THE CORPORATION OF
THE TOWN OF HALTON HILLS

-and-

CRH CANADA GROUP INC.,
through its division, Dufferin Aggregates

-and-

THE HALTON REGION CONSERVATION AUTHORITY and

CREDIT VALLEY CONSERVATION AUTHORITY

-and-

764296 ONTARIO LTD. and 747752 ONTARIO LTD.

CONVEYANCE AGREEMENT

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CONVEYANCE AGREEMENT

THIS AGREEMENT dated as of the 6th day of April, 2016,

B E T W E E N:

THE CORPORATION OF THE TOWN OF HALTON HILLS

(the "**Purchaser**")

- and -

CRH CANADA GROUP INC., through its division, Dufferin Aggregates

(the "**Vendor**")

- and –

THE HALTON REGION CONSERVATION AUTHORITY ("**CH**") and **CREDIT VALLEY CONSERVATION AUTHORITY** ("**CVCA**")

- and –

764296 ONTARIO LTD. and 747752 ONTARIO LTD.,

(collectively, the "**Subsidiaries**")

WHEREAS the Vendor operates a quarry in the Town of Halton Hills (the "**Existing Quarry**") and has obtained all necessary approvals to permit it to develop an extension to the Existing Quarry (the "**Extension Quarry**") in Halton Hills;

WHEREAS in order to provide certain public benefits to the Purchaser and The Regional Municipality of Halton as described in the Acton Quarry Public Benefits and Environmental Protection Agreement dated on or about the date hereof ("**Umbrella Agreement**"), the Vendor has agreed to convey to the Purchaser for nominal consideration certain parcels of land from time to time, as set out in this Agreement; and

WHEREAS the Vendor has agreed to sell, transfer, assign, set over and convey the Properties (as herein defined) to the Purchaser and the Purchaser has agreed to purchase, acquire and assume the Properties from the Vendor on the terms and subject to the conditions set out in this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements set out in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties covenant and agree as follows:

ARTICLE 1

INTERPRETATION

1.1 Definitions

The terms defined herein shall have, for all purposes of this Agreement, the following meanings, unless the context expressly or by necessary implication otherwise requires:

"**Act**" means the *Aggregate Resources Act* (Ontario) R.S.O. 1990, c. A.8, as amended, and the regulations thereunder and, unless otherwise specified, means such act and such regulations as the same may be hereafter amended or restated and any successor legislation of comparable effect.

"**Adjustments**" means the adjustments to each Purchase Price provided for and determined pursuant to Section 3.2.

"**Agreement**" means this conveyance agreement, together with all Schedules hereto, as amended from time to time in accordance with the terms hereof; "hereof", "hereto" and "hereunder" and similar expressions refer to this Agreement and not any particular section of this Agreement; "Article", "Section" and "Schedule" mean and refer to the specified article, section or schedule of or to this Agreement.

"**Applicable Law**" means, with respect to any Person, Properties, transaction or event, all laws, by-laws, rules, regulations, orders, judgments, decrees, decisions or other requirements having the force of law relating to or applicable to such Person, Properties, transaction or event.

"**ARA Licence**" means either or both of the Existing Quarry Licence and the Extension Quarry Licence, as applicable, as those terms are defined in the Umbrella Agreement.

"**ARA Site Plans**" means either or both of the Existing Quarry Site Plans and the Extension Quarry Site Plans, as applicable, as those terms are defined in the Umbrella Agreement.

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

"**CH**" has the meaning given to it in the recitals to this Agreement.

"**CH's Solicitors**" means O'Connor MacLeod Hanna LLP, 700 Kerr Street, Oakville, Ontario, L6K 3W5, F: 905-842-2460, or such other Person or law firm as CH may designate from time to time by Notice to the Purchaser, Vendor and/or CVCA.

"**Claim**" means any claim, demand, action, cause of action, damage, loss, cost, liability or expense, including reasonable professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

"**Closing**" means, in respect of each Property, the closing of the transaction of purchase and sale of such Property contemplated by this Agreement, including the satisfaction of the related Purchase Price and the delivery of the related Closing Documents in accordance with Section 6.5 at 10:00 a.m. (Toronto time) on the related Closing Date.

"**Closing Date**" means, in respect of each Property, the day that is one (1) year after the related Triggering Event has occurred, and if such day is not a Business Day, on the next following Business Day.

"**Closing Documents**" means, in respect of each Property, the agreements, instruments and other documents to be delivered by the Vendor to the Purchaser or the Purchaser's Solicitors pursuant to Section 6.1 and the agreements, instruments and other documents to be delivered by the Purchaser to the Vendor or the Vendor's Solicitors pursuant to Section 6.2.

"**Concept Plan**" means the Concept Plan developed pursuant to Article 6 of the Umbrella Agreement, as amended from time to time in accordance with that Agreement.

"**CVCA**" has the meaning given to it in the recitals to this Agreement.

"**CVCA's Solicitors**" means O'Connor MacLeod Hanna LLP, 700 Kerr Street, Oakville, Ontario, L6K 3W5, F: 905-842-2460, or such other Person or law firm as CVCA may designate from time to time by Notice to the Purchaser, Vendor and/or CH.

"**Delivery Date**" means, in respect of each Property, the date by which all of the related Documents for Inspection have been delivered or made available to the Purchaser by the Vendor.

"**Documents for Inspection**" means, in respect of each Property, the documents and materials to be delivered or made available to the Purchaser for review and examination pursuant to Section 2.2.

"**Due Diligence Date**" means, in respect of each Property other than the Transfer 1 Lands, 5:00 p.m. (Toronto time) on the day that is 60 days after the related Delivery Date, or, if such day is not a Business Day, the next following Business Day. In respect of the Transfer 1 Lands, "**Due Diligence Date**" means 5:00 p.m. (Toronto time) on the day that is 180 days after the related Delivery Date, or, if such day is not a Business Day, the next following Business Day.

"**EEP**" has the meaning given to it in the Umbrella Agreement.

"**Effective Date**" means the date when this Agreement comes into effect pursuant to the terms of the Umbrella Agreement.

"**Encumbrance**" means any pledge, lien, charge, security agreement, security interest, lease, sublease, title retention agreement, mortgage, encumbrance, easement, right-of-way, restrictive covenant, encroachment, work order, option or adverse Claim of any kind or character whatsoever.

"**Existing Quarry**" has the meaning given to it in the recitals to this Agreement.

"**Extension Quarry**" has the meaning given to it in the recitals to this Agreement.

"**First Right to Purchase Lands**" means the Transfer 2 Lands, the Transfer 3 Lands and the Transfer 4 Lands.

"**including**" means including without limitation.

"**Lakefilling**" means the filling with water of the lakes shown on the Rehabilitation Plan. Lakefilling shall be deemed to be complete in respect of a given lake when the water elevation in the said lake has reached the level shown on the Rehabilitation Plan and been maintained for a period of 12 months, subject to seasonal variations.

"Lands" means the Transfer 1 Lands, Transfer 2 Lands, Transfer 3 Lands and Transfer 4 Lands, more particularly described in Schedule B hereto, but shall not include the WMS Assets.

"**MNR**" means the Ministry of Natural Resources and Forestry.

"**Nominal Consideration Lands**" means those portions of the Lands identified as being for nominal consideration in the plan attached hereto as Schedule E.

"**Non-Nominal Consideration Lands**" means those portions of the Lands identified as being for non-nominal consideration in the plan attached hereto as Schedule E.

"**Notice**" has the meaning given to it in Section 9.9(1).

"**Phase**" means any one of the phases of the Quarry described in Schedule A, and **"Phase 1"** through **"Phase 6"** means the phase of the Quarry described as such in Schedule A.

"**Permitted Encumbrances**" means the Encumbrances and other matters affecting title to the Properties, as set out in Schedule D.

"**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.

"**Properties**" means the Lands, as well as any infrastructure and improvements thereon but excluding the WMS Assets; and "**Property**" means any one of the Properties.

"**Purchase Price**" means, in respect of each Property, the nominal amount to be paid by the Purchaser to the Vendor in accordance with Section 3.1.

"**Purchaser**" has the meaning given to it in the recitals to this Agreement.

"**Purchaser's Solicitors**" means Thomson, Rogers, 390 Bay Street, Suite 3100, Toronto, Ontario, M5H 1W2, F: 416-868-3134, or such other Person or law firm as the Purchaser may designate from time to time by Notice to the Vendor, CH and/or CVCA.

"**Quarry**" means the Existing Quarry together with the Extension Quarry.

"**Rehabilitation**" means the final rehabilitation of the applicable Phase, including Lakefilling, in accordance with the ARA Site Plans.

"**Rehabilitation Plan**" means the plans for the Rehabilitation of the Quarry included in the ARA Site Plans, as such plans may be supplemented, amended or replaced from time to time under the Act.

"**Restrictive Covenant (CRH)**" has the meaning given to it in Section 2.6.

"**Subsidiaries**" has the meaning given to it in the recitals to this Agreement.

"**Transfer 1 Lands**" means the lands shown in purple vertical hatching on the figure, and more particularly described in, and attached as Schedule B hereto.

"**Transfer 2 Lands**" means the lands shown in pink horizontal hatching on the figure, and more particularly described in, and attached as Schedule B hereto.

"**Transfer 3 Lands**" means the lands shown in green diagonal hatching on the figure, and more particularly described in, and attached as Schedule B hereto.

"**Transfer 4 Lands**" means the lands shown in yellow diagonal hatching on the figure, and more particularly described in, and attached as Schedule B hereto.

"**Triggering Event**" means as follows:

(i) in respect of the Transfer 1 Lands, the date when the Purchaser has made a written request to the Vendor for a transfer of the Transfer 1 Lands to take place;

(ii) in respect of the Transfer 2 Lands, the date when the extraction and Lakefilling of Phase 4 are completed, as confirmed by a Notice from the Vendor to the Purchaser;

(iii) in respect of the Transfer 3 Lands, the fourth anniversary of the date when the extraction in Phase 6 is completed, as confirmed by a Notice from the Vendor to the Purchaser; and

(iv) in respect of the Transfer 4 Lands, the date when the extraction and Lakefilling of the Quarry and any extensions thereto are completed, and all Rehabilitation, plantings and shoreline wetlands have been completed and established in accordance with the ARA Site Plans and the EEP, as confirmed by a Notice from the Vendor to the Purchaser.

"**Umbrella Agreement**" has the meaning given to it in the recitals to this Agreement.

"**Valuation Consultant**" means a duly qualified appraiser, or other professional having the expertise necessary to provide an opinion on value, in accordance with the requirements of Section 8.2(4)(e)(ii) herein.

"**Vendor**" has the meaning given to it in the recitals to this Agreement.

"**Vendor's Solicitors**" means Blake, Cassels & Graydon LLP, Box 25, Commerce Court West, Suite 4000, Toronto, Ontario, M5L 1A9, F: 416-863-2653, or such other Person or law firm as the Vendor may designate from time to time by Notice to the Purchaser, CH and/or CVCA.

"**Water Management Agreement**" has the meaning given to it in the Umbrella Agreement.

"**Water Management System**" has the meaning given to it in the Umbrella Agreement

"**Water Management System Operation**" means the operation of the water management system as set out in the Water Management Agreement, including water monitoring, routine operational adjustments or modifications, maintenance, repair and augmentation as necessary for intended water management.

"**WMS Assets**" has the meaning given to it in Schedule 8 of the Water Management Agreement.

1.2 <u>Business Days</u>

Where anything is required to be done under this Agreement on a day that is not a Business Day, then the time for such thing to be done shall be the next following Business Day.

1.3 <u>Schedules</u>

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

Schedule A	-	Quarry Phases
Schedule B	-	Lands to be Conveyed
Schedule C	-	Restrictive Covenant (CRH)
Schedule D	-	Permitted Encumbrances
Schedule E	-	Plan of Nominal Consideration/ Non-Nominal Consideration Lands
Schedule F1	-	Form of Temporary Easement in favour of Vendor
Schedule F2	-	Form of Permanent Easement in favour of CH
Schedule G	-	Conservation Restrictive Covenants

1.4 Interpretation

(1) Headings and Table of Contents. The division of this Agreement into Articles and Sections, the insertion of headings, and the provision of any table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(2) Number and Gender. Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

(3) Currency. All references to money shall refer to Canadian funds. All certified cheques or bank drafts to be tendered pursuant to this Agreement shall be drawn on one of the 6 largest Canadian chartered banks listed in Schedule I to the Bank Act.

(4) Severability. If any provision contained in this Agreement or its application to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

(5) Statute References. Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

(6) Time. Time shall be of the essence of this Agreement. Except as expressly set out in this Agreement, the computation of any period of time referred to in this Agreement shall exclude the first day and include the last day of such period. The time limited for performing or completing any matter under this Agreement may be extended or abridged by an agreement in writing by the parties or by their respective solicitors.

(7) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the applicable laws of Canada.

(8) Accounting Principles. All references to generally accepted accounting principles shall be references to the principles recommended from time to time in the Handbook of the Canadian Institute of Chartered Accountants, and all accounting terms not otherwise defined in this Agreement shall have the meanings given to them in accordance with Canadian generally accepted accounting principles.

(9) Applicable Law. References to any Applicable Law, including any statutes or other Applicable Law specifically referred to herein, whether or not amendments or successors to such Applicable Law are referred to herein, are to be construed as references to that Applicable Law as from time to time amended or to any Applicable Law covering the same or similar subject matter from time to time replacing, extending, consolidating or amending the same.

ARTICLE 2

CONVEYANCE AGREEMENT

2.1 Conveyance Agreement

The Vendor hereby agrees to sell, transfer, assign, set over and convey the Properties to the Purchaser and the Purchaser hereby agrees to purchase, acquire and assume the Properties from the Vendor for the Purchase Price, on the terms and subject to the conditions set out in this Agreement, according to the following schedule:

(1) in respect of each of the Transfer 1 Lands, Transfer 2 Lands, Transfer 3 Lands and Transfer 4 Lands, one (1) year after the related Triggering Event has occurred.

The Vendor agrees to forthwith provide Notice to the Purchaser once the applicable Triggering Event has occurred in respect of the applicable Property. The parties agree that the conveyance of any one or more of the Properties may occur on an alternative date where both parties have agreed in writing to such alternative date. The parties further agree that a failure by the Vendor to provide Notice of a Triggering Event shall not void this agreement, and in such circumstance both parties shall proceed diligently to carry out the relevant conveyance in accordance with the date set out above, or as soon thereafter as is practicable.

Should either party determine that any Triggering Event will not or is not anticipated to occur within the period of time specified below for the relevant Lands, the parties shall negotiate and settle an alternative Closing Date for such Lands. Should the parties be unable to agree on an alternative Closing Date, such disagreement shall be resolved pursuant to the arbitration provisions set out in Article 13 of the Umbrella Agreement, having regard to whether or not the Vendor is making bona fide efforts to continue extraction, as well as giving due consideration to market factors that may affect such efforts:

(1) For the Transfer 1 Lands: 5 years from the Effective Date;

(2) For the Transfer 2 Lands: 35 years from the Effective Date;

(3) For the Transfer 3 Lands: 45 years from the Effective Date; and

(4) For the Transfer 4 Lands: 60 years from the Effective Date.

2.2 Documents for Inspection

(1) Documents to be Delivered. The Vendor shall deliver to the Purchaser, in respect of each Property, no later than ninety (90) days after the related Triggering Event has occurred, the following documents and materials:

(a) documentation demonstrating compliance with the requirements of Sections 2.3(3)(a), (b) and (c), 2.8 and 2.9;

(b) all records and documentation regarding the implementation of the programs and protocols listed in Section 2.3(4);

(c) copies of all plans of survey or reference plans in respect of the Property to the extent in the possession or control of the Vendor;

(d) any environmental, soil, physical and other reports that may have been received by the Vendor relating to the Property and addressed in favour of the Vendor. The Vendor shall use commercially reasonable efforts to assist the Purchaser in obtaining reliance letters in respect of any such reports;

(e) any engineering reports or certificates relating to any works or structures on the Property to the extent in the possession or control of the Vendor;

(f) copies of all outstanding work orders, deficiency notices, directives and letters of non-compliance issued by any governmental authority affecting the Property; and

(g) any other documents as may be reasonably requested by counsel for the Purchaser provided that such request is delivered no later than sixty (60) days after the related Triggering Event has occurred.

(2) Delivery Date Confirmation. Contemporaneously with the delivery by the Vendor of the last of the Documents for Inspection pursuant to Section 2.2(1) the Vendor shall deliver to the Purchaser a certificate executed by a senior officer of the Vendor confirming that the Documents for Inspection so delivered pursuant to Section 2.2(1) comprise all of the Documents for Inspection and that the Delivery Date has occurred.

2.3 As Is, Where Is

(1) Once the conditions set out in Sections 5.2 through 5.5 have been satisfied or waived (or deemed to have been satisfied or waived) and the sale of any Property is completed, subject to subsection (3) and to Sections 2.8 and 2.9, the Purchaser agrees that the Purchaser shall accept each Property on the related Closing on an entirely "as is, where is" basis as it exists as of the completion date of this Agreement without regard to the state of repair, condition, use or occupation of such Property, location of structures, walls, fences, wires, lines, pipes or conduits, in, on or outside of such Property or the related Property, including, without limitation,

(a) the condition of the soil, subsoil, surface or other physical condition of the related Property and such Property;

(b) the existence or non-existence of hazardous or toxic materials, wastes, substances or mould, including without limitation, access rights;

(c) the fitness or suitability of the related Property and such Property for any particular use or purpose;

(d) applicable restrictive covenants, governmental laws, rules, regulations, and limitations;

(e) the zoning, subdivision, use, density, location or development of the related Property and such Property;

(f) the necessity or availability of any rezoning, zoning variances, conditional use permits, special management area permits, building permits, environmental impact statements and other governmental permits, approvals or acts;

(g) the physical condition of the related Property and such Property;

(h) the related Property and such Property's compliance with any building code, and other laws, statutes, regulations or ordinances;

(i) the size, dimension, or topography of the related Property or such Property; and

(j) any surface, soil, geologic, drainage, flooding or groundwater conditions or other physical conditions and characteristics of or affecting the related Property and such Property or adjoining land, such as drainage, flooding, air, conservation restrictions and its investment value or resale value and with all faults, limitations and defects (latent and apparent).

(2) Subject to subsection (3), the Purchaser agrees to accept the Properties without representation and/or warranty and without recourse to the Vendor with respect to their condition. The Purchaser acknowledges that the Vendor makes no representation, warranty or declaration of any kind with respect to any aspect of the Properties (including any representation or warranty express or implied pursuant to the *Sale of Goods Act* (Ontario) or with respect to description, physical or environmental condition, size, marketability, zoning, development potential, compliance with law, fitness for any particular purpose or any other matter whatsoever) and that the Purchaser has carried out and relies on the results of its own examinations, investigations and searches with respect to the Properties.

(3) Prior to the Closing Date for each of the Transfer 2 Lands, the Transfer 3 Lands and the Transfer 4 Lands, the Vendor shall deliver to the Purchaser a certificate confirming that the portions of the Lands being transferred which were subject to an ARA Licence:

(a) have been rehabilitated in accordance with the applicable ARA Site Plans;

(b) that, as of the date of surrender of the ARA Licence, the Lands were in compliance with all requirements and conditions of the ARA Licence relating to spills, contamination and the importation of fill, including compliance with the applicable ARA Site Plans and/or conditions of the ARA Licence pertaining to such matters, including the programs and protocols referenced in Section 2.3(4) herein, and that any past non-compliance with the ARA Site Plans and/or conditions of the ARA Licence pertaining to such matters, including the programs and protocols referenced in Section 2.3(4) herein, has been remedied. Such

certification shall include documentation of any such non-compliance as well as measures taken to remedy the same; and

(c) subject to Section 2.8, that the MNR has accepted the surrender of the ARA Licence with respect to the Lands.

(4) The Vendor agrees that the following programs and protocols shall be developed to the satisfaction of the Purchaser and subject to the Purchaser's approval, which approval shall not be unreasonably withheld, and that the Vendor shall consult with the Purchaser in the implementation of such programs and protocols, including providing the Purchaser forthwith with any and all records and documentation regarding such implementation as the Purchaser may request from time to time:

(a) the spills contingency program referenced in ARA Site Plan Sheet 1 Note 3.5;

(b) the quality control testing program referenced in ARA Site Plan Sheet 7 Note 1.3.6 & 1.4.1; and

(c) the Acton Quarry Extension Off-Site Fill Acceptance Protocol referenced in ARA Site Plan Sheet 7 Note 1.3.6 & 1.4.1.

(5) Once the programs and protocols referenced in the preceding Section 2.3(4) have been developed to the satisfaction of the Purchaser, the Vendor shall not amend or seek to amend any of those programs or protocols without such amendment having been approved by the Purchaser, which approval shall not be unreasonably withheld. Any disputes regarding the appropriateness of any such proposed amendment shall be resolved pursuant to the arbitration provisions set out in Article 13 of the Umbrella Agreement.

(6) The Vendor shall post security with the Purchaser in the amount of $100,000 prior to each Closing other than the Closing in respect of the Transfer 1 Lands. Such security shall be in a form satisfactory to the Treasurer of the Purchaser. Such security may be drawn on by the Purchaser in its sole discretion following the transfer of any Lands to the Purchaser to remedy any defect or default in respect of the matter set out in this Section 2.3. On the date which is one year after the closing of the transfer in question, the Purchaser shall return the remaining portion, if any, of the said security to the Vendor without interest.

2.4 <u>Easements</u>

(1) On each Closing, the Purchaser shall convey to the Vendor and register, for nominal consideration, a temporary easement substantially in the form attached hereto as Schedule "F1". Said easement shall provide that the dominant lands for said easement shall be the remaining lands retained by the Vendor and said easement shall expire on completion of Lakefilling for the given lake associated with the applicable Property that is the subject lands of the Closing. The Purchaser and Vendor hereby agree that the aforementioned easement shall not be conveyed and registered with respect to the Transfer 1 Lands.

(2) Immediately following or in conjunction with each Closing, the Purchaser shall convey to CH and register, for nominal consideration, a permanent easement substantially in the

form attached hereto as Schedule "F2". The Purchaser and CH hereby agree that the aforementioned easement shall not be conveyed and registered with respect to the Transfer 1 Lands.

(3) The Purchaser shall convey and register on title such further easements in favour of the Vendor or its agents, or CH or CVCA, as are necessary to permit Water Management System Operation.

2.5 Recognition Rights for the Contribution of Public Lands

The Vendor shall receive recognition rights or comparable recognition for the contribution of the Properties for public use. The Vendor shall also at its request, receive tax receipts for the value of the contribution of each Property on the related Closing, less the value of any recognition rights received by the Vendor, as determined by the Purchaser acting reasonably and in consultation with the Vendor.

2.6 Noise Sensitive Uses

The Council of the Purchaser shall consider zoning the Transfer 1 Lands and Transfer 2 Lands to prohibit noise sensitive uses. The Purchaser agrees that, should such lands not be so zoned on the applicable Closing of each of the Transfer 1 and Transfer 2 Lands, the Purchaser covenants and agrees to comply with the restrictions set out in Schedule C hereto (which covenant and agreement shall survive each Closing until the expiry of the Restrictive Covenant (CRH)), and shall register on title to the relevant Property a restrictive covenant, in the form attached hereto as Schedule C, for the benefit of the Quarry (the "**Restrictive Covenant (CRH)**"). It is agreed that such restrictive covenants, if any, shall be permitted to be removed, and the Purchaser's agreement to comply therewith shall cease, upon the Closing of the Transfer 4 Lands.

2.7 Reference Plans

If a reference plan of survey will need to be prepared and deposited on title to a Property prior to Closing in order for the Vendor to deliver a transfer/deed, in registrable form, for the related Property, the Vendor covenants and agrees to arrange for such reference plan to be prepared and deposited prior to Closing at the Vendor's expense.

2.8 Surrender of ARA Licences

Prior to the applicable Closing of each of the Transfer 2 Lands, Transfer 3 Lands and Transfer 4 Lands, the Vendor shall apply to surrender the applicable portion of the ARA Licence to the MNR. The Vendor shall make reasonable commercial efforts to obtain an acceptance of the applicable ARA Licence surrender from MNR. If such acceptance is not obtained sixty (60) days prior to the applicable Closing Date, the Vendor and the Purchaser shall negotiate an extension of the applicable Closing Date or such other resolution as is acceptable to the parties acting reasonably, failing which the matter shall be referred to dispute resolution in accordance with Article 13 of the Umbrella Agreement.

2.9 Environmental Enhancement Plan

Prior to the applicable Closing of each of the Transfer 2 Lands, Transfer 3 Lands and Transfer 4 Lands, the Vendor shall provide the Purchaser with the certification by a qualified expert that the applicable portions of the EEP have been complied with.

2.10 Taxes

The Vendor shall indemnify the Purchaser for any land transfer tax, or other tax payable by the Purchaser as a result of the parties entering into this Agreement, or as a result of the transfer of any of the Properties contemplated herein.

2.11 Conservation Restrictive Covenants

On or before each Closing, the Purchaser and Vendor shall register the restrictive covenants in favour of CH in the form attached hereto as Schedule "G". The Purchaser, Vendor and CH hereby agree that the aforementioned restrictive covenants shall not be registered with respect to the Transfer 1 Lands.

2.12 Covenants to Survive Closing

Any provision of a continuing nature in this Agreement (including, without limitation, the provisions of Sections 2.3, 2.10 and 2.11) shall survive the Closing in respect of each Property, save and except as may be otherwise expressly provided for in this Agreement.

ARTICLE 3

PURCHASE PRICE

3.1 Payment of Purchase Price

The Purchase Price for each Property shall be $1.00, subject to the Adjustments. The Purchaser shall pay the Purchase Price, subject to the Adjustments, in respect of each Property by certified cheque or bank draft payable to the Vendor or as the Vendor may direct on the related Closing Date.

3.2 Adjustments

(1) Adjustment Date. Adjustments shall be made as of the applicable Closing Date for the applicable Property. In respect of each Property, the Vendor shall be responsible for all expenses and entitled to all revenues accrued from the related Property for the period ending on the day before the related Closing Date. From and including the related Closing Date, the Purchaser shall be responsible for (except as otherwise provided in this Agreement) all expenses and, subject to Section 2.5, shall be entitled to all revenues accruing from the related Property.

(2) Adjustment Items. The Adjustments shall include realty taxes, local improvement rates and charges, water and assessment rates, utilities and all other items

normally adjusted between a vendor and purchaser in respect of the sale of property similar to the applicable Property.

(3) Current Year Realty Tax Refunds or Reassessments. In respect of each Property, all right, title and benefit in and to any realty tax refunds or reassessments with respect to the related Property for the period commencing on the related Closing Date shall be transferred and assigned by the Vendor to the Purchaser on Closing of such Property. The Vendor and the Purchaser shall jointly direct the municipality to pay any refund or reassessment of realty taxes for the calendar year in which a Closing occurs to the Vendor and the Purchaser jointly, and the parties shall readjust the amount of any such refund or reassessment payment between them after the conclusion of any assessment appeal based upon their respective *pro rata* entitlements thereto (net of any percentage contingency fee payable to any consultant). In addition, to the extent that any refund or reassessment payment is made for the period the Vendor was owner of the related Property in respect of the calendar year in which the related Closing occurs, such refund or reassessment payment shall be disbursed in accordance with Section 3.2(4).

(4) Prior Years Realty Tax Refunds or Reassessments. With respect to any realty tax refunds or reassessments in respect of each Property for periods prior to the related Closing Date, the Vendor and the Purchaser shall jointly direct any consultant currently engaged in connection with such refunds or reassessments to continue its work on the same contingency fee basis previously arranged. The Vendor and the Purchaser shall jointly direct the municipality to pay any refund or reassessment of realty taxes in respect of each Property for calendar years prior to the year in which the Closing of such Property takes place, to the Vendor.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser that, as of the date of this Agreement and as of each Closing Date with respect to the applicable Property:

(a) Status. The Vendor has the requisite capacity, power and authority to enter into and perform its obligations under this Agreement;

(b) Authorization. This Agreement has been duly authorized on behalf of the Vendor, and upon execution and delivery, constitutes a legal, valid and binding obligation of the Vendor;

(c) Residence. The Vendor is not a non-resident of Canada for the purposes of Section 116 of the *Income Tax Act* (Canada);

(d) Options. There are no options to purchase, or rights of first refusal to purchase, with respect to the Property or any part thereof, other than those set out in this Agreement;

(e) Leases. There are no leases, agreements to lease, or offers to lease with respect to the Property or any part thereof other than Permitted Encumbrances;

(f) Taxes. All municipal taxes, charges, rates, development charges, special levies and assessments, school and water rates and charges, and any new fees, charges, taxes, value added taxes, assessments, levies of any nature or kind assessed or imposed or attributable to the Property that come into existence after the execution of this Agreement and prior to Closing that if unpaid would create a lien or charge against the Property will be paid in full on the Closing of the Property.

(g) Expropriation. The Vendor has received no written notice that there are any pending or threatened expropriation proceedings relating to the Property and to the knowledge of the Vendor, there are no pending or threatened expropriation proceedings relating to the Property, in each case other than as disclosed in writing to the Purchaser;

(h) Litigation. To the knowledge of the Vendor, there is no uninsured litigation, claim or proceeding, including appeals and applications for review, in progress against or relating to the Vendor in respect of the Property which, if determined adversely to the Vendor would: (i) adversely affect the Property, (ii) enjoin, restrict or prohibit the transfer of all or any part of the Property as contemplated by this Agreement, or (iii) prevent the Vendor from fulfilling its obligations contained in this Agreement or arising from this Agreement;

(i) Except as set out in the Documents for Inspection, the Vendor has not received any written notice from any governmental authority which remains outstanding with respect to any complaint, claim, citation, order, directive, request for information, or notice of investigation concerning: (i) any alleged material violation of, liability or potential liability with respect to the Property under any Applicable Law; or (ii) any material defect or deficiency in any of the Property or any requirement to repair, alter or make improvements to the Property; which in the case of either clause (i) or (ii) has not been complied with to the satisfaction of such authority or which remains outstanding and unresolved; and

(j) To the knowledge of the Vendor, the Documents for Inspection relating to the Property contain all of the material documents described in the generic classes of documents included in the Documents for Inspection in the possession or control of the Vendor, and to the knowledge of the Vendor, the information contained in those Documents for Inspection that have been prepared by the Vendor (as opposed to those prepared by a third party) is materially true and accurate in all respects.

4.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor that, as of the date of this Agreement and as of each Closing Date:

(a) Status. The Purchaser has the requisite capacity, power and authority to enter into and perform its obligations under this Agreement; and

(b) Authorization. This Agreement has been duly authorized on behalf of the Purchaser, and upon execution and delivery, constitutes a legal, valid and binding obligation of the Purchaser.

4.3 Survival of Representations

The representations and warranties contained in Sections 4.1 and 4.2 hereof in respect of each Property shall not merge on the related Closing but shall continue in full force and effect for the benefit of the party entitled thereto for a period of 2 years following the related Closing Date.

ARTICLE 5

CONDITIONS

5.1 Conditions of the Vendor

(1) The obligation of the Vendor to complete the transactions contemplated by this Agreement in respect of each Property on the related Closing shall be subject to the following conditions:

(a) Performance of Obligations. On the related Closing Date, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects at the times contemplated in this Agreement including, but not limited to, the obligations set out in Sections 2.4, 2.6 and 2.11;

(b) Closing Documents. The Purchaser shall have executed and delivered to the Vendor at the related Closing Date, all the Closing Documents and all documents contemplated elsewhere in this Agreement; and

(c) Representations and Warranties. On the related Closing Date, the representations and warranties of the Purchaser set out in Section 4.2 shall be true and accurate in all material respects and the Purchaser shall have delivered to the Vendor a certificate of the Purchaser, executed by a senior officer and dated the related Closing Date, to this effect.

(2) The Vendor shall not be obligated to complete the sale of any of the Properties pursuant to this Agreement unless, at or before the related Closing Date, each of the conditions listed in Section 5.1(1) has been satisfied, it being understood that the conditions set out in this Section 5.1 are for the sole benefit of the Vendor and may be waived in whole or in part by the Vendor, in its sole discretion, by written notice to the Purchaser.

5.2 Conditions of the Purchaser

(1) The obligation of the Purchaser to complete the transactions contemplated by this Agreement in respect of each Property on the related Closing shall be subject to the following conditions:

(a) Due Diligence. On or before the related Due Diligence Date, the Purchaser shall have given written notice to the Vendor that the Purchaser has satisfied itself with respect to all aspects of such Property, including title, Permitted Encumbrances, the physical condition of the related Property, zoning, environmental matters, financial matters, its review of the related Documents for Inspection, the matters listed in Section 2.3 and any other matters of interest to the Purchaser;

(b) Approvals. On or before the related Due Diligence Date, the Purchaser shall have obtained those approvals that it deems necessary from the Niagara Escarpment Commission and any other authority having jurisdiction, to permit its intended use of the related Property;

(c) Performance of Obligations. On the related Closing Date, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor shall have been complied with or performed in all material respects at the times contemplated in this Agreement, including Sections 2.3(3), 2.3(6), 2.7, 2.8, 2.9 and 2.11 and the MNR shall have accepted the surrender of the portion of the ARA Licence applicable to the Property;

(d) Closing Documents. The Vendor shall have executed and delivered to the Purchaser at the related Closing Date, all the Closing Documents and all documents contemplated elsewhere in this Agreement;

(e) Representations and Warranties. On the related Closing Date, the representations and warranties of the Vendor set out in Section 4.1 shall be true and accurate in all material respects and the Vendor shall have delivered to the Purchaser a certificate of the Vendor executed by a senior officer of the Vendor dated the related Closing Date to this effect; and

(f) Title. Subject to Section 5.3, title to the related Property shall be free and clear of all Encumbrances except for the Permitted Encumbrances.

(2) The Purchaser shall not be obligated to complete the purchase of any of the Properties pursuant to this Agreement unless, at or before the related Closing Date, each of the conditions listed in Section 5.2(1) has been satisfied, it being understood that the conditions set out in this Section 5.2 are for the sole benefit of the Purchaser and may be waived in whole or in part by the Purchaser, in its sole discretion, by written notice to the Vendor.

5.3 Discharge of Non-Permitted Encumbrances

The Purchaser acknowledges and agrees that on the Closing of each Property, title to the related Property shall be subject to the Permitted Encumbrances in respect of such

Property. Except for such Permitted Encumbrances, the Vendor agrees on or before the related Closing Date to discharge at its sole cost and expense any Encumbrances affecting title to such Property. In addition, the Vendor agrees on or before the related Closing Date to use its reasonable commercial efforts to discharge, at its sole cost and expense, those Permitted Encumbrances described as Instrument Nos. 134890, 136179, 58742, 120024, 120232 and 167456, to the extent they encumber the related Property.

5.4 Non-Satisfaction of Conditions

(1) Due Diligence Date Condition for the Benefit of the Purchaser. If by the Due Diligence Date in respect of each Property, the Purchaser has not given written notice to the Vendor that the conditions contained in Sections 5.2(1)(a) and (b) with respect to such Property have been satisfied or waived, such conditions shall be deemed not to have been satisfied or waived, in which event, at the Purchaser's option, the Due Diligence Date in respect of such Property may be postponed to a date determined by the Purchaser acting reasonably or, such Property may be deleted from this Agreement, in which case neither party shall be under any further obligation to the other to complete the transaction contemplated by this Agreement in respect of such Property only, and this Agreement shall continue in full force and effect in respect of the balance of the Properties then remaining.

(2) Conditions for the Benefit of the Vendor. If any of the conditions set out in Section 5.1 in respect of each Property are not satisfied or waived on or before the related Closing Date, the Vendor may elect, either to delay the Closing Date in respect of such Property, or, subject to the rights of CH and/or CVCA in Section 8.1, to delete such Property from this Agreement by notice in writing to the Purchaser given on or before the related Closing Date, in which event the provisions in this Agreement relating to such Property, subject to the rights of CH and/or CVCA in Section 8.1, shall be null and void and of no further force or effect whatsoever, the Vendor shall be released from all of its liabilities and obligations relating to such Property under this Agreement, and, unless the condition or conditions that have not been satisfied or waived were not satisfied solely as a result of the default of the Purchaser, the Purchaser shall also be released from all of its liabilities and obligations relating to such Property under this Agreement. However, the Vendor may waive compliance with any of the conditions set out in Section 5.1 in whole or in part if it sees fit to do so (but may not waive the performance of those obligations of the Purchaser herein which are in favour of CH and/or CVCA), without prejudice to its rights of termination in the event of non-fulfilment of any other condition contained in Section 5.1 in whole or in part.

(3) Closing Conditions for the Benefit of the Purchaser. If any of the conditions set out in Section 5.2(1)(c), (d), (e) or (f) in respect of each Property are not satisfied or waived on or before the related Closing Date, the Purchaser may elect either to delay the Closing Date in respect of such Property, or, subject to the rights of CH and/or CVCA in Section 8.1, to delete such Property from this Agreement by notice in writing to the Vendor given on or before the related Closing Date, in which event the provisions in this Agreement relating to such Property, subject to the rights of CH and/or CVCA in Section 8.1, shall be null and void and of no further force or effect whatsoever and the Purchaser shall be released from all of its liabilities and obligations relating to such Property under this Agreement and, unless the condition or conditions that have not been satisfied or waived were not satisfied solely as a result of the

default of the Vendor, the Vendor shall also be released from all of its liabilities and obligations relating to such Property under this Agreement. However, the Purchaser may waive compliance with any of the conditions set out in Section 5.2(1)(c), (d), (e) or (f) in whole or in part if it sees fit to do so (but may not waive the performance of those obligations of the Vendor herein which are in favour of CH and/or CVCA), without prejudice to its rights of termination in the event of non-fulfilment of any other condition contained in Section 5.2(1)(c), (d), (e) or (f) whole or in part or to its rights to recover damages for the breach of any representation, warranty, covenant or condition contained in this Agreement.

(4) Closing Conditions. In respect of each Property, all conditions to be satisfied on the related Closing shall be deemed to be satisfied if such Closing occurs.

5.5 Satisfaction of Conditions

Each party agrees to proceed in good faith and with promptness and reasonable diligence to attempt to satisfy those conditions contained in Sections 5.1 and 5.2 that are within its control, acting reasonably, provided that the Purchaser may in its sole discretion elect not to satisfy or waive the conditions set out in Section 5.2(1)(a), in which case the Due Diligence Date may be postponed, or the Property in question may be deleted from this Agreement, at the Purchaser's option in accordance with Section 5.4(1).

5.6 Not Conditions Precedent

The conditions set out in Sections 5.1 and 5.2 are conditions to the obligations of the parties to this Agreement and are not conditions precedent to the existence or enforceability of this Agreement.

ARTICLE 6

PREPARATION OF CLOSING DOCUMENTS

6.1 Vendor's Closing Documents

On or before each Closing, subject to the provisions of this Agreement, the Vendor shall prepare and deliver or cause to be delivered to the Purchaser's Solicitors the following items, duly executed by the Vendor (or as otherwise stated) and in registrable form wherever appropriate:

(a) a transfer(s)/deed, in fee simple, for the related Property duly executed by the registered owner transferring such Property to the Purchaser in accordance with this Agreement;

(b) a certificate of the Vendor executed by a senior officer of the Vendor certifying that:

(i) the Vendor is not a non-resident within the meaning of Section 116 of the *Income Tax Act* (Canada); and

(ii) the representations and warranties of the Vendor contained in Section 4.1 are true and accurate in all material respects as of the related Closing Date, as contemplated by Section 5.2(1)(e);

(c) discharges in registrable form of all Encumbrances affecting title to the related Property except for the Permitted Encumbrances;

(d) such other bills of sale, transfers, assignments and documents relating to the completion of the transactions contemplated by this Agreement as the Purchaser may reasonably require to transfer title to the Properties from the Vendor to the Purchaser;

(e) the items set out in Sections 2.3(3), 2.3(6), 2.7, 2.8 and 2.9; and

(f) the restrictive covenants pursuant to Section 2.11.

6.2 Purchaser's Closing Documents

Subject to the provisions of this Agreement, the Purchaser shall prepare and deliver to the Vendor's Solicitors the following items, duly executed by the Purchaser and in registrable form wherever appropriate:

(a) on or before each Closing,

(i) a certified cheque or bank draft payable to the Vendor or as the Vendor may in writing direct in the amount of the Purchase Price, subject to Adjustments;

(ii) a certificate of the Purchaser executed by a senior officer of the Purchaser certifying that the representations and warranties of the Purchaser contained in Section 4.2 are true and accurate in all material respects as of the related Closing Date, as contemplated by Section 5.1(1)(c);

(iii) any Restrictive Covenant (CRH) to be registered with respect to the related Property pursuant to Section 2.6;

(iv) a tax receipt for the value of the related Property;

(v) the easements referred to in Section 2.4; and

(vi) the item set out in Section 2.5; and

(vii) the restrictive covenants pursuant to Section 2.11.

6.3 Registration and Other Costs

The Vendor shall be responsible for the land transfer tax and registration fees payable in connection with the registration of the transfer(s)/deed and restrictive covenants referred to in Section 6.1 and the Restrictive Covenant (CRH) and easements referred to in

Section 6.2, and for registration fees payable in connection with the registration of discharges of any Encumbrances or other claims or interests that are not Permitted Encumbrances.

6.4 Single Transaction

All documents and cheques in respect of each Property shall be delivered in escrow at the place of closing specified in Section 6.5 on the related Closing Date pending registration of the related Closing Documents as reasonably required by the solicitors for the parties and receipt of such evidence as they shall reasonably request that all conditions of this Agreement in respect of such Property have been satisfied. It is a condition of each Closing that all matters of payment, execution and delivery of documents by each party to the other and the registration of the appropriate documents in the appropriate offices of public record shall be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at a Closing until everything required at such Closing has been paid, executed and delivered and until all documents have been registered.

6.5 Closing Arrangements

The transactions in respect of each Property shall be completed at 10:00 a.m. (Toronto time) on the related Closing Date at a location to be specified by the Vendor, subject to real property registrations being effected in the appropriate land registry office.

ARTICLE 7

OPERATION UNTIL CLOSING

7.1 Risk

Each Property shall be at the risk of the Vendor until completion of the transactions related to such Property contemplated by this Agreement.

ARTICLE 8

RIGHTS OF CH OR CVCA

8.1 Right to Assume the Role of Purchaser

(1) Should the Purchaser not wish to complete the purchase of any of the Properties set out in this Agreement for any reason whatsoever, the Purchaser shall advise the other parties to this Agreement of such intent in writing at least 60 days prior to the Closing Date for the Property in question.

(2) Should the Purchaser be unable to or fails to complete the purchase of any of the Properties set out in this Agreement for any reason whatsoever, or if the Vendor provides notice to the Purchaser that it elects to delete a Property from this Agreement pursuant to subsection 5.4(2), or if any event of default by the Purchaser occurs pursuant to this Agreement which

deems the provisions of this Agreement to be null and void or of no further force or effect with respect to any Property, the Vendor shall advise the other parties to this Agreement of same in writing as soon as possible thereafter in respect of the Property in question.

(3) Where the Purchaser or Vendor has provided a notice pursuant to this Section, CH or CVCA may, as the case may be depending on the Property in question, within 30 days of receipt of such notice, deliver its own notice in writing to the other parties to this Agreement, electing to assume the role of the Purchaser in respect of the Property in question. In the event that such notice of election is given by CH or CVCA, it shall assume the role of Purchaser, and shall have all the rights and be subject to all the obligations of the Purchaser with respect to the Property in question.

8.2 <u>First Right to Purchase</u>

During the Purchaser's period of ownership of the First Right to Purchase Lands, CH or CVCA, as the case may be depending on the Lands in question (hereinafter referred to as the "**Authority**" for the purposes of this Section), shall have the ongoing first right to purchase such Lands on the following terms and conditions:

(1) In the event that, at any time and from time to time during the Purchaser's period of ownership of the First Right to Purchase Lands, the Purchaser declares any part of the First Right to Purchase Lands to be surplus or if the Purchaser otherwise intends to offer for sale, sell, transfer, convey or otherwise dispose of said lands (collectively, the "**Proposed Conveyance**") to any person other than a local board of the Purchaser as defined in the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, or any successor legislation thereto, which local board's mandate is the management, upkeep and maintenance of the Town's system of parks and/or recreational facilities, the Purchaser shall give notice of such Proposed Conveyance in writing to the appropriate Authority (the "**Proposed Conveyance Notice**"), which notice shall set out the particulars of the Lands which are the subject of the Proposed Conveyance (the "**Disposition Lands**").

(2) The Purchaser and the Authority covenant and agree that following receipt of the Proposed Conveyance Notice:

(a) the Authority shall have six (6) months to elect to acquire all or part of the Disposition Lands by delivering a notice of election in writing to the Purchaser (the "**Election**");

(b) the Authority may perform such due diligence as the Authority deems necessary during said six (6) month period including, without limitation, inspections, appraisals, valuations and environmental testing of the Disposition Lands; and

(c) Prior to the expiry of the said six (6) month period, the Purchaser and the Authority shall complete an appraisal or valuation of the Valuation Lands (as defined below) pursuant to Section 8.2(4)(e) below.

(3) In the event the Authority does not elect to purchase the Disposition Lands or fails to deliver the Election within the above mentioned six (6) month period, the Authority

shall be deemed to have waived its rights under this Section with respect to the Disposition Lands and the Purchaser shall be permitted to offer the Disposition Lands for sale and any offer or agreement of the Disposition Lands shall include a clause whereby the purchaser of the Disposition Lands agrees to execute and deliver on closing an acknowledgement in favour of the Authority that the purchase of the Disposition Lands does not include the purchase or ownership of the WMS Assets.

(4) Where the Authority has delivered the Election, the Purchaser and the Authority shall enter into an agreement of purchase and sale (the "**Purchase Agreement**") in respect of the Disposition Lands, or such portion of the Disposition Lands as the Authority has elected to acquire pursuant to the Election, with the purchase price being determined in accordance with subparagraphs (d) and (e) below. The Purchase Agreement shall contain the following provisions:

(a) The Purchaser may retain or reserve such easements for pedestrian and vehicular access over the Disposition Lands as it may require;

(b) the title search date shall be thirty (30) days following execution by both parties to permit the Authority to complete its title and off-title searches;

(c) the closing of the Purchase Agreement shall be sixty (60) days following execution by both parties;

(d) where the Disposition Lands include lands identified as Nominal Consideration Lands, the Authority shall acquire that portion of the Disposition Lands which is identified as Nominal Consideration Lands for nominal consideration; and

(e) the Authority shall acquire those portions of the Disposition Lands which are identified as Non-Nominal Consideration Lands (the "**Valuation Lands**"), for a price to be determined in accordance with the following procedure:

(i) The Purchaser and the Authority shall agree on a mutually acceptable Valuation Consultant, failing which a Valuation Consultant shall be appointed in accordance with the arbitration provisions of the Umbrella Agreement;

(ii) The Purchaser and the Authority shall, at their equal joint expense, retain the Valuation Consultant to provide an opinion on the value of the Valuation Lands in accordance with the following principles:

(A) The value of the land itself comprising the Valuation Lands shall be deemed to be nominal;

(B) All capital improvements present on the Valuation Lands (excluding the WMS Assets) shall be valued in accordance with the net book value reported in the Purchaser's audited financial statements; and

(C) Fair market value of all revenue generating activities carried on the Valuation Lands shall be valued in terms of their capacity to operate as a going concern, provided that any revenue generating activities are owned, run or operated by the Purchaser and are being assigned to the Authority as part of the Purchase Agreement.

(5) Notwithstanding any sale by the Purchaser of all or part of the Disposition Lands to a third party in compliance with the terms of this Section 8.2 or the waiver of any rights contained in this Section 8.2, the Purchaser, CH and CVCA understand, acknowledge and agree that this first right to purchase shall continue with respect to the remaining First Right to Purchase Lands that continue to be owned by the Purchaser.

(6) The provisions of this Section 8.2 shall survive each Closing.

8.3 Rights of CH or CVCA

The rights in Sections 8.1 and 8.2 above shall accrue to CH in respect of those Lands over which CH has jurisdiction, and to CVCA in respect of those Lands over which CVCA has jurisdiction. Notwithstanding the foregoing, CH or CVCA, as the case may be, shall be permitted to direct title of the Disposition Lands to the other and the Purchaser agrees to complete the closing of the Disposition Lands as so directed.

ARTICLE 9

GENERAL

9.1 Obligations as Covenants

Each agreement and obligation of the parties contained in this Agreement, even though not expressed as a covenant, shall be considered for all purposes to be a covenant.

9.2 Amendment of Agreement

Subject to Section 9.6, no modification or amendment of this Agreement shall be binding unless executed in writing by the parties in the same manner as the execution of this Agreement.

9.2A Changes to Policy or Legislation

In the event that there is a change to any Applicable Law or policy which change is anticipated to have a material impact on the matters contemplated in this Agreement, the parties shall agree to such amendments to this Agreement and/or enter into such further agreement as may be necessary to give effect to the intent of this Agreement. Where the parties do not agree that such a change has taken place, or where the parties cannot come to an agreement on the necessary amendments or further agreements, any such disagreement shall be resolved pursuant to the arbitration provisions set out in the Umbrella Agreement.

9.3 Further Assurances

Each of the parties shall from time to time hereafter and upon any reasonable request of the other party, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

9.4 Waiver

No waiver of any default, breach or non-compliance under this Agreement shall be effective unless in writing and signed by the party to be bound by the waiver or its solicitor. No waiver shall be inferred from or implied by any failure to act or delay in acting by a party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other party. The waiver by a party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

9.5 Planning Act

This Agreement shall be effective to create an interest in the Lands only if the provisions of the *Planning Act*, R.S.O. 1990, c. P.13, as amended (the "*Planning Act*"), are complied with. If the Purchaser assigns this Agreement pursuant to Section 9.7 to a Person that is not exempted from the subdivision control provisions of the *Planning Act*, the Vendor covenants to proceed diligently (after the Purchaser has waived its due diligence condition in respect of the applicable Property) at the Vendor's expense to obtain any necessary consent under the *Planning Act* by the applicable Closing Date.

9.6 Solicitors as Agents

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated by this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser, by the Vendor's Solicitors on behalf of the Vendor, by CH's Solicitors on behalf of CH and by CVCA's Solicitors on behalf of CVCA, and any tender of Closing Documents and the Purchase Price may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

9.7 Assignment by Purchaser

(1) Consent to Assignment. The Purchaser shall not assign its rights and obligations under this Agreement in whole or in part without the prior written consent of the Vendor, which consent:

(a) shall, where the assignee is a public agency, not be unreasonably withheld; and

(b) may, in all other circumstances, be arbitrarily withheld.

(2) Deadline to Request Consent. If the Purchaser proposes to assign this Agreement to a Person that is not exempted from the subdivision control provisions of the *Planning Act*, the Purchaser covenants and agrees to request the Vendor's consent to such proposed assignment by no later than six (6) months prior to the Closing Date so that the Vendor will have sufficient time to apply for the necessary *Planning Act* consent. If the Purchaser requests such consent to assignment after the date set out above, the Vendor may arbitrarily withhold its consent, notwithstanding Section 9.7(1).

(3) Assignment to CH or CVCA. Notwithstanding Section 9.7(1), the Vendor's consent shall not be required if the Purchaser's rights and obligations under this Agreement are assumed by CH or CVCA in accordance with the provisions of Section 8.1(3).

9.8 Successors and Assigns

All of the covenants and agreements contained in this Agreement shall be binding upon the parties and their respective successors and permitted assigns and shall enure to the benefit of and be enforceable by the parties and their respective successors and assigns pursuant to the terms and conditions of this Agreement.

The Parties agree that this Agreement shall be registered on title to the Properties at the Vendor's expense and shall be maintained in first priority on title to each of the Properties, subject to Permitted Encumbrances, until the transfer of each such Property to the Purchaser has closed.

The Vendor agrees that it shall not sell, transfer, assign, set over, convey, mortgage or otherwise encumber any Property or any portion thereof without obtaining an assignment of this Agreement to the transferee or encumbrancer of the said Property (but with respect to any encumbrancer, only while any such encumbrancer is in possession or control, or becomes the owner, of the Property) to the satisfaction of the Purchaser acting reasonably.

9.9 Notices

(1) Addresses for Notice. Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement (a "**Notice**") shall be in writing and shall be effectively given and made if: (i) delivered personally, (ii) sent by prepaid courier service, or (iii) sent by fax or other similar means of electronic communication, in each case to the applicable address set out below:

(a) in the case of the Vendor addressed to it at:

CRH Canada Group Inc.
2300 Steeles Avenue West, 4th Floor
Concord, ON L4K 5X6

Attention: General Manager, Aggregates
Fax: 905-761-7505

with a copy to the Vendor's Solicitors;

(b) in the case of the Purchaser addressed to it at:

The Town of Halton Hills
1 Halton Hills Drive
Halton Hills, ON
L7G 5G2

Attention: Town Clerk
Fax: 905-873-1431

with a copy to the Purchaser's Solicitors;

(c) in the case of CH addressed to it at:

The Halton Region Conservation Authority
2596 Britannia Road
Burlington, Ontario
L7P 0G3

Attention: Director, Watershed Management Services
Fax: (905) 336 7014

with a copy to CH's Solicitors;

(d) and in the case of CVCA addressed to it at:

Credit Valley Conservation Authority
1255 Old Derry Road
Mississauga, Ontario
L5N 6R4

Attention: Director of Planning and Development Services
Fax: (905) 670-2210

with a copy to CVCA's Solicitors;

(2) Receipt of Notice. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent prior to 5:00 p.m. (Toronto time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

(3) Change of Address. Any party may from time to time change its address under this Section by notice to the other party given in the manner provided by this Section.

9.10 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

9.11 Survival of Obligations

The parties acknowledge and agree that the representations, covenants, agreements, rights and obligations of the parties hereto (collectively, the "**Obligations**") shall not merge on the completion of this transaction, but shall survive completion and remain in full force and effect and be binding upon the parties subject to or entitled to the benefit of such Obligations, save and except as may be otherwise expressly provided for in this Agreement.

9.12 Subsidiaries

The Subsidiaries are direct or indirect wholly-owned subsidiaries of CRH Canada Group Inc. The Subsidiaries have joined in this Agreement because they own or have an interest in certain parcels of the Lands. The Vendor shall cause the Subsidiaries to, and the Subsidiaries shall, comply with this Agreement to the extent that this Agreement affects those portions of the Lands which they own or in which they have an interest. Any Subsidiary may transfer or assign such Lands which it owns or in which it has an interest to the Vendor at any time without the consent of the Purchaser, CH or CVCA.

[Signature page follows]

IN WITNESS WHEREOF the parties have executed this Agreement.

CRH CANADA GROUP INC.,
through its division, Dufferin Aggregates

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

THE CORPORATION OF THE TOWN OF HALTON HILLS

Per: _____
Name:
Title:

Per: _____
Name:
Title:
I/We have authority to bind the municipal corporation.

THE HALTON REGION CONSERVATION AUTHORITY

Per: _____
Name:
Title:

Per: _____
Name:
Title:
I/We have authority to bind the conservation authority.

CREDIT VALLEY CONSERVATION AUTHORITY

Per: _____
Name:
Title:

Per: _____
Name:
Title:
I/We have authority to bind the conservation authority.

747752 ONTARIO LTD.

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

764296 ONTARIO LTD.

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

SCHEDULE "A"

The Lands are comprised of the properties identified by the following PINs:

25005-0031
24996-0348
24996-0446
24996-0349
24996-0356
24996-0359
25005-0014
25017-0033
25017-0134
25017-0139
25017-0138
25017-0133
25017-0034

Quarry Phases

August, 2014

Schedule A

- Proposed Licence Area
- Proposed Extraction Area
- Proposed Setback Area (No Extraction)
- Existing Acton Quarry Licence 225.0ha (556.0ac)
- Processing Area Outside of Licence
- Additional Lands Owned by Applicant
- Internal Access Road (Approximate Location)
- At Grade Crossing
- Highway Truck Entrance / Exit

MHBC

SCHEDULE B

LANDS

Lands to be Transferred

Transfer 1 Lands (shown in purple vertical hatching on attached sketch)

PIN 25005-0014(LT)

Transfer 2 Lands (shown in pink horizontal hatching on attached sketch)

PIN 24996-0348(LT)

PIN 24996-0349(LT)

PIN 24996-0356(LT)

PIN 24996-0359(LT)

PIN 24996-0446(LT)

Transfer 3 Lands (shown in green diagonal hatching on attached sketch)

Part of PIN 25005-0031(LT)

Transfer 4 Lands (shown in yellow diagonal hatching on attached sketch)

Part of PIN 25017-0033(LT)

Part of PIN 25017-0034(LT)

Part of PIN 25017-0133(LT)

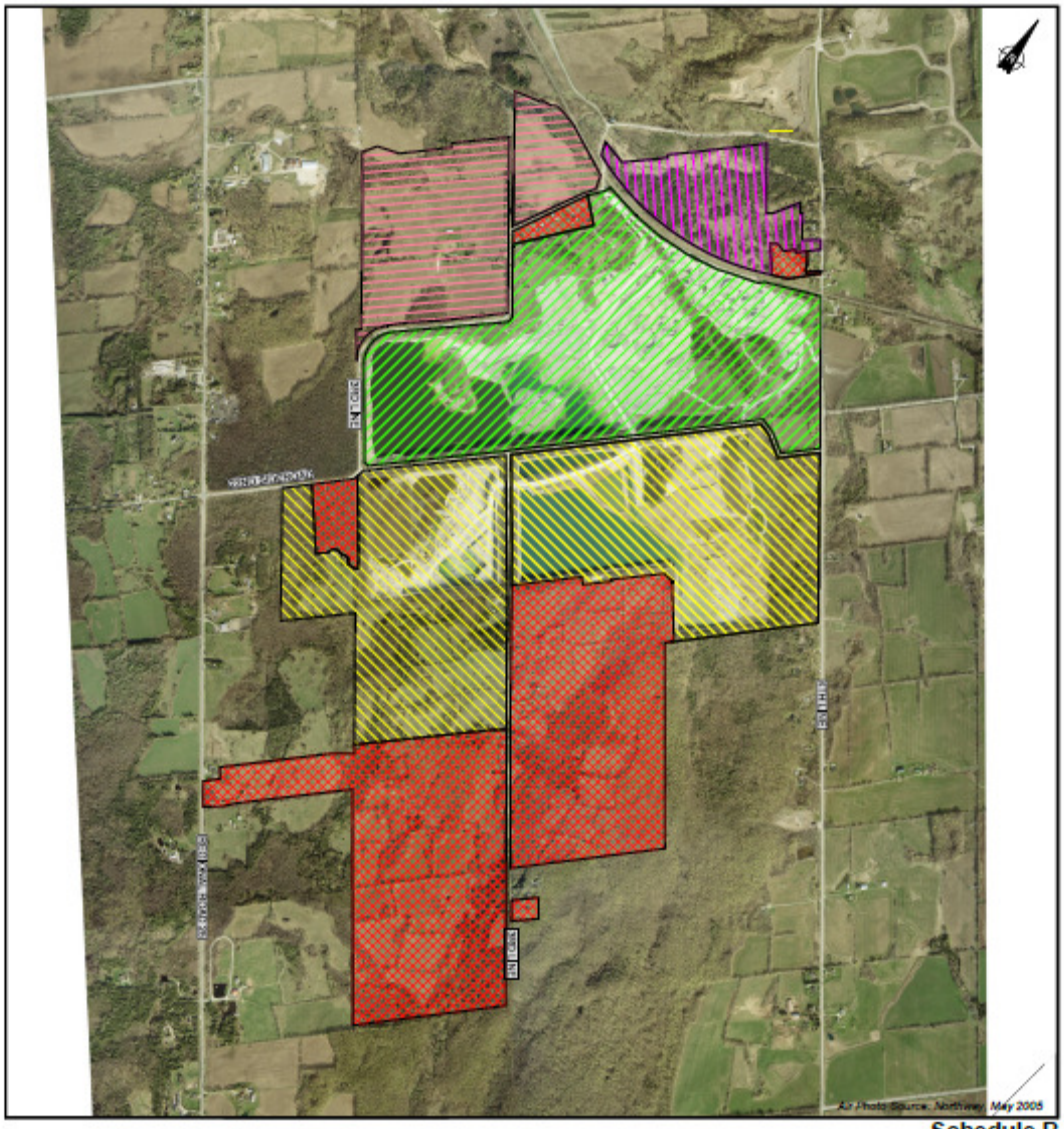
PIN 25017-0134(LT)

PIN 25017-0138(LT)

PIN 25017-0139(LT)

Lands to be Conveyed

June 9, 2015



Schedule B

Transfer 1 Lands

Transfer 2 Lands

Transfer 3 Lands

Transfer 4 Lands

Lands to be retained by Dufferin Aggregates, a division of Holcim (Canada) Inc.

MHBC

SCHEDULE C

RESTRICTIVE COVENANT (CRH)

The Purchaser covenants with the Vendor that it will not erect any building on or use any portion of the Property for any purpose which is inconsistent with the use of the Property for conservation, recreation and other public uses. Notwithstanding the foregoing, other uses of the Property which are accessory to the principal conservation, recreation and/or public uses shall not be prohibited.

The Purchaser further covenants with the Vendor that it will not permit any uses on the Property which would constitute a noise sensitive land use pursuant to applicable noise guidelines.

SCHEDULE D

PERMITTED ENCUMBRANCES - SPECIFIC

Transfer 1 Lands

PIN 25005-0014(LT)

1. Instrument No. 251421, registered on July 17, 1968, being a Bylaw.

2. Instrument No. 620583, registered on June 17, 1985, being a Transfer of Land to United Aggregates Ltd. containing an easement in favour United Gas Limited.

3. Instrument No. H695378, registered on August 22, 1997, being a Notice of Agreement between United Aggregates Ltd. and The Corporation of the Town of Halton Hills and The Regional Municipality of Halton.

4. Instrument No. H696370, registered on August 27, 1997, being a Notice of Agreement between United Aggregates Ltd. and The Regional Municipality of Halton.

5. Instrument No. HR1036516, registered on July 26, 2012, being an Application to Change Name – Owner.

6. Instrument No. HR1331737, registered on January 25, 2016, being an Application to Change Name – Owner.

Transfer 2 Lands

PIN 24996-0348(LT)

1. Instrument No. 251421, registered on July 17, 1968, being a Bylaw.

2. Instrument No. HR1036516, registered on July 26, 2012, being an Application to Change Name – Owner.

3. Instrument No. HR1161710, registered on January 29, 2014, being a Notice from The Corporation of the Town of Halton Hills.

4. Instrument No. HR1331737, registered on January 25, 2016, being an Application to Change Name – Owner.

PIN 24996-0349(LT)

1. Instrument No. 251421, registered on July 17, 1968, being a Bylaw.

PIN 24996-0356(LT)

1. Instrument No. 134890, registered on February 2, 1962, being an Oil and Gas Lease in favour of L. Feldmeier.

2. Instrument No. 136179, registered on April 6, 1962, being an Assignment General regarding Option to Purchase, as amended by quit claim deed registered on May 22, 1962 as Instrument No. 137714.

3. Instrument No. 251421, registered on July 17, 1968, being a Bylaw.

4. Instrument No. H695378, registered on August 22, 1997, being a Notice of Agreement between United Aggregates Ltd. and The Corporation of the Town of Halton Hills and The Regional Municipality of Halton.

5. Instrument No. H696370, registered on August 27, 1997, being a Notice of Agreement between United Aggregates Ltd. and The Regional Municipality of Halton.

6. Instrument No. HR1036516, registered on July 26, 2012, being an Application to Change Name – Owner.

7. Instrument No. HR1161710, registered on January 29, 2014, being a Notice from The Corporation of the Town of Halton Hills.

8. Instrument No. HR1331737, registered on January 25, 2016, being an Application to Change Name – Owner.

PIN 24996-0359(LT)

1. Instrument No. 251421, registered on July 17, 1968, being a Bylaw.

2. Instrument No. HR1036516, registered on July 26, 2012, being an Application to Change Name – Owner.

3. Instrument No. HR1331737, registered on January 25, 2016, being an Application to Change Name – Owner.

PIN 24996-0446(LT)

1. Instrument No. 251421, registered on July 17, 1968, being a Bylaw.

2. Instrument No. HR1161710, registered on January 29, 2014, being a Notice from The Corporation of the Town of Halton Hills.

3. Instrument No. HR1331737, registered on January 25, 2016, being an Application to Change Name – Owner.

Transfer 3 Lands

Part of PIN 25005-0031(LT)

1. Instrument No. 58742, registered on November 20, 1956, being an Agreement of Right of Way in favour of The United Suburban Gas Company Limited.

2. Instrument No. 120224, registered on February 1, 1961, being an Assignment General, assigning Instrument No. 58742 to United Gas Limited.

3. Instrument No. 120232, registered on February 1, 1961, being a Partial Release of Instrument No. 58742 by United Gas Limited.

4. Instrument No. 134890, registered on February 2, 1962, being an Oil and Gas Lease in favour of L. Feldmeier.

5. Instrument No. 251421, registered on July 17, 1968, being a Bylaw.

6. Instrument No. 404943, registered on January 14, 1975 **[although parcel register says January 4, 1975]**, being a Bylaw.

7. Instrument No. H695378, registered on August 22, 1997, being a Notice of Agreement between United Aggregates Ltd. and The Corporation of the Town of Halton Hills and The Regional Municipality of Halton.

8. Instrument No. H696370, registered on August 27, 1997, being a Notice of Agreement between United Aggregates Ltd. and The Regional Municipality of Halton.

9. Instrument No. HR722736, registered on December 9, 2008, being a Notice from The Corporation of the Town of Halton Hills.

10. Instrument No. HR1036516, registered on July 26, 2012, being an Application to Change Name – Owner.

11. Instrument No. HR1331737, registered on January 25, 2016, being an Application to Change Name – Owner.

Transfer 4 Lands

Part of PIN 25017-0033(LT)

1. Instrument No. 167456, registered on May 27, 1964, being an Assignment General regarding Agreement for Sale, in favour of Solveig Bjerre.

2. Instrument No. 251421, registered on July 17, 1968, being a Bylaw.

3. Instrument No. 523107, registered on June 17, 1980, being a Quit Claim Deed in favour of Indusmin Limited.

4. Instrument No. H695378, registered on August 22, 1997, being a Notice of Agreement between United Aggregates Ltd. and The Corporation of the Town of Halton Hills and The Regional Municipality of Halton.

5. Instrument No. H696370, registered on August 27, 1997, being a Notice of Agreement between United Aggregates Ltd. and The Regional Municipality of Halton.

6. Instrument No. HR1036516, registered on July 26, 2012, being an Application to Change Name – Owner.

7. Instrument No. HR1331737, registered on January 25, 2016, being an Application to Change Name – Owner.

Part of PIN 25017-0034(LT)

1. Instrument No. 251421, registered on July 17, 1968, being a Bylaw.

Part of PIN 25017-0133(LT)

1. Instrument No. 251421, registered on July 17, 1968, being a Bylaw.

Part of PIN 25017-0134(LT)

1. Instrument No. 251421, registered on July 17, 1968, being a Bylaw.

2. Instrument No. H695378, registered on August 22, 1997, being a Notice of Agreement between United Aggregates Ltd. and The Corporation of the Town of Halton Hills and The Regional Municipality of Halton.

3. Instrument No. H696370, registered on August 27, 1997, being a Notice of Agreement between United Aggregates Ltd. and The Regional Municipality of Halton.

4. Instrument No. HR115680, registered on May 1, 2002, being an Application to Register a Court Order.

5. Instrument No. HR722736, registered on December 9, 2008, being a Notice from The Corporation of the Town of Halton Hills.

6. Instrument No. HR1036516, registered on July 26, 2012, being an Application to Change Name – Owner.

7. Instrument No. HR1331737, registered on January 25, 2016, being an Application to Change Name – Owner.

PIN 25017-0138(LT)

1. Instrument No. 251421, registered on July 17, 1968, being a Bylaw

PIN 25017-0139(LT)

1. Instrument No. 251421, registered on July 17, 1968, being a Bylaw.

PERMITTED ENCUMBRANCES – GENERAL

1. Any subdivision, site plan, development or other similar municipal agreements provided they do not materially and adversely affect the Purchaser's proposed use and operation of the Lands in accordance with the Concept Plan.

2. Any agreements relating to drainage, storm and sanitary sewers, public utility lines, telephone lines, cable television lines or other services and all other services and all other easements and rights of way that do not materially and adversely affect the Purchaser's proposed use and operation of the Lands in accordance with the Concept Plan.

3. Any encroachments or other discrepancies that might be revealed by an up-to-date plan of survey of the Lands or any part thereof which do not, individually or in the aggregate, materially and adversely affect the use, enjoyment or value of the Lands or any part thereof, or materially impair the value thereof.

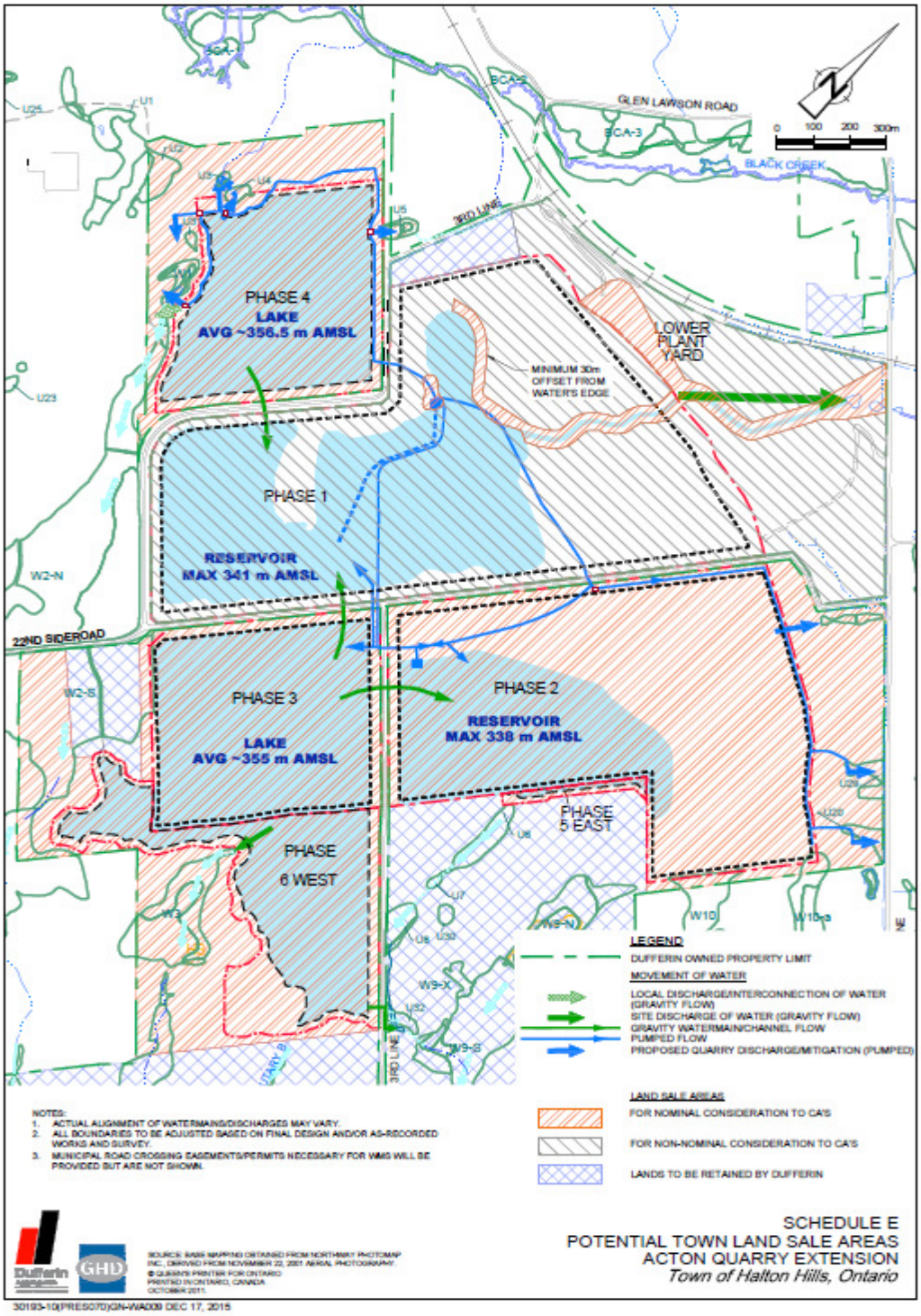
4. Any reservations, limitations, provisos and conditions expressed in the original grant from the Crown as the same may be varied by statute.

5. Any rights of expropriation, access or use, or any other similar right conferred or reserved by or in any statute of Canada or Ontario.

6. Such other minor encumbrances or defects in title which do not, individually or in the aggregate, materially affect the use, enjoyment or value of the Lands or any part thereof, or materially impair the value thereof.

SCHEDULE E

PLAN OF NOMINAL CONSIDERATION / NON-NOMINAL CONSIDERATION LANDS



SCHEDULE F1

FORM OF TEMPORARY EASEMENT IN FAVOUR OF VENDOR

SCHEDULE TO: Transfer Easement (the "**Easement**")

FROM: THE CORPORATION OF THE TOWN OF HALTON HILLS (the "**Transferor**")

TO: CRH CANADA GROUP INC. (the "**Transferee**")

The interest or estate transferred is the free, uninterrupted and unobstructed right and temporary easement over, under, along, and across the lands described as Properties in the electronic Transfer Easement instrument to which this schedule is attached (hereinafter called the "**Servient Lands**") for the following purposes:

(a) to undertake and manage the adaptive management plan dated November 14, 2014 (attached as Schedule "B" to the adaptive management plan agreement between the Transferee and The Regional Municipality of Halton) (as such plan may be amended from time to time, the "**Adaptive Management Plan**"), including, without limitation, carrying out any construction, demolition, earthworks, maintenance or decommissioning, alteration, repair, improvements, installation, monitoring, equipment commissioning, monitoring of natural heritage features, or work upon, over, under, along and across the Servient Lands and to undertake any design, assessment, investigation, tests, study or planning related thereto, required in the opinion of the Transferee from time to time, in its sole and unfettered discretion for the proper and effective management of the Water Management System (as defined in the conveyance agreement (the "**Conveyance Agreement**") dated as of April 6, 2016 between the Transferor, the Transferee, and others) or the Adaptive Management Plan; and

(b) for all purposes reasonably necessary or incidental to the exercise of the rights hereby created or related to any of the foregoing purposes.

TOGETHER with the right of free, uninterrupted and unobstructed access to and from the Servient Lands for the Transferee, its servants, employees, agents, workmen, contractors, sub-contractors and those engaged in its and their business, vehicles, supplies, machinery and equipment at all times and for all purposes and things necessary for or incidental to the exercise and enjoyment of the rights and easement hereby transferred.

The rights set out in this Easement shall be exercised in such a manner as to minimize potential disruption of and interference with recreational or other public uses of the Servient Lands, to the extent practicable.

The rights hereby granted shall terminate on the completion of Lakefilling (as defined in the Conveyance Agreement) of the lake(s) on the Servient Lands.

This Easement shall be binding upon the Transferor, its successors and assigns and shall enure to the benefit of the Transferee, its successors and assigns.

No right of access by the general public to any portion of the Servient Lands is conveyed by this easement.

THE DOMINANT TENEMENT of the Transferee consists of **[NTD: Insert legal description of lands owned by the Vendor which are to benefit from this temporary easement]**, in the Town of Halton Hills, in the Regional Municipality of Halton (and being part **[or all]** of PIN**[s]** _____).

SCHEDULE F2

FORM OF PERMANENT EASEMENT IN FAVOUR OF CH

SCHEDULE TO: Transfer Easement (the "**Easement**")

FROM: [Name of Owners] (collectively the "**Transferors**")

TO: THE HALTON REGION CONSERVATION AUTHORITY (the "**Transferee**")

The interest or estate transferred is the free, uninterrupted and unobstructed right and easement in perpetuity upon, over, under, along, and across the lands described as Properties in the electronic Transfer Easement instrument to which this schedule is attached (hereinafter called the "**Servient Lands**") for the following purposes:

(a) to conduct inspections, investigations, tests, studies and assessments in order to determine compliance with the Water Management Agreement between the Transferors, Transferee, Credit Valley Conservation Authority, The Regional Municipality of Halton, and The Corporation of the Town of Halton Hills dated on or about April 6, 2016 (the "**Agreement**"), and the Water Heirarchy and Allocation Principles, a copy of which is attached hereto as Schedule "A" (the "**Water Heirarchy**") and to determine those measures necessary to ensure compliance with the Agreement and the Water Heirarchy;

(b) to carry out any construction, demolition, earthworks, maintenance, alteration, repair, improvements, installation or work upon, over, under, along and across the Servient Lands and to undertake any design, assessment, investigation, tests, study or planning related thereto, required in the opinion of the Transferee from time to time, in its sole and unfettered discretion for the proper and effective management of the water system on or under the Servient Lands or other lands that may be affected by the management of the water system on or under the Servient Lands, and to ensure the implementation and management of the Water Heirarchy, and

(c) for all purposes reasonably necessary or incidental to the exercise of the rights hereby created or related to any of the foregoing purposes.

The rights set out in this Easement shall be exercised in such a manner as to minimize potential disruption of and interference with recreational or other public uses of the Servient Lands, to the extent practicable.

THE DOMINANT TENEMENT of the Transferee consists of the system of conservation and flood plain control and the watershed managed and sustained by the Transferee lying and being situate in the Town of Halton Hills in the Regional Municipality of Halton together with the

buildings, works and plants of the Transferee, situate on lands regulated by the Transferee pursuant to the *Conservation Land Act*, R.S.O. 1990, c. C.28, as amended.

TOGETHER with the right of free, uninterrupted and unobstructed access to and from the Servient Lands for the Transferee, its servants, employees, agents, workmen, contractors, sub-contractors and those engaged in its and their business, vehicles, supplies, machinery and equipment at all times and for all purposes and things necessary for or incidental to the exercise and enjoyment of the rights and easement hereby transferred.

This Easement shall be binding upon the Transferor, its successors and assigns and shall enure to the benefit of the Transferee, its successors and assigns.

No right of access by the general public to any portion of the Servient Lands is conveyed by this easement.

Notwithstanding any rule of law or equity, the WMS Assets as defined in the Agreement, shall be the property of the Transferee, even though the same may have become annexed or affixed to the servient tenement.

THIS IS AN EASEMENT IN GROSS.

SCHEDULE "A" TO PERMANENT EASEMENT

WATER HIERARCHY AND ALLOCATION PRINCIPLES

January 6, 2015
Page 1 of 2

Water Hierarchy And Allocation Principles:

A. Water is required to protect the natural features and private water supply wells in the vicinity of the quarry.

B. Water to maintain and enhance public water supplies is seen as a benefit.

C. Opportunities to fill the quarry lakes during the Quarry Operation Period should be promoted.

D. Water beyond what is needed for Mitigation, Operations, and Lake Filling requirements as described in Table 5.1 is to be provided to each of the Credit Valley Conservation [Black Creek] and Conservation Halton [Sixteen Mile Creek] watersheds on an annual basis to meet the overall intent of proportional Watershed Allocation as follows:

a. Credit Valley Conservation is allocated water associated with:
   i. Phase 1: 100 percent of water
   ii. Phase 2: 55 percent of water
   iii. Phase 4: 80 percent of water

b. Conservation Halton is allocated water associated with:
   i. Phase 2: 45 percent of water
   ii. Phase 3: 100 percent of water
   iii. Phase 4: 20 percent of water
   iv. Phase 5: 100 percent of water
   v. Phase 6: 100 percent of water

The Watershed Allocation under long-term rehabilitation conditions is anticipated to be as described in Table 5.2 as may be updated subject to Principle I.

E. Water is to be provided for Quarry Operations during the Quarry Operation Period.

F. The seasonal storage and distribution of flow to each watershed should be optimized using available storage and water management systems for the protection/enhancement of natural features and augmenting flow during low flow conditions.

G. Available storage in the Reservoirs of Phases 1 and 2 (or partially filled lakes in other Phases) may be utilized to offset climatic shortfalls on a year to year basis, however quarry lake levels are to be maintained in the long term. Use of water

in storage will be based on the following considerations or objectives as well as Principle K:

a. Allow for seasonal freeboard (storage) for managing spring freshet and storm events.
b. Discharge of water in storage is to be primarily based on water already accumulated for the purpose of downstream discharge (Table 5.1).
c. Discharge of water previously allocated to lake filling or reservoir long-term storage should only occur on a short-term basis to respond to specific conditions such as drought and are to be offset in years of above average water availability – i.e. balance the drier years with the wetter years so there is no net deficit over the long term.
d. All discharges should be planned and undertaken to be sustainable over the long term.
e. Additional available water may be accumulated on a temporary or longer term basis (i.e. lake filling) if not needed for downstream discharge and if storage is available.

H. The water as available annually would be distributed based on the priority outlined in the Water Hierarchy in Table 5.1. The volume of water utilized for each use in the Hierarchy shall be considered to give effect to the Watershed Allocation

I. The water budget will continue to be updated in accordance with the AMP to ensure that the overall water budget is sustainable. Table 5.2 illustrates the projected long-term Watershed Allocation based on the current water budget calculations. A comprehensive review (and refinement as necessary) of the water budget and water allocation presented in Table 5.2 will be completed and reported prior to Extraction in Phase 5 West.

J. The Water Hierarchy and Watershed Allocation are to be used when modifying the water budget allocation amounts or evaluation of changes to the Water Management System.

K. The amount of water designated for lake filling may vary to suit climatic conditions or other factors based on actual conditions. Variations are subject to agreement by Conservation Halton, Credit Valley Conservation, and Region of Halton, in consultation with the provincial ministries as may be required with respect to the *Aggregate Resources Act* Site Plan and Licence and Permit to Take Water.

L. Water allocations and proportions described in this schedule are intended to be treated as approximate goals with any short-term variability being offset or balanced over the longer term (e.g. year-to-year balancing).

TABLE 5.1 WATER HIERARCHY DUFFERIN ACTON QUARRY EXTENSION			
Priority [highest to lowest]	***Extraction Period [Including Simultaneous Lake Filling]***	***Post-Extraction Lake-Filling Period***	***Long-Term Rehabilitated After-Use [Lakes Filled]***
Mitigation & Contingency Lake Top-up in Long Term	Private Water Wells/ Threatened and Endangered Species; PSW; Other water resources per AMP	Private Water Wells/ Threatened and Endangered Species ; PSW; Other water resources per AMP	Private Water Wells/ Threatened and Endangered Species; PSW; Other water resources per AMP
Quarry Operations Use	Washing, Dust Control, and rehabilitation support (e.g. watering new vegetation)	Rehabilitation support (e.g. watering new vegetation)	Not applicable
Lake Filling	50% of remaining water when storage is available for filling. Percentage of water for lake filling may vary if agreed by CH and CVC in respect of Water Hierarchy Principles C, G, and K.	50% of remaining water. Percentage of water for lake filling may vary if agreed by CH and CVC in respect of Water Hierarchy Principles C, G, and K.	Not applicable
Downstream Discharge [Released and/or retained in storage]	CH/CVC Allocation of remaining water based on Watershed Allocation (Principle D) and Lake Filling - e.g. 50% if lake filling is underway as above. Water may be temporarily stored if storage volume is available and CH/CVC are in agreement.	CH/CVC Allocation of remaining water based on Watershed Allocation (Principle D) and Lake Filling - e.g. 50% if lake filling underway as above. Water may be temporarily stored if storage volume is available and CH/CVC are in agreement. Region of Halton has an interest in determining the discharge of a portion of this flow to Black Creek subject to appropriate technical studies and planning process.	CH/CVC Allocation of 100% of remaining water based on Watershed Allocation (Principle D). Region of Halton has an interest in determining the discharge of a portion of this flow to Black Creek subject to appropriate technical studies and planning process.
Other Allocation	Not applicable	Not applicable	Other after-use (including recreational purposes) as acceptable to landowners and CH/CVC respective of above obligations and long-term sustainability

January 6, 2015
Page 1 of 1

TABLE 5.2

PROJECTED WATERSHED ALLOCATION – LONG-TERM REHABILITATED AFTER-USE
ACTON QUARRY EXTENSION
TOWN OF HALTON HILLS, ONTARIO

Item	*Allocation Hierarchy*	*Volume*				
		Total	*Black Creek (CVC)*		*Sixteen Mile Creek*	
		(m^3/year)	*(m^3/year)*	*(%)*	*(m^3/year)*	*(%)*
I	**Effective water volume beyond lake top-up and mitigation**	**1,054,396**	**604,413**	**57.3%**	**449,983**	**42.7%**
II	Increased groundwater discharge to surrounding surface water features	197,894	16,401	8.3%	181,492	91.7%
III	**Total allocatable surface discharge**	**856,503**	**588,012**	**68.7%**	**268,491**	**31.3%**

Note: (1) Region of Halton has an interest in determining the discharge of a portion of this flow to Black Creek subject to appropriate technical studies and planning process.
(2) Water quantities are based on information presented in the revised memorandum by Conestoga-Rovers & Associates, "Revised Calculation of Watershed Allocation for Long-Term Rehabilitated After-Use, Acton Quarry Extension, Town of Halton Hills", November 12, 2014 or as may be superceded in the future.

SCHEDULE G

CONSERVATION RESTRICTIVE COVENANT

With the intent that the burden of these restrictive covenants shall be annexed to, run with and bind the lands against which they are to be registered, namely, **[Insert legal description of lands to be conveyed to Town of Halton Hills which are to be subject to these restrictive covenants]**, in the Town of Halton Hills, in the Regional Municipality of Halton, and being part **[or all]** of PIN**[s]** _____, and each and every part thereof (the "**Restricted Lands**") and with the intent that the benefit of these restrictive covenants shall be for the benefit of **[Insert Conservation Halton and/or Credit Valley Conservation Authority, as the case may be]** (the "**Authority**") and the system of conservation and flood plain control and the watershed managed and sustained by the Authority lying and being situate in the Town of Halton Hills in the Regional Municipality of Halton together with the buildings, works and plants of the Authority, and situate on lands regulated by the Authority pursuant to the *Conservation Land Act*, R.S.O. 1990, c. C.28, as amended (the "Act").

By registration hereof the Applicant/owner of the Restricted Lands covenants and agrees on behalf of itself and its successors and assigns, that it will strictly keep, observe, perform and comply with the covenants, restrictions and provisions hereinafter set forth:

1. No motorized boats or other motorized vehicles shall be permitted or used on or in reservoirs and lakes, except for emergency or maintenance purposes. Notwithstanding the foregoing, motorized boats or other motorized vehicles may be permitted or used on or in reservoirs and lakes provided said use is:

   (a) under special circumstances that are temporary in nature;

   (b) authorized by the Applicant/owner; and

   (c) mutually agreed upon by the Applicant/owner and Authority, it being understood and agreed that in the absence of mutual agreement, said uses shall not be permitted.

2. No uses or water-taking contrary to the Water Hierarchy and Allocation Principles attached hereto as Schedule "A" shall be permitted.

It is intended and agreed that these restrictive covenants shall be annexed to, run with and bind the Restricted Lands and each and every part thereof in perpetuity and shall not be modified, amended or released without the consent of the Minister of Natural Resources and Forestry and shall only be deleted on the consent of the Authority.

The foregoing covenants, restrictions, and provisions shall be construed in accordance with the laws of the Province of Ontario and if any are determined to be invalid or unenforceable, in whole or in part, then the same shall be severed herefrom and the remainder shall not be affected thereby but shall remain valid and enforceable to the fullest extent permitted.

SCHEDULE "A" TO RESTRICTIVE COVENANTS

WATER HIERARCHY AND ALLOCATION PRINCIPLES

January 6, 2015
Page 1 of 2

Water Hierarchy And Allocation Principles:

A. Water is required to protect the natural features and private water supply wells in the vicinity of the quarry.

B. Water to maintain and enhance public water supplies is seen as a benefit.

C. Opportunities to fill the quarry lakes during the Quarry Operation Period should be promoted.

D. Water beyond what is needed for Mitigation, Operations, and Lake Filling requirements as described in Table 5.1 is to be provided to each of the Credit Valley Conservation [Black Creek] and Conservation Halton [Sixteen Mile Creek] watersheds on an annual basis to meet the overall intent of proportional Watershed Allocation as follows:

a. Credit Valley Conservation is allocated water associated with:
   i. Phase 1: 100 percent of water
   ii. Phase 2: 55 percent of water
   iii. Phase 4: 80 percent of water

b. Conservation Halton is allocated water associated with:
   i. Phase 2: 45 percent of water
   ii. Phase 3: 100 percent of water
   iii. Phase 4: 20 percent of water
   iv. Phase 5: 100 percent of water
   v. Phase 6: 100 percent of water

The Watershed Allocation under long-term rehabilitation conditions is anticipated to be as described in Table 5.2 as may be updated subject to Principle I.

E. Water is to be provided for Quarry Operations during the Quarry Operation Period.

F. The seasonal storage and distribution of flow to each watershed should be optimized using available storage and water management systems for the protection/enhancement of natural features and augmenting flow during low flow conditions.

G. Available storage in the Reservoirs of Phases 1 and 2 (or partially filled lakes in other Phases) may be utilized to offset climatic shortfalls on a year to year basis, however quarry lake levels are to be maintained in the long term. Use of water

in storage will be based on the following considerations or objectives as well as Principle K:

a. Allow for seasonal freeboard (storage) for managing spring freshet and storm events.
b. Discharge of water in storage is to be primarily based on water already accumulated for the purpose of downstream discharge (Table 5.1).
c. Discharge of water previously allocated to lake filling or reservoir long-term storage should only occur on a short-term basis to respond to specific conditions such as drought and are to be offset in years of above average water availability – i.e. balance the drier years with the wetter years so there is no net deficit over the long term.
d. All discharges should be planned and undertaken to be sustainable over the long term.
e. Additional available water may be accumulated on a temporary or longer term basis (i.e. lake filling) if not needed for downstream discharge and if storage is available.

H. The water as available annually would be distributed based on the priority outlined in the Water Hierarchy in Table 5.1. The volume of water utilized for each use in the Hierarchy shall be considered to give effect to the Watershed Allocation

I. The water budget will continue to be updated in accordance with the AMP to ensure that the overall water budget is sustainable. Table 5.2 illustrates the projected long-term Watershed Allocation based on the current water budget calculations. A comprehensive review (and refinement as necessary) of the water budget and water allocation presented in Table 5.2 will be completed and reported prior to Extraction in Phase 5 West.

J. The Water Hierarchy and Watershed Allocation are to be used when modifying the water budget allocation amounts or evaluation of changes to the Water Management System.

K. The amount of water designated for lake filling may vary to suit climatic conditions or other factors based on actual conditions. Variations are subject to agreement by Conservation Halton, Credit Valley Conservation, and Region of Halton, in consultation with the provincial ministries as may be required with respect to the *Aggregate Resources Act* Site Plan and Licence and Permit to Take Water.

L. Water allocations and proportions described in this schedule are intended to be treated as approximate goals with any short-term variability being offset or balanced over the longer term (e.g. year-to-year balancing).

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TABLE 5.1 WATER HIERARCHY DUFFERIN ACTON QUARRY EXTENSION			
Priority [highest to lowest]	***Extraction Period [Including Simultaneous Lake Filling]***	***Post-Extraction Lake-Filling Period***	***Long-Term Rehabilitated After-Use [Lakes Filled]***
Mitigation & Contingency Lake Top-up in Long Term	Private Water Wells/ Threatened and Endangered Species; PSW; Other water resources per AMP	Private Water Wells/ Threatened and Endangered Species ; PSW; Other water resources per AMP	Private Water Wells/ Threatened and Endangered Species; PSW; Other water resources per AMP
Quarry Operations Use	Washing, Dust Control, and rehabilitation support (e.g. watering new vegetation)	Rehabilitation support (e.g. watering new vegetation)	Not applicable
Lake Filling	50% of remaining water when storage is available for filling. Percentage of water for lake filling may vary if agreed by CH and CVC in respect of Water Hierarchy Principles C, G, and K.	50% of remaining water. Percentage of water for lake filling may vary if agreed by CH and CVC in respect of Water Hierarchy Principles C, G, and K.	Not applicable
Downstream Discharge [Released and/or retained in storage]	CH/CVC Allocation of remaining water based on Watershed Allocation (Principle D) and Lake Filling - e.g. 50% if lake filling is underway as above. Water may be temporarily stored if storage volume is available and CH/CVC are in agreement.	CH/CVC Allocation of remaining water based on Watershed Allocation (Principle D) and Lake Filling - e.g. 50% if lake filling underway as above. Water may be temporarily stored if storage volume is available and CH/CVC are in agreement. Region of Halton has an interest in determining the discharge of a portion of this flow to Black Creek subject to appropriate technical studies and planning process.	CH/CVC Allocation of 100% of remaining water based on Watershed Allocation (Principle D). Region of Halton has an interest in determining the discharge of a portion of this flow to Black Creek subject to appropriate technical studies and planning process.
Other Allocation	Not applicable	Not applicable	Other after-use (including recreational purposes) as acceptable to landowners and CH/CVC respective of above obligations and long-term sustainability

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TABLE 5.2

PROJECTED WATERSHED ALLOCATION – LONG-TERM REHABILITATED AFTER-USE
ACTON QUARRY EXTENSION
TOWN OF HALTON HILLS, ONTARIO

Item	*Allocation Hierarchy*	*Volume*				
		Total	*Black Creek (CVC)*		*Sixteen Mile Creek*	
		(m^3/year)	*(m^3/year)*	*(%)*	*(m^3/year)*	*(%)*
I	**Effective water volume beyond lake top-up and mitigation**	**1,054,396**	**604,413**	**57.3%**	**449,983**	**42.7%**
II	Increased groundwater discharge to surrounding surface water features	197,894	16,401	8.3%	181,492	91.7%
III	**Total allocatable surface discharge**	**856,503**	**588,012**	**68.7%**	**268,491**	**31.3%**

Note: (1) Region of Halton has an interest in determining the discharge of a portion of this flow to Black Creek subject to appropriate technical studies and planning process.
(2) Water quantities are based on information presented in the revised memorandum by Conestoga-Rovers & Associates, "Revised Calculation of Watershed Allocation for Long-Term Rehabilitated After-Use, Acton Quarry Extension, Town of Halton Hills", November 12, 2014 or as may be superceded in the future.

CRA 030193Memo87-Water Hierarchy Schedule 5 - Table 5.2 - Jan 6 2015