

CLASS 1 SALE

THIS INDENTURE dated the 19th day of April, 2012

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON

hereinafter called the **VENDOR**

- and -

ANDLAUER MANAGEMENT GROUP INC.

Address: 100 Vaughan Valley Blvd., Vaughan, ON L4H 3C5

hereinafter called the **PURCHASER**

1. The Purchaser, having inspected the lands hereinafter described, hereby offers to purchase from the Vendor the lands situated in **Forest City Industrial Park**, in the City of London, in the County of Middlesex, containing approximately **4.0 acres**, more or less, subject to survey, located on the south side Max Brose Drive, and being composed of the **westerly portion of Part 4 of Plan 33R-15788**, and shown outlined in red on the plan attached hereto as Schedule "C" to this Agreement, for the price of approximately

Two Hundred and Sixty Thousand Dollars (\$260,000.00)
of lawful money of Canada calculated at the rate of

Sixty Five Thousand Dollars (\$65,000.00)
per acre, with all normal municipal services available in the road allowance.

The Purchaser submits

Twenty-Six Thousand Dollars (\$26,000.00)

cash (or bank draft or certified cheque) payable to the City Treasurer, City of London, as deposit to be held by the Vendor pending completion or other termination of the agreement arising from the acceptance of this Agreement and to be credited towards the purchase price on completion, and the balance of the purchase price to be paid on the date of completion.

2. Provided the title to the property is good and free from all encumbrances, except as otherwise expressly provided herein, and except as to any registered easements, restrictions or covenants that run with the land, or municipal by-laws, or other governmental enactments, providing that such are complied with.

3. The Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title except as may be in the possession or control of the Vendor, unless otherwise provided herein.

4. The Purchaser is to be allowed 60 days from the date of acceptance of this Agreement to examine the title at his own expense. If within that time any valid objection to title is made in writing to the Vendor which the Vendor is unable or unwilling to remove, remedy or satisfy and which the Purchaser will not waive, this Agreement, notwithstanding any intermediate acts or negotiations in respect of such objection shall be at an end, and all monies theretofore paid shall be returned to the Purchaser without interest or deduction, and the Vendor shall not be liable for any costs or damages. Except as to any valid objection so made within such time, and except for any objection going to the root of the title, the Purchaser shall be conclusively deemed to have accepted the Vendor's title to the property.

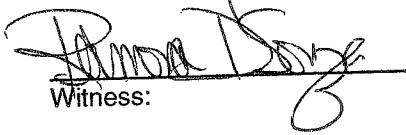
5. The Purchaser is to be allowed 60 days from the date of acceptance of this Agreement to carry out soil tests as it might reasonably require. Any such testing shall first be approved by the City Engineer and shall be at the sole risk and expense of the Purchaser. If such tests are carried out, the Purchaser agrees to restore the property to its original condition. If the property is not so restored, the vendor may carry out required restoration and without limiting the rights of the Vendor, the cost thereof may be recovered from the deposit. If, within that time, any valid objection to soil conditions is made in writing to the Vendor, which the Vendor is unable or unwilling to remove, remedy or satisfy, and which the Purchaser will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objection, shall be at an end and all monies theretofore paid shall be repaid or returned to the Purchaser without interest or deduction and the Vendor shall not be liable for any costs or damages. Except as to any valid objection so made within such time, the Purchaser shall be conclusively deemed to have accepted the soil conditions on the property.
6. The transaction of purchase and sale to be completed as set out in Schedule E. Vacant possession of the property shall be given to the Purchaser on the date of completion, unless otherwise provided herein.
7. This Agreement, when accepted, shall constitute a binding contract of purchase and sale between the Purchaser and Vendor and time shall, in all respects, be of the essence thereof, provided that the time for the doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing, signed by the Vendor and the Purchaser or by their respective solicitors who are hereby expressly appointed in this regard. It is agreed that there is no condition, expressed or implied, representation, warranty, or collateral agreement affecting this Agreement or the property or supported hereby, except as expressed herein in writing.
8. The Deed or transfer shall be prepared in registerable form at the expense of the Vendor by its solicitor. Each party shall pay the cost of registration and taxes on his own documents.
9. Provided that, notwithstanding any terms or conditions outlined in the printed wording herein, any provisions written into the Agreement at the time of the signing of the Agreement by the Purchaser shall be the true terms and shall supersede the printed portion in respect of the parts affected thereby. This Agreement and its acceptance shall be read with all changes of gender or number required by the context and shall be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns, as the case may be.
10. As a condition of this Agreement, the Purchaser hereby agrees to submit a declaration of intent which outlines the proposed uses of the property. This declaration is attached hereto as Schedule "A" and forms part of the Agreement.
11. As a condition of this Agreement, the Purchaser hereby agrees to be bound by the Policy of The Corporation of the City of London with respect to the sale and/or transfer of City-owned, serviced, industrial land, which Policy is attached hereto as Schedule "B" to this Agreement, it being the intent of the parties hereto that the provisions of the said "Policy" shall survive the closing of this transaction to such extent as may be required to give effect to the said Policy. As a further condition of this Agreement, the Purchaser agrees to accept a Deed with respect to the land herein described in a form sufficient to give effect to the said Policy.
12. Any tender of documents or money desired hereunder may be made upon the solicitor acting for the Vendor or Purchaser, and it shall be sufficient that a Bank Draft or Certified Cheque may be tendered instead of cash.

13. This Agreement shall be irrevocable and open for acceptance until 11:59 p.m. (local time) on the 31st day of May, 2012, after which time, if not accepted, this Agreement shall be null and void and the deposit shall be repaid to the Purchaser without interest or deduction.

IN WITNESS WHEREOF the Purchaser, if a person, has hereunto set his hand and seal or, if a corporation, has hereunto affixed its Corporate Seal duly attested to by its proper signing Officers this 20th day of APRIL, 2012.

SIGNED, SEALED & DELIVERED

in the presence of


Witness:

) ANDLAUER MANAGEMENT GROUP INC.



) Signature of Signing Officer
) Name & Title: Michael Andlauer, President
) I have authority to bind the Corporation

)
)
)
) Signature of Signing Officer
) Name & Title:
) I have authority to bind the Corporation

ACCEPTANCE

The Vendor accepts the above Agreement.

THE CORPORATION OF THE CITY OF LONDON

Joe Fontana, Mayor

Catharine Saunders, City Clerk

- | | | |
|-------|-------------------------|--|
| NOTE: | Schedule "A" attached - | "Purchaser's Declaration of Intent" |
| | Schedule "B" attached - | "City-owned Serviced Land Sale Policy" |
| | Schedule "C" attached - | "Excerpt from Plan Outlining Property in Red" |
| | Schedule "D" attached - | "Additional Terms and Conditions" |
| | Schedule "E" attached - | "Vendor Deliveries", "Purchaser's Conditions", "Representations and Warranties" and "Closing Date" |
| | Schedule "F" attached - | "Purchaser's Project" |

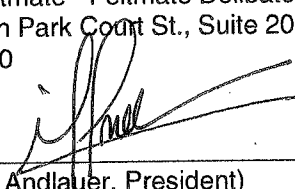
Realtor: Matt Chambers, Colliers International
101-254 Pall Mall Street, London, Ontario N6A 5P6

SCHEDULE "A"

PURCHASER'S DECLARATION OF INTENT TO DEVELOP AND PROPERLY UTILIZE THE PROPERTY, WHICH DECLARATION FORMS PART OF THE AGREEMENT OF PURCHASE AND SALE

The Purchaser hereby declares, and it is understood and agreed between both parties, that the property will be used for the following purposes; and the Purchaser undertakes to take all reasonable steps to fulfil these commitments; which undertaking shall survive and not merge in the closing of the transaction.

INFORMATION REQUIRED FROM PURCHASER BEFORE AGREEMENT SUBMITTED FOR APPROVAL

Industrial Park Name & Phase & Section:	Forest City Industrial Park
Lot & Conc./Part No./Block, etc.; Acres:	Westerly portion of Part 4 of Plan 33R-15788 <u>4.0 acres</u>
Name, Address, Postal Code of Purchaser:	100 Vaughan Valley Blvd. Vaughan, ON L4H 3C5
Local Company: <input checked="" type="checkbox"/> New Company: <input type="checkbox"/>	
Intended Use of Building - (Describe):	Warehouse, Distribution, Freight Forwarding
Major Industrial Classification of User:	_____
List of Products Manufactured/Handled:	Distribution of consumer, healthcare, and pharmaceutical products
Number of Employees Anticipated: (Full Time):	25
Number of Square Feet of Building Proposed:	15,300 square feet
Number of Square Feet in Property Purchase:	161,172 sq ft.
Proposed Building Coverage as % of Lot Area:	Nine percent (9%)
Mandatory Building Coverage Starting 1st Year:	15 percent (15%)
Future Building(s) Proposed (if any) Details:	Warehouse expansion 15,000 to 40,000
Proposed Building Material for this Project:	Steel frame, metal siding, front entry glazing
Development of the Lot will be subject to:	Site Plan & Architectural Control
Proposed Commencement Date of Construction:	2012
Mandatory Commencement Date of Construction:	One Year from Date of Deed
Purchaser's Lawyer - Name, and Address:	Mr. Miles Feltmate - Feltmate Delibato Heagle LLP 2010 Winston Park Court St., Suite 200 Oakville, ON 905-829-3200
Telephone:	
Purchaser's Executive Completing this Form: <u>(Executive's Name Typewritten Here)</u> <u>(The Above Executive's Title Typewritten Here)</u> <u>(Company Name Typewritten Here)</u>	 _____ (Michael Andlauer, President) I have authority to bind the Corporation Andlauer Management Group Inc.

Joe Fontana, Mayor

Catharine Saunders, City Clerk

SCHEDULE "B"

Excerpt from By-law No. A.-6151-17, Schedule A, Attachment A entitled "Disposal of Industrial Land Procedures"

Disposal of Industrial Land Procedures

1. The purpose of this policy is to establish the terms upon which City-owned serviced industrial land is to be sold and transferred.
2. This policy is to be read and applied fairly and beneficially with such variations as circumstances or the nature of the subject matter require provided the general purpose, intent, meaning and spirit of the policy are maintained.
3. In this policy,
 - (a) Commencement of construction means the date upon which a building permit is issued by the City;
 - (b) Completion of construction is reached when the building or structure or a substantial part thereof is ready for use or is being used for the purpose intended, and;
 - (c) Coverage has the meaning ascribed to it under the applicable zoning by-law.

CLASS 1 SALE

4. A class 1 sale is a sale of a land for the purpose of the construction thereon of a building or structure for a detached industrial use.
5. A class 1 sale shall be subject to the following conditions:
 - (a) The purchaser shall commence construction within one year of the registration of the deed or transfer and shall diligently complete construction of the building or structure, in default of which the purchaser shall in the sole discretion of the City reconvey the land to the City in accordance with Section 18 of this policy and free and clear of all encumbrances, easements, restrictions or covenants except as to those originally assumed by the purchaser from the City.
 - (b) The purchaser shall not within 10 years of the registration of the deed or transfer convey any vacant part of the land by deed, transfer, grant, assignment, appointment, mortgage, charge, lease or sub-lease (Planning Act, R.S.O. 1990, Chapter P .13), without first notifying the City and, where it has been so notified, the City may either grant its consent (which shall not be unreasonably withheld) to the conveyance or application or may in its sole discretion require the purchaser to reconvey the vacant part to the City in accordance with Section 18 of this policy and free and clear of all encumbrances, easements, restrictions or covenants except as to those originally assumed by the purchaser from the City.
 - (d) The purchaser shall pay local improvement charges and any other special levies assessed at any time against the land on and after completion of the purchase.
6. The Manager of Realty Services may grant one or more extensions (which in total shall not exceed two years) of the time set out in paragraph 5 (a) of Section 5 of this policy within which construction of a building or structure is to be commenced provided the purchaser has filed a written request with the Manager of Realty Services for the extension.
7. A purchaser wishing to notify the City under condition 5 (c) of this policy shall file a written request with the Manager of Realty Services who shall submit a recommendation thereon to Council through the Finance and Administration Committee.

CLASS 2 SALE

8. A class 2 sale is a sale of a land for the purpose of the extension or enlargement of a building or structure erected or to be erected upon land of the purchaser abutting the land.
9. A class 2 sale shall be subject to conditions (c) and (d) of Section 5 of this policy and the further condition that the land shall not be used for any purpose other than the extension or enlargement of a building or structure erected or to be erected upon lands of the purchaser abutting the land.

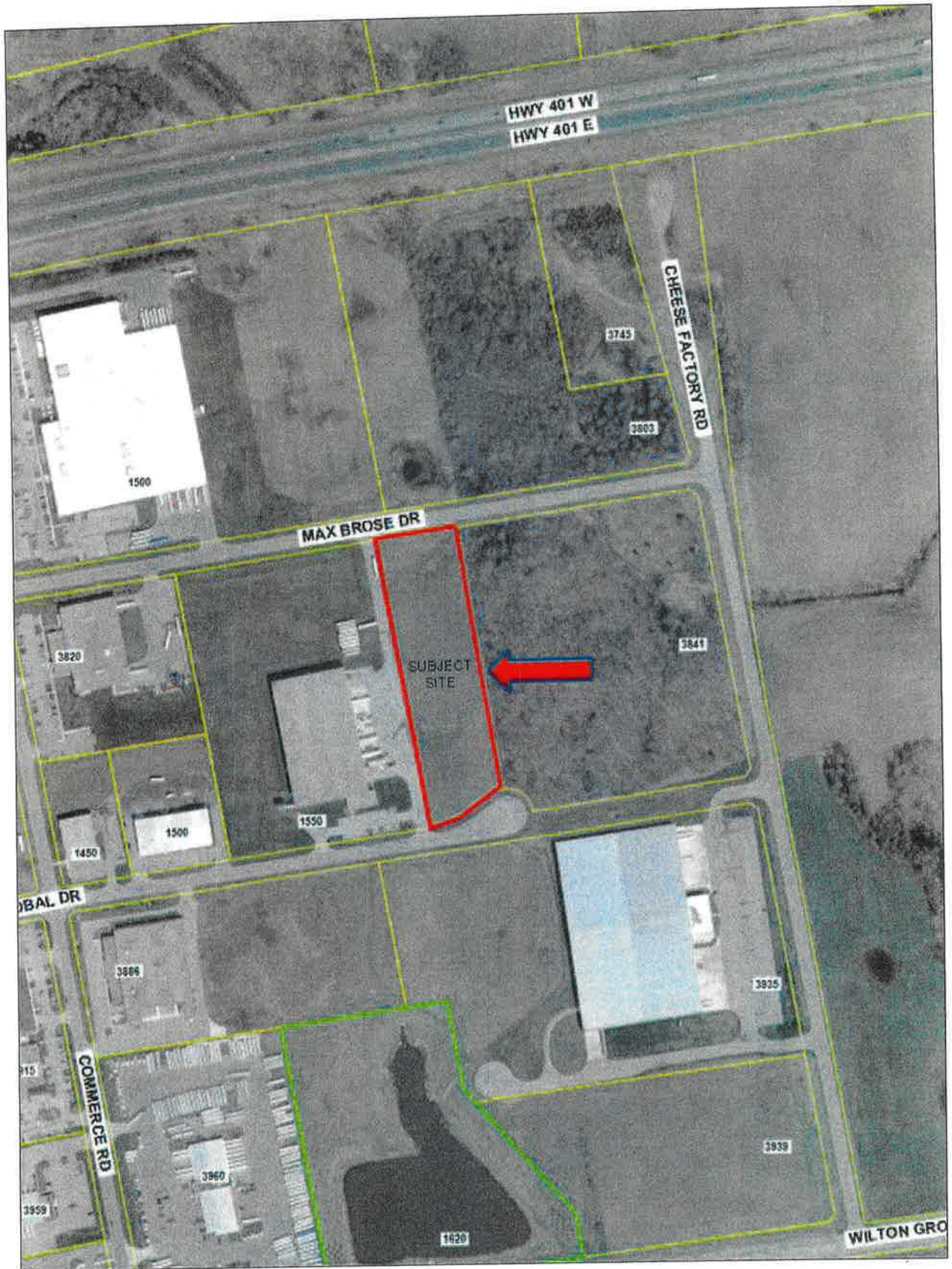
CLASS 3 SALE

10. A class 3 sale is a sale that is not a class 1 or class 2 sale and that is a sale of a land for the purpose of a use ancillary to a building or structure erected or to be erected upon land of the purchaser abutting the parcel.
11. A class 3 sale shall be subject to conditions (c) and (d) of Section 5 of this policy and the further condition that the land shall not be used for any purpose other than a use ancillary to a building or structure erected or to be erected upon land of the purchaser abutting the parcel.

GENERAL

12. At least annually, the Manager of Realty Services shall review the pricing of industrial land and if a change in pricing is recommended, shall make a recommendation to Board of Control as to the price per acre at which land should be offered for sale during the ensuing year.
13. Pending receipt of an offer to purchase from a prospective purchaser, land may be reserved for a period of 30 days, provided however that, if during the reserve period the City receives an offer to purchase the same land in accordance with this policy from another prospective purchaser, the first prospective purchaser shall be allowed 5 days after notification within which to submit an offer to purchase at the same price and on the same terms; otherwise the City shall be at liberty to accept the second offer to purchase.
14. A prospective purchaser shall complete and execute an offer to purchase in the form provided by the City accompanied by a deposit payable to the City Treasurer by cash or certified cheque equal to 10 per cent of the total purchase price, and the balance shall be payable subject to usual adjustments upon completion of the transaction.
15. The Manager of Realty Services may submit an offer to purchase for acceptance by the City.
16. The transaction shall be completed within 90 days of the passing of the by-law accepting the offer to purchase or within such further period as may be agreed to between the City Solicitor and the purchaser's solicitor in the best interests of the City.
17. Where, in the City's opinion, land is properly sold through a real estate agent, the City shall pay a fee to the agent not exceeding the scale established by the City upon completion of the transaction but no fee shall be payable if the purchaser is permitted to withdraw from the agreement of purchase and sale prior to the completion of the transaction.
18. Where the whole or any part of land is reconveyed by the purchaser to the City pursuant to a condition of sale or otherwise, the amount payable upon the reconveyance shall be 90 per cent of either the original purchase price (exclusive of interest thereon), if the whole land is reconveyed, or the portion thereof that is in the same ratio as the area of the reconveyed part is to the whole land, subject to adjustments as of the date of reconveyance for taxes, local improvements and other rates and subject, where the City considers necessary, to the City's withholding until a new purchaser is found, an amount sufficient to compensate the City for the cost of restoring the land to its original condition if so required by the new purchaser.
19. The development of the property will be subject to the requirements of the Architectural Control Guidelines as published by the City of London from time to time and the purchaser acknowledges the contents thereof and agrees to conform to those Guidelines.
20. The cost of service connections from the main to the property line is the responsibility of the purchaser.
21. The purchaser accepts the current condition of the site and the cost of removal of topsoil from the site if required is the responsibility of the purchaser.

SCHEDULE "C"



SCHEDULE "D"

ADDITIONAL TERMS AND CONDITIONS

1. Headings

The headings in this agreement are for convenience of reference only and shall not define or limit the provisions of the agreement.

2. Paramountcy of Schedule "D"

The provisions of this Schedule "D" are in addition to and not in substitution for the standard provisions contained in the body of the Agreement of Purchase and Sale and in Schedule "B" thereto, provided that if the provisions of this Schedule "D" conflict or are inconsistent in any respect with such standard provisions, By-Law No. A-6151-17 or any policy of The Corporation of the City of London, the provisions of this Schedule "D" shall prevail and the aforesaid By-Laws and Policies shall be read with the corresponding amendments. Unless the context otherwise requires, the term "this Agreement" as used in the Agreement of Purchase and Sale and Schedules thereto shall mean the said Agreement of Purchase and Sale and all Schedules thereto.

3. Sewage Sampling Manholes

The Purchaser is notified that inspection manholes, built to City of London standards, may be required to construct sewage sampling manholes, built to City standards in accordance with the City's Waste Discharge By-law No. WM-2, as amended, which regulates the discharge of sewage into public sewage systems. The inspection manholes are to be located wholly on private property, as close as possible to the street line, or as approved otherwise by the City Engineer.

4. Reference Plan

The Vendor shall prepare a reference plan prior to closing to measure approximately 4 acres, as per attached Schedule C diagram.

5. Buffer Strip

As a condition of Site Plan Approval, the Vendor may require that a 10 metre buffer strip ultimately remain along the easterly boundary of the site for the protection of the neighbouring woodlot.

SCHEDULE "E"

1. VENDOR DELIVERIES

1.1 Within five (5) days of acceptance of this Agreement of Purchase and Sale, the Vendor shall, at its sole expense, furnish the Purchaser with:

- (i) an up-to-date surveyor's plan and technical description of the Property, addressed to the Purchaser and prepared by a duly qualified Ontario Land Surveyor showing the Property in its current condition, and showing that there are no physical encumbrances (save for such encumbrances granted for public utility purposes);
- (ii) copies of any surveys, all title documents, easement plans, servicing plans, grading plans and other plans (collectively the "Plans") relating to the Property, in the Vendor's possession or control together with a reliance letter addressed to the Purchaser from the surveyor and author of the grading and other plans;
- (iii) copies of all contracts or other obligations, (including without limitation maintenance, management and equipment contracts) deed restrictions, protective covenants, subdivision agreements and site plan agreements, if any, relating to the Property other than those registered on title to the Property, in the Vendor's possession or control;
- (iv) copies of all tests and inspections and reports thereof relating to the property, including, without limitation, environmental, topographical, geotechnical and bore hole reports, in the Vendor's possession or control together with a reliance letter addressed to the Purchaser from the author of such tests, inspections and reports;
- (v) copies of authorizations of the Vendor to all relevant governmental authorities having jurisdiction over the Property allowing for the release of any relevant information on file with such governmental authorities to the Purchaser or its solicitor, if deemed necessary by both parties; and
- (vi) copies of any current governmental notices received by the Vendor including, without limitation, tax bills and assessments, work order or deficiency notices, any notices relating to the zoning of the Property, and expropriation notices.
- (vii) copies of all agreements, designations, classifications or other documents regarding the historical, cultural or heritage status of the Property (or any building or improvement previously forming part thereof, if any), in the Vendor's possession or control

2. PURCHASER'S CONDITIONS

2.1 The Purchaser's obligations in this Agreement are conditional upon the following conditions being satisfied or waived, which conditions (the "Conditions") are for the sole benefit of the Purchaser and which Conditions or any one of them may, at any time up to and including the Condition Date (as hereinafter defined), by notice in writing to the Vendor, be waived or declared satisfactory in whole or in part by the Purchaser, namely that:

- (a) the Purchaser is satisfied in its sole, absolute and unfettered discretion as to the physical condition and development potential for the Purchaser's intended use of the property;
- (b) the Purchaser is satisfied in its sole and absolute discretion that the property complies with all the provisions of all environmental governmental laws and contains no polychlorinated biphenyls, hazardous substances or toxic wastes;
- (c) the Purchaser's satisfaction above with the results of all tests and inspections performed by the Purchaser or its agents of the Property, including without limitation, that the soil conditions of the Property be such as to enable the Purchaser to construct the Purchaser's Project without additional costs for engineering fill, deep foundations or piling;
- (d) the Purchaser's satisfaction with all Vendor's Deliverables under Paragraph 1 above;
- (e) the Purchaser obtaining written confirmation from the relevant Government Authorities that all necessary approvals for the Proposed Project, on terms acceptable to the Purchaser, will be available on the Closing Date or within a time frame thereafter that is acceptable to the Purchaser; the Vendor agrees, at no cost to the Purchaser to consent the Purchaser's application

for any such approvals;

- (f) the Purchaser's satisfaction that the Property will contain sufficient Usable/Developable Acres of the Proposed Project, and the expansion thereof;
- (g) the Purchaser's satisfaction with the feasibility of proceeding with the Proposed Project in connection with the purchase of the Property, including determination of development charges and building permit fees for construction of the Purchaser's Project;
- (h) approval of the board of directors of the Purchaser's;
- (i) the Purchaser obtaining site plan approval from all relevant Government Authorities for the Purchaser's Project on terms satisfactory to the Purchaser;

If the Conditions or any of them are not satisfied or waived by notice to the Vendor on or before the date which is sixty (60) days following the date of receipt by the Purchaser of the Vendor's deliveries provided for in Schedule "E", Section 1.1 (the "Condition Date") the Conditions shall, notwithstanding any intermediate negotiations, be deemed to have not been satisfied and this Agreement, save and except for the Purchaser's obligations to restore the property which shall survive, shall be declared null and void and the deposit shall be returned to the Purchaser as described in this paragraph and thereafter each party shall be released from any further obligations or liabilities hereunder.

- 2.2 The parties hereto further agree that, on or before the Closing of this agreement, if any part of the lands herein purchased are taken by any governmental or other competent authority or are required for a governmental or other authority's use, such affected part shall be excluded from this Agreement of Purchase and Sale, and the price payable for the remainder of the lands shall be at the rate as set out in paragraph 1 hereof.

3. REPRESENTATIONS AND WARRANTIES

The Vendor hereby represents and warrants to the Purchaser that:

- 3.1.1 There are no claims, actions or proceedings pending or threatened or judgments outstanding against the Vendor or, to the best of Vendor's knowledge, any predecessor in title relating to the Property.
- 3.1.2 There are no orders or judgments of any authority having jurisdiction (including, without restriction, any insurer or board of insurers) requiring any work on or expenditure of money in respect of the Property which have not been complied with.
- 3.1.3 The Vendor is not a non-resident in Canada for the purposes of the *Income Tax Act* (Canada)
- 3.1.4 Neither the acceptance of this offer by the Vendor nor the completion of the transaction contemplated herein shall result in a breach of or constitute default under any agreement or instrument by which the Vendor is bound.
- 3.1.5 All real estate taxes payable in respect of the Property to date have been fully paid and acquitted. At Closing, real estate taxes shall be adjusted between the parties.
- 3.1.6 The Property shall be at Closing substantially in the same condition as at the date of the Vendor's acceptance hereof.
- 3.1.7 To the best of Vendor's knowledge, there are no actions or proceedings pending or threatened with respect to the expropriation of the Property or any part thereof. The Vendor has not received any notice thereof and does not have any knowledge of any such action or proceeding presently being contemplated.
- 3.1.8 All of the representations and warranties of the Vendor contained in this Agreement are true, correct and complete on and as of the date of the Vendor's acceptance hereof, shall be true and correct as of the Closing Date, shall be repeated in the Deed of Sale and shall survive Closing for a period of one (1) year.

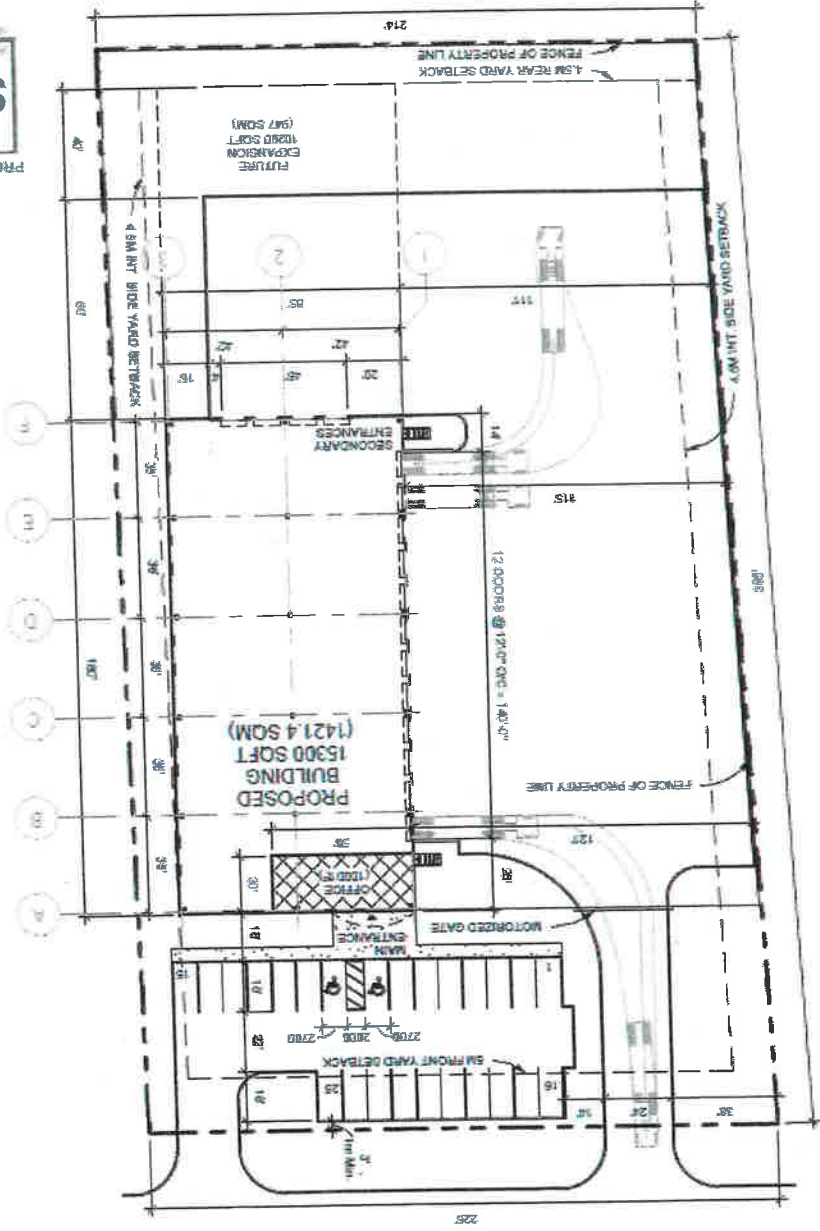
4. CLOSING DATE

4.1 The transaction under the Purchase Agreement shall be completed (the "Closing Date") on that date which is later of:

- (a) Sixty (60) days after waiver of the Purchaser's conditions set out herein.
- (b) The date that the Purchaser shall have satisfied themselves that they can obtain site plan approval from the City of London for development and construction of the Purchaser's Project on the Property on terms satisfactory to the Purchaser as generally illustrated on Schedule "F".

But in no case later than 180 days from the date of acceptance of this agreement.

SCHEDULE "F"



Light Industrial Zone - Section 40
Setbacks as per Table 40.3
PARKING REGULATIONS
Parking Area 3
Warehouse = 1 parking stall per 200m²
1421.4m²/200m² = 7.1 stalls
6 Parking Spaces Required
25 Parking Spaces Provided

SITE AREA:
.81 ha
1.89 acres

ZONING

SITE PLAN - OPTION 2
MAX BROSE ROAD