lands for the purposes of the agreement.

This right of way is not made appurtenant to any other parcel of land and should be interpreted simply as a right of such entry on the lands as is necessary to enable GRM to operate its pit.

The duration of the agreement was expressed to be "until the pit is exhausted or GRM wishes to surrender its rights or 25 years" whichever first occurs.

The agreement confers on Kinsley the right to receive royalties, the amount of which is disputed in other portions of this application for reasons not material to this motion.

Paragraph seven of the agreement restricts GRM from disturbing or drawing gravel "within 100 feet of any existing buildings and also from three hills located to the west of the dwelling place located on the said lands".

GRM operated the pit and paid royalties until enjoined in these proceedings in 1989.

In 1988 Kinsley sold the lands to Liorti who had notice of the lease. Liorti is in the gravel business. Both Liorti and Kinsley want the agreement declared void so as to exclude GRM.

The applicants argue that the agreement violated s. 29(3) of the Planning Act, R.S.O. 1980, c. 379 [now superseded by the Planning Act, 1983, S.O. 1983, c. 1] in that Kinsley "entered into [an] agreement that [had] the effect of granting the use of or right in land ... for 21 years or more and at the same time (in violation of s. 29(3)(b)) Kinsley [retained] the fee or the equity of redemption in ... land abutting the land ... being ... dealt with".

I reject that contention for reasons which follow.

Considerable argument was made whether the agreement was a lease or something else. I accept the following propositions which were advanced in GRM's factum.

In general terms, the nature and effect of an agreement is determined by its terms and provisions, rather than by the particular words it uses. As a result, the use of the words lessor and lessee does not by itself constitute the relationship of landlord and tenant or a demise of land if the agreement does not otherwise have that effect: Reliance Petroleum Ltd. v. Rosenblood, [1953] O.W.N. 115

(Co. Ct.); Re Totem Tourist Court and Skaley, 1973 CanLII 720 (ON SC), [1973] 3 O.R. 867 (Dist. Ct.).

Although the document styles the parties as lessor and lessee, the agreement is not a lease. It does not have the hallmarks of a lease. It does not grant exclusive possession to GRM. On the contrary, Kinsley continued to reside in the dwelling house and protected that right by restrictions.

Although the document is relatively formal there is no habendum such as might be expected in creating a lease.

There is no mention of rent.

There is no covenant for quiet enjoyment.

This agreement is a Profit a Prendre, In British Columbia v. Tener, 1985 CanLII 76 (SCC), [1985] 1 S.C.R. 533, [1985] 3 W.W.R. 673, at pp. 540-41 S.C.R., pp. 690-91 W.W.R., Wilson J. stated as follows:

> "... it is necessary ... to analyze with greater particularity the nature of the respondents' interest in the land. I believe that what the respondents had was one integral interest in land in the nature of a Profit a Prendre, comprising both the mineral claims and the surface rights necessary for their enjoyment."

A Profit a Prendre, is defined in Stroud's Judicial Dictionary..... as

> " a right vested in one man of entering upon the land of another and taking therefrom a profit of the soil. … a right to make some use of the soil of another, such as a right to mine metals, and it carries with it the right of entry and the right to remove and take from the land the designated products or profit and also includes the right to use such of the surface as is necessary and convenient for exercise of the profit."

Wells J. elaborated on the nature of the Profit a Prendre, in Cherry v. Petch, [1948] O.W.N. 378, where he said at p. 380:

> It has been said that a Profit a Prendre, is a right to take something off the land of another person. It may be more fully defined as a right to enter on the land of another person and take some profit of the soil such as minerals, oil, stones, trees, turf, fish or game, for the use of the owner of the right. It is an incorporeal hereditament, and unlike an easement it is not necessarily appurtenant to a dominant tenement but may be held as a right in gross, and as such may be assigned and dealt with as a valuable interest according to the ordinary rules of property.
>
> It is important to note that it is the right of severance which results in the holder of the Profit a Prendre, acquiring title to the thing severed. The holder

> of the profit does not own the minerals in situ. They form part of the fee. What he owns are mineral claims and the right to exploit them through the process of severance. ...

Profits a prendre may be held independently of the ownership of any land, i.e., they may be held in gross. In this they differ from easements. Alternatively, they may be appurtenant to land as easements are, i.e., they may be a privilege which is attached to the ownership of land and increases its beneficial enjoyment.

(Emphasis added; rules represent original emphasis)

Following this reasoning, I conclude that Kinsley never severed his ownership of the land. Until such time as the gravel was/is severed by GRM (which process then makes GRM the owner of the resulting chattel property), Kinsley continues to own the whole. Thus there is no question of the retention of an ownership interest in "abutting lands".

The restriction which preserves undisturbed the dwelling and the three hills does not in my opinion constitute a subdivision within the meaning of the Planning Act. The effect of the restriction is rather to specify by agreement a particular aspect of GRM's duty in law as the grantee of a Profit a Prendre, to use the land reasonably having regard to the interest of the grant. See Anger and Honsberger: The Law of Real Property, 2nd ed., vol. 2 (Toronto: Canada Law Book, 1985), p. 176, para. 1812.6:

> The grantee of a profit a prendre must use the land reasonably having regard to the interests of the grantor. If the grantee in exercising his rights damages ... other parts of the premises, he must pay damages.

If such a restriction constituted a subdivision one could equally argue that regulations under the Pits and Quarries Control Act forbidding mining for instance within 100 feet of a road allowance, also constitute a subdivision.

Moreover, the Ontario Court of Appeal in Pickering (Township) v. Godfrey, 1958 CanLII 95 (ON CA), [1958] O.R. 429, 14 D.L.R. (2d) 520 (C.A.), and again in Uxbridge (Township) v. Timber Brothers Sand & Gravel Ltd. (1975), 1975 CanLII 507 (ON CA), 7 O.R. (2d) 484, 55 D.L.R. (3d) 516 (C.A.) [leave to appeal to S.C.C. dismissed (1975), 7 O.R. (2d) 484n], decided that the taking of gravel in the nature of a profit a prendre did not constitute a "use of land" for purposes of a zoning by-law the function of which was to prohibit the use of land.

Following these decisions, the Planning Act was amended but only regarding the municipal power to zone. Thus the operation of gravel pit is now by statute a use of land for zoning purposes but not for purposes of subdivision control.

As I have already pointed out, a profit a prendre gives to the holder no right to the material in situ. It gives a right to sever and thereby acquire resulting chattel property. Therefore, it cannot be said that the agreement conveys a right in land any more than it conveys the use of land.

If I have erred in deciding that this document is not a lease and in deciding that it does not create a use of or a right in land, I nevertheless conclude that the Planning Act does not apply. In an unreported decision of Cardiniere Atlantic Investment & Shipping v. Royal Trust Co. (Ontario), O'Leary J. stated as follows:

> "The purpose of Part II of the Planning Act and in particular s. 29(1) and (2) is to prevent except with certain approvals, the severance into two or more independent ownerships of a parcel of land held under one ownership, the ultimate purpose being to ensure orderly land development on appropriately sized parcels. Here an office building has been built in conformity with the Planning Act and presumably all municipal requirements and the owner (landlord) has rented a portion of the first floor which I am told is several feet above ground level to a tenant for a period of 25 years with an option to renew for a further 10 years."
>
> The said lease conveys an interest in land and being for more than 21 years might be considered to fall literally within s. 29(2) of the Act. However, the purpose of the Act as above stated, and as clarified by s. 29(1a) indicates to me that the Act was not intended to apply to leases such as the one that is the subject matter of this application. There is no suggestion that the lease in question would cause a subdivision of land and it is such a lease that in my view is meant to be covered by the wording s. 29(2) in order that the intent of the Act be not defeated by a lengthy lease as opposed to a sale of the fee.

Here planning is in no way interfered with by the granting of a 25-year lease. Indeed the giving of such a lease simply carries out the lawful purpose for which the building was erected. Accordingly I hold that the lease in question is a valid and binding one in every respect and did not require any consent or approval under s. 29(2) of the Planning Act.

See also Favot v. Children's Aid Society for Districts of Sudbury and Manitoulin (1982), 1982 CanLII 1812 (ON SC), 37 O.R. (2d) 321, 135 D.L.R. (3d) 697 (H.C.J.); Consortium Capital Projects Inc. v. Blind River Veneer Ltd. (1988), 1988 CanLII 4793 (ON SC), 63 O.R. (2d) 761, 47 R.P.R. 225 (H.C.J.); Westway Plaza Inc. v. Toronto-Dominion Bank (1986), 41 R.P.R. 9 (Ont. H.C.J.).

Bearing in mind that the purpose of s. 29 of the Planning Act is to regulate severance into two or more independent ownerships of parcels of land under one ownership in order to ensure orderly land development on appropriately sized parcels, I do not feel that this agreement violates the spirit or intent of the statute.

There is a last reason why the agreement does not offend the statute. Even if the agreement creates a use of or right in land I do not think that it necessarily constitutes one which exists for a period of 21 years or more.

As was stated in Pickering (Township) v. Godfrey, supra at p. 437 O.R., p. 524 D.L.R.,

> "It is also well established that the common law right of every subject to employ himself and his property in a lawful manner can not be taken away, restricted or affected except by statute, or by-law passed pursuant to statutory authority and expressed in clear language".

In Campbell v. Business Fleets Ltd., 1953 CanLII 155 (ON CA), [1954] O.R. 87, [1954] 2 D.L.R. 263 (C.A.), the court was called on to consider whether a particular contract of employment for life was prohibited by the Statute of Frauds, R.S.O. 1950, c. 371, because it was an agreement "that is not to be performed within the space of one year from the making thereof" and was not in writing. McKay J.A. at pp. 93-94 O.R., pp. 266-67 D.L.R. stated as follows:

> ... the agreement was to continue in force as long as the plaintiff was satisfied with the salary and bonuses, but if not so satisfied the plaintiff could terminate the employment at any time. Therefore, the plaintiff could terminate his employment within the space of one year. Moreover, the contract ... was to continue for his (the plaintiff's) life which might or might not be for a period of one day, one month, one year or twenty years. It is to me manifest that this contract must have come to an end at any time the plaintiff was not satisfied with his salary and bonus or on the death of the plaintiff, which might or might not be within the year.
>
> . . . . .
>
> ... the law is that the statute has no reference to cases in which the whole contract may be performed within one year, but there is no definite provision as to its duration, even although it may appear as a fact that the performance has extended beyond that time; that where the contract is such that the whole may possibly be performed within a year and there is no express stipulation to the contrary, the statute does not apply; and that the same principle has been applied to promises in terms of unlimited duration made by or to a corporation when performance of the promise is by the nature thereof limited to the life of the corporation or to the life of the individual ...

(Emphasis added)

In a statute such as the Planning Act which is restrictive of common law rights, subject to the golden rule, a similar approach is appropriate.

This agreement might possibly extend for more than 21 years. It is equally possible that "the whole may possibly be performed" in less than 21 years, if, within that time, the pit is exhausted or GRM should surrender its rights.

In the result, that portion of this application which seeks to set aside the agreement between Kinsley and GRM on the basis of its alleged breach of s. 29(3) of the Planning Act is dismissed with costs. The balance of the application which requires fact-finding may proceed to trial and should do so in accordance with the rules of practice [Rules of

Civil Procedure, O. Reg. 560/84]. There has already been extensive cross-examination on affidavits. If either party should feel that examination for discovery is appropriate in addition to the cross-examination already held, such examination ought not to duplicate the cross-examinations and should be concluded no later than October 31 next unless the parties otherwise agree.

If any further directions are necessary I may be spoken to.

Order accordingly.

SCHEDULE “C-1”
PLAN 16R-12183

SCHEDULE			
PART	LOT	CONCESSION	PIN
1	PART OF 15	15	PART OF 37278-0112

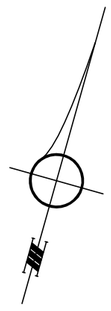
PLAN 16R-12183

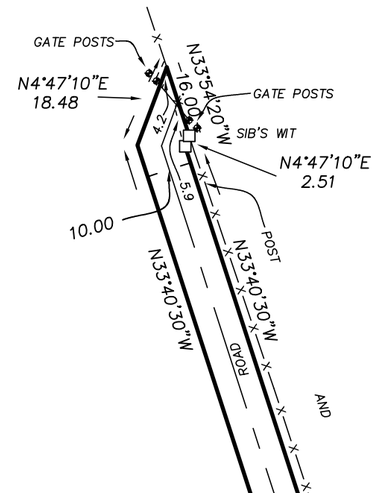
Received and deposited

February 6th, 2025

Latoya Coleman

Representative for the Land Registrar for the Land Titles Division of Grey (No.16)





PLAN OF SURVEY OF

PART OF LOT 15, CONCESSION 15

GEOGRAPHIC TOWNSHIP OF PROTON

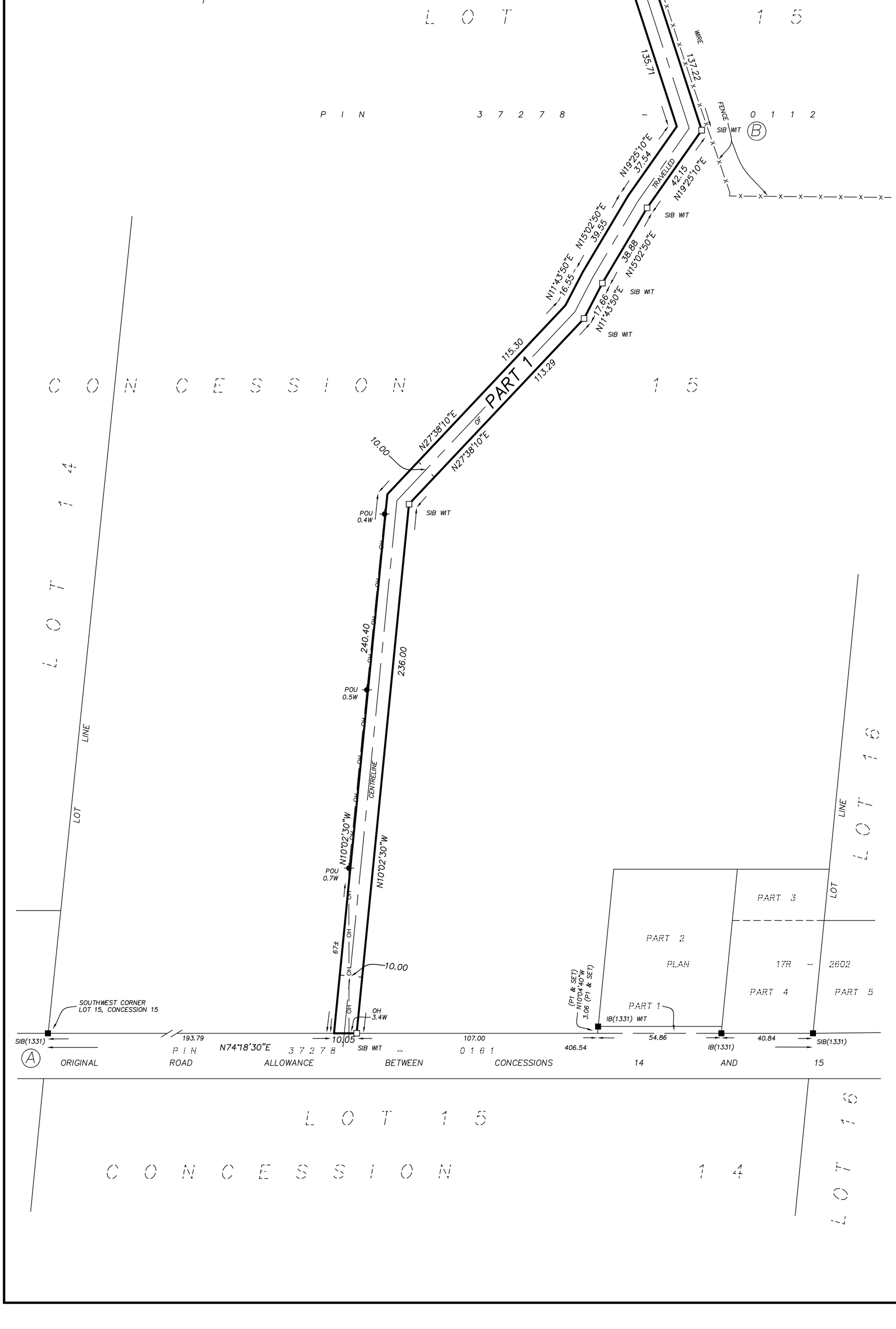
TOWNSHIP OF SOUTHGATE

COUNTY OF GREY

SCALE 1 : 1250 METRES

0 25 50 100

THE INTENDED PLOT SIZE OF THIS PLAN IS 457mm IN WIDTH BY 610mm IN HEIGHT WHEN PLOTTED AT A SCALE OF 1:1250



BEARING NOTE

BEARINGS ARE UTM GRID, DERIVED FROM OBSERVED REFERENCE POINTS A AND B, BY REAL TIME NETWORK OBSERVATIONS, UTM ZONE 17 (81° WEST LONGITUDE), NAD83(CSRS)v7(2010).

FOR BEARING COMPARISONS, THE FOLLOWING ROTATIONS WERE APPLIED: P1 - 1°17'10" COUNTER-CLOCKWISE

DISTANCE NOTES - METRIC

DISTANCES AND COORDINATES ARE IN METRES AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048.

DISTANCES ARE GROUND AND CAN BE CONVERTED TO GRID BY MULTIPLYING BY THE COMBINED SCALE FACTOR OF 0.999547.

LEGEND

■	DENOTES SURVEY MONUMENT FOUND
□	DENOTES SURVEY MONUMENT SET
SIB	DENOTES STANDARD IRON BAR
IB	DENOTES IRON BAR
WIT	DENOTES WITNESS
M	DENOTES MEASURED
P1	DENOTES 17R-2602
1331	DENOTES ALEX R. WILSON SURVEYING INC., O.L.S.
— OH —	DENOTES OVERHEAD UTILITY LINES
POU	DENOTES UTILITY POLE

SURVEYOR'S CERTIFICATE

I CERTIFY THAT:

1. THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEYS ACT, THE SURVEYORS ACT, THE LAND TITLES ACT AND THE REGULATIONS MADE UNDER THEM.

2. THE SURVEY WAS COMPLETED ON DECEMBER 20, 2024.

FEBRUARY 5, 2025 — DATE

ALYCIA ROBINSON, O.L.S.

THIS PLAN OF SURVEY RELATES TO AOLS PLAN SUBMISSION FORM NUMBER V-95428

INTEGRATION DATA

OBSERVED REFERENCE POINTS DERIVED FROM GPS OBSERVATIONS USING A REAL TIME NETWORK AND ARE REFERRED TO UTM ZONE 17 (81° WEST LONGITUDE) NAD83(CSRS)v7(2010).
URBAN ACCURACY PER SEC. 14(2), O.REG. 216/10.

POINT ID	NORTHING	EASTING
A	4887247.95	536558.86
B	4887730.20	536794.09

CAUTION: COORDINATES CANNOT, IN THEMSELVES, BE USED TO RE-ESTABLISH CORNERS OR BOUNDARIES SHOWN ON THIS PLAN

IBW SURVEYORS

IBWSURVEYORS.COM | 1.800.667.0696

copies available at ProtectYourBoundaries.ca

PARTY CHIEF:BR	DRAWN:BG	CHECKED:AR	PLOT DATE: FEB. 5, 2025	A-051656
FILE: A-051656-RPLAN-v2				

SCHEDULE "C-2"
SCHEDULE TO EASEMENT IN GROSS

TERMS AND PROVISIONS OF THE EASEMENT:

1. The Owner hereby grants, conveys and confirms to The Corporation of the Township of Southgate (the "Township"), its successors and assigns, in perpetuity, the free, uninterrupted and undisturbed right and easement to enter upon Part 1, Plan 16R-12183 (the "Easement Lands") at any time for the purposes of accessing the "Licensed Lands", as shown in Appendix A of this document. For greater certainty, the Owner hereby grants, conveys and confirms to the Township its successors and assigns, including its employees, contractors or agents in perpetuity, the free, uninterrupted and undisturbed right and easement to enter upon Part 1, Plan 16R-1218 at any time for the purposes of mining for, extracting, processing, and to remove all aggregate from the Licenced Lands and such other ancillary rights that may reasonably be needed to mine for, extract, process, and remove all aggregate, including, access to and from the Licensed Lands, constructing a road system within the Licenced Lands if needed, and being within the active extraction areas, locating equipment and structures ancillary to such extraction uses, such as weigh scales for weighing and/or measuring all aggregate and topsoil, if any, taken off-site of the Licenced Lands.

2. The Owner and the Township covenant and agree that the Township is not required to provide any notice to commence any work on the Easement Lands or Licenced Lands.

3. The Owner covenants with the Township to keep the Easement Lands herein described free and clear of any trees, buildings, structures, gates, barriers, or other obstructions, except for existing buildings or structures, which may limit the use, operation, repair, or maintenance of the easement or the use of the Licensed Lands in accordance with the Profit A Prendre Agreement referenced in the Notice of Agreement, registered as Instrument No. _____. For greater certainty, the Owner agrees not to do or suffer to be done anything on the Easement Lands which might obstruct the works performed on the Licensed Lands as referenced in the Notice of Agreement, registered as Instrument No. _____.

4. The Owner and Township, by the acceptance and registration of the within easement, agrees to be bound by the terms and provisions contained herein.

5. The burden and benefit of this easement shall run with the lands herein described and shall extend to and be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns. This easement shall only be deleted from title upon the occurrence of any one of the events described in Section 6 of the Profit A Prendre Agreement referenced in the Notice of Agreement, registered as Instrument No. _____.

6. This is an easement in gross.

Appendix A

SCHEDULE			
PART	LOT	CONCESSION	PIN
1	PART OF 15	15	PART OF 37278-0112

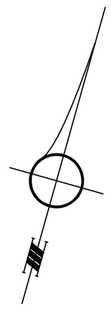
PLAN 16R-12183

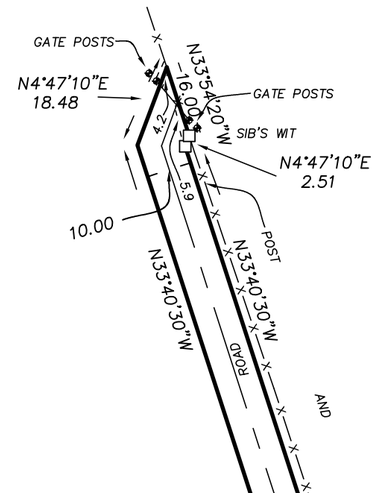
Received and deposited

February 6th, 2025

Latoya Coleman

Representative for the Land Registrar for the Land Titles Division of Grey (No.16)





PLAN OF SURVEY OF

PART OF LOT 15, CONCESSION 15

GEOGRAPHIC TOWNSHIP OF PROTON

TOWNSHIP OF SOUTHGATE

COUNTY OF GREY

SCALE 1 : 1250 METRES

0 25 50 100

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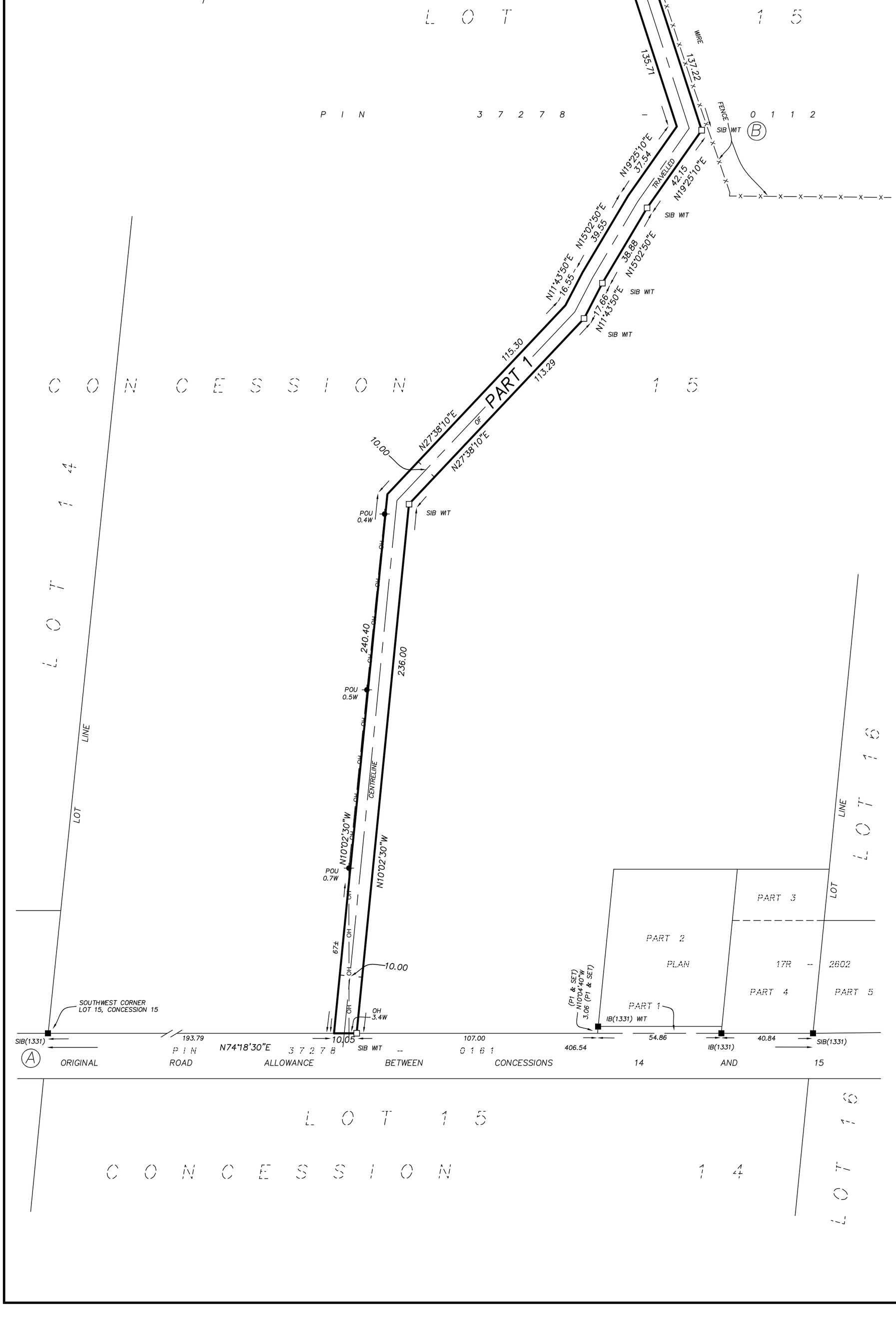

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LEGEND

■	DENOTES SURVEY MONUMENT FOUND
□	DENOTES SURVEY MONUMENT SET
SIB	DENOTES STANDARD IRON BAR
IB	DENOTES IRON BAR
WIT	DENOTES WITNESS
M	DENOTES MEASURED
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SURVEYOR'S CERTIFICATE

I CERTIFY THAT:

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FEBRUARY 5, 2025 — DATE

ALYCIA ROBINSON, O.L.S.

THIS PLAN OF SURVEY RELATES TO AOLS PLAN SUBMISSION FORM NUMBER V-95428

INTEGRATION DATA

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POINT ID	NORTHING	EASTING
A	4887247.95	536558.86
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CAUTION: COORDINATES CANNOT, IN THEMSELVES, BE USED TO RE-ESTABLISH CORNERS OR BOUNDARIES SHOWN ON THIS PLAN

IBW SURVEYORS

IBWSURVEYORS.COM | 1.800.667.0696

copies available at ProtectYourBoundaries.ca

PARTY CHIEF:BR	DRAWN:BG	CHECKED:AR	PLOT DATE: FEB. 5, 2025	A-051656
FILE: A-051656-RPLAN-v2				

Township of Southgate
Administration Office
185667 Grey County Road 9
Dundalk, ON N0C 1B0

Phone: 519-923-2110
Toll-Free: 1-888-560-6607
Fax: 519-923-9262
Web: www.southgate.ca
Email: info@southgate.ca

The Corporation of the Township of Southgate

OFFER FORM - CONFIDENTIAL

Subject Lands: Concession 15, Lot 15, Geographic Township of Proton, Township of Southgate, County of Grey, alternately known as 225579 Southgate Road 22

Name(s): _____

Address: _____

_____

Phone Number: _____

Offer price of Lands: $_____

Signature: _____

Date: _____

By submitting an offer to purchase the lands described above, does not automatically mean your offer will be accepted by Council. If your offer is accepted by Council, you will be required to enter into an Agreement of Purchase and Sale and a Profit A Prendre Agreement with the Corporation of the Township of Southgate.

An offer of purchase must be received by the Township of Southgate no later than **2:00 PM on Wednesday, April 23, 2025,** by email to tenders@southgate.ca or lgreen@southgate.ca, by mail or dropped off to 185667 Grey County Road 9, Dundalk, Ontario, N0C 1B0, in a sealed envelope clearly marked "Offer to Purchase, 225579 Southgate Road 22", and must include the following:

a. Agreement of Purchase and Sale
b. Profit A Prendre Agreement
c. Minimum deposit of 10% of the purchase price, by certified cheque payable to the Corporation of the Township of Southgate

The personal information provided on this form is collected under the authority of the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA). The information you provide will be used to for contact purposes but is otherwise considered confidential. Questions about the collection of personal information and its use can be directed to the Clerk's Department 519-923-2110 ext. 230.