

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made as of the 17th day of February, 2015

BETWEEN:

MAINSTREET CREDIT UNION LIMITED, a credit union under the *Credit Unions and Caisses Populaires Act, 1994*, having its head office at 1295 London Rd, Sarnia, Ontario N7S 1P6

(the "Purchaser")

- AND -

GODERICH COMMUNITY CREDIT UNION LIMITED, a credit union under the *Credit Unions and Caisses Populaires Act, 1994*, having its head office at 39 St. David Street, Goderich, Ontario N7A 1L4

(the "Vendor").

RECITALS:

1. The Vendor has delivered to the Purchaser the Interim Financial Statements (as hereinafter defined) and, on the basis of the Interim Financial Statements, the Vendor has agreed to sell and the Purchaser has agreed to purchase all of the assets of the Vendor and assume all of the liabilities of the Vendor, upon and subject to the terms and conditions set forth in this agreement.
2. This agreement is subject to the approval of the Deposit Insurance Corporation of Ontario (as hereinafter defined), in accordance with subsection 204(5) of the Act (as hereinafter defined).
3. This agreement is subject to the approval of the members of the Vendor only, the approval of the members and the shareholders of the Purchaser not being required pursuant to subsection 204(1) of the Act because the total assets of the Vendor, according to its most recent audited financial statements, are less than 15% of the total assets of the Purchaser, according to its most recent audited financial statements.

NOW THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE ONE
INTERPRETATION

1.01 Definitions

Whenever used in this Agreement, unless there is something inconsistent in the subject matter or context, the following words and terms shall have the meanings set out below:

- (a) **“Act”** means the *Credit Unions and Caisses Populaires Act, 1994*, S.O. 1994, c. 11, as amended;
- (b) **“Agreement”** means this Asset Purchase Agreement, including all schedules and all instruments supplementing or amending or confirming this Agreement, and references to **“Article”** or **“Section”** mean and refer to the specified Article or Section of this Agreement;
- (c) **“Assumed Liabilities”** means the Deposits and the members’ membership share accounts, and any other liability of the Vendor disclosed on the Vendor’s Final Audited Financial Statements or otherwise as of the Effective Time;
- (d) **“Assumption of Liabilities Agreement”** means the agreement to be entered into between the Vendor and the Purchaser providing for the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule B;
- (e) **“Business Day”** means a day other than Saturday, Sunday or a statutory holiday in Ontario;
- (f) **“Cash”** means the Vendor’s cash on hand as disclosed on the Vendor’s Final Audited Financial Statements as at the Effective Time;
- (g) **“Closing”** means the completion of the sale to and purchase by the Purchaser of the Purchased Assets under this Agreement;
- (h) **“Closing Date”** means June 30, 2015, or such earlier or later date as may be agreed between the Parties in writing;
- (i) **“Deposits”** means sums placed on deposit with the Vendor which are payable by the Vendor on a demand basis or on a specified date;
- (j) **“Effective Time”** means the close of business of the Vendor on the Closing Date, or such other time as may be agreed between the Parties in writing;

- (k) **“Employees”** means all persons employed or retained by the Vendor;
- (l) **“Equipment”** means all of the fixed assets, fixtures, furnishings, furniture, computer equipment, software and other equipment owned by the Vendor at the Closing Date;
- (m) **“Final Audited Financial Statements”** has the meaning given in Section 2.05;
- (n) **“General Conveyance”** has the meaning given in Section 6.06;
- (o) **“Interim Financial Statements”** means the unaudited interim statements of the Vendor for the four months ended January 31, 2015, attached hereto as Schedule C;
- (p) **“Investments”** means those investments owned by the Vendor at the Closing Date;
- (q) **“Loans”** means all personal loans outstanding on the Final Audited Financial Statements of the Vendor as at the Effective Time;
- (r) **“Mortgages”** means those residential mortgages outstanding according to the loans ledger of the Vendor as at the Effective Time, including all further security held by the Vendor in respect thereof, together with the outstanding balances in the property tax accounts, if any;
- (s) **“Parties”** means the Vendor and the Purchaser collectively, and “Party” means any one of them;
- (t) **“Purchase Price”** has the meaning given in Section 2.03;
- (u) **“Purchased Assets”** means all of the Vendor’s right, title and interest in, to and under the assets stated in the Final Audited Financial Statements of the Vendor, including, without limitation, the Cash, the Equipment, the Investments, the Loans, the Mortgages and the Real Property;
- (v) **“Real Property”** means the real estate owned by the Vendor and known municipally as 39 St. David Street, Goderich, Ontario N7A 1L4;
- (w) **“Time of Closing”** means 5:00 p.m. on the Closing Date, or such other time as may be agreed upon by the Parties;
- (x) **“Transferring Members”** has the meaning given in Section 6.10; and
- (y) **“Vendor’s Information Mailing”** means the mailing to all members of the Vendor by the Vendor at the Vendor’s expense, in which the Vendor

and the Purchaser will provide information to the members of the Vendor regarding the transactions contemplated by this Agreement.

1.02 Headings

The division of this Agreement into Articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof, and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 Singular, etc.

The use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such person or persons or circumstances as the context otherwise permits.

1.04 Currency

Unless otherwise indicated herein, all references to currency herein are to lawful money of Canada.

1.05 Schedules

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

- Schedule “A” – General Conveyance
- Schedule “B” – Assumption of Liabilities Agreement
- Schedule “C” – Interim Financial Statements
- Schedule “D” – Agreement of Purchase and Sale for the Real Property

ARTICLE TWO

SALE AND PURCHASE

2.01 Action by Vendor and Purchaser

At the Time of Closing (but with effect as of and from the Effective Time):

- (a) **Purchase and Sale of Purchased Assets** – the Vendor shall sell and the Purchaser shall purchase the Purchased Assets for the Purchase Price payable as provided in this Agreement;

- (b) **Assumption of Assumed Liabilities** – the Purchaser shall assume the Assumed Liabilities; and
- (c) **Payment of Purchase Price** – the Purchaser shall deliver to the Vendor, or as directed by the Vendor, the Purchase Price as provided in Section 2.04.

2.02 Place of Closing

The Closing shall take place at the Time of Closing at the offices of the Purchaser, or such other place as may be agreed upon by the Parties.

2.03 Purchase Price

The amount payable by the Purchaser for the Purchased Assets (the “Purchase Price”) shall be a sum equal to the fair market value of the Assumed Liabilities.

2.04 Satisfaction of Purchase Price

The Purchaser shall satisfy the Purchase Price by assuming the Assumed Liabilities pursuant to the Assumption of Liabilities Agreement.

2.05 Adjustments Based on Final Audited Financial Statements

The Vendor hereby agrees to prepare at the Vendor’s expense and deliver to the Purchaser audited financial statements for the period ending on the Closing Date (the “Final Audited Financial Statements”) as soon after the Closing Date as is reasonably possible. The Parties agree that, following delivery of the Final Audited Financial Statements, the Final Audited Financial Statements shall prevail for all purposes in connection with this Agreement.

2.06 Allocation of Purchase Price

The Purchase Price shall be allocated among the Purchased Assets in accordance with their fair market value, provided that any surplus shall be treated for accounting purposes as contributed surplus. The Vendor and the Purchaser agree to report the purchase and sale of the Purchased Assets in any returns to be filed under the *Income Tax Act* (Canada) and other taxation statutes in accordance with this Agreement.

2.07 No Assumption of Obligations

For greater certainty, the Parties acknowledge that the Purchaser is not assuming any of the liabilities, debts and obligations of the Vendor, whether present or future, absolute or contingent and whether or not relating to the Purchased Assets, other than the Assumed Liabilities. Notwithstanding the foregoing, the Vendor shall remain liable for any liability, whether known or unknown at the date of closing, arising pursuant to Article 8.02 (“Indemnity”) of the Vendor’s By-law No. 1, and shall maintain, at its expense, for a period of two years following closing, tail or extended reporting directors’ & officers’ insurance coverage consistent therewith.

2.08 Section 22 *Income Tax Act* (Canada) Election

The Vendor and the Purchaser shall at the Time of Closing jointly execute an election pursuant to section 22 of the *Income Tax Act* (Canada) as to the sale of the Loans and Mortgages hereunder, shall designate therein the applicable portion of the Purchase Price referred to in section 2.06 hereof as the consideration paid by the Purchaser therefore, and shall file such election with the Canada Revenue Agency forthwith after the Closing Date.

ARTICLE THREE

REPRESENTATIONS AND WARRANTIES

3.01 Vendor’s Representations and Warranties

The Vendor represents and warrants to the Purchaser that:

- (a) **Incorporation** – the Vendor is a corporation duly incorporated, organized and subsisting as a credit union under the laws of the Province of Ontario;
- (b) **Due Authorization** – the Board of Directors of the Vendor has approved the transactions contemplated by this Agreement and the Vendor has good and sufficient power, authority and right to execute and deliver this Agreement and to carry out the provisions of this Agreement subject to the Vendor’s conditions precedent;
- (c) **Absence of Conflicting Agreements** – there is no contract, option or any other rights of another binding upon or which may at any time in the future become binding upon the Vendor to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Purchased Assets, other than pursuant to the provisions of this Agreement;
- (d) **Tax Matters** – the Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada). The Vendor has filed on a timely basis all tax returns

required to be filed. All such tax returns are complete and accurate in all respects. All taxes due from or payable by the Vendor for periods (or portions thereof) ending on or prior to the date hereof and the Closing Date, as applicable, have been paid or will be provided for in the Final Audited Financial Statements. All instalments or other payments on account of taxes that relate to periods for which tax returns are not yet due have been paid on a timely basis. There are no actions, objections, appeals, suits or other proceedings or claims in progress, pending or threatened by or against the Vendor in respect of any taxes, and in particular there are no currently outstanding assessments or written enquiries which have been issued or raised by any taxation authority relating to any such taxes. The Vendor has withheld, collected and paid to the proper taxation authority all sums required to have been withheld and paid in connection with all amounts paid, credited or owing to any employee, independent or dependent contractor, creditor, shareholder, non-resident of Canada or other third party;

- (e) **Title** – the Vendor will be on Closing the absolute beneficial owner of the Purchased Assets, with good and valid title, free and clear of all encumbrances except for those in favour of Credit Union Central of Ontario Limited or Central 1 Credit Union, and is exclusively entitled to possess and dispose of the Purchased Assets;
- (f) **Financial Statements** – The Interim Financial Statements have been prepared in accordance with international financial reporting standards and present fairly:
 - i. all of the assets, liabilities and financial position of the Vendor as at January 31, 2015; and
 - ii. the earnings, results of operation and changes in financial position of the Vendor for the 4-month period ended January 31, 2015;
- (g) **Competition Act** - The Vendor has assets in Canada with an aggregate value of \$64,685,141, and annual gross revenues from sales in, from or into Canada with an aggregate value of \$2,565,385, as determined in accordance with the *Competition Act* (Canada);
- (h) **Absence of Undisclosed Liabilities** – Since January 31, 2015, the Vendor has not incurred any liabilities or obligations (whether accrued, absolute, contingent or otherwise), which continue to be outstanding, except those incurred in the ordinary course of business;
- (i) **Absence of Changes** – Since January 31, 2015, there has not been:
 - (a) any material change in the financial condition, operations or prospects of the Vendor or the Purchased Assets other than changes in the ordinary and usual course of business, none of which has been materially adverse; or

- (b) any damage, destruction, loss, labour trouble or other event, development or condition of any character (whether or not covered by insurance) materially and adversely affecting the business, assets, properties or future prospects of the Vendor; and

(j) Real Property:

- 1) the Vendor has not received any notice from any governmental authority with respect to any by-law change affecting the Real Property or relating to any threatened or pending condemnation or expropriation of the Real Property or any part thereof from any governmental authority, except as otherwise disclosed to the Purchaser in accordance with the terms of this Agreement;
- 2) no work order or deficiency notice thereof has been received by the Vendor that remains outstanding;
- 3) no part of the Real Property is leased to any tenant on such terms and conditions that the lease cannot be terminated, as of the Closing Date, except on greater than 90 days' notice;
- 4) the Real Property, including any leasehold improvements and all buildings erected thereon, shall, at the Closing Date, be materially in the same condition and state as at the date of acceptance of this Agreement, reasonable wear and tear excepted;
- 5) the Vendor has provided the Purchaser with all reports in its possession or control with respect to the condition of the Real Property, including environmental, structural or engineering reports;
- 6) on the Closing Date, all amounts for labour and materials relating to the construction or repair of any improvement or any building situate on the Real Property shall have been fully paid and no one shall have the right to file a lien under the *Construction Lien Act* (Ontario) in respect of such construction or repair; and
- 7) there are no outstanding options to purchase or rights of first refusal to purchase the Real Property that have not expired or been waived, and no person other than the Purchaser now has or will on Closing have any agreement or option or other right capable of becoming an agreement for the acquisition of the Real Property.

3.02 Purchaser's Representations and Warranties

The Purchaser represents and warrants to the Vendor that:

- (a) **Incorporation** – the Purchaser is a corporation duly incorporated, organized and subsisting as a credit union under the laws of the Province of Ontario;
- (b) **Due Authorization** – the Board of Directors of the Purchaser has approved the transactions contemplated by this Agreement and the Purchaser has good and sufficient power, authority and right to execute and deliver this Agreement and to carry out the provisions of this Agreement subject to the Purchaser’s conditions precedent;
- (c) **Competition Act** - The Purchaser has assets in Canada with an aggregate value of \$550,678,220, and annual gross revenues from sales in, from or into Canada with an aggregate value of \$20,392,456, as determined in accordance with the *Competition Act* (Canada); and
- (d) **Transferring Members** – the Transferring Members are eligible to become members of the Purchaser on Closing.

ARTICLE FOUR

PURCHASER’S CONDITIONS PRECEDENT

The obligation of the Purchaser to complete the purchase of the Purchased Assets under this Agreement shall be subject to the satisfaction of, or compliance with, at or before the Time of Closing, each of the following conditions precedent (each of which is acknowledged to be inserted for the exclusive benefit of the Purchaser and may be waived by it in whole or in part):

4.01 Court Order Regarding Disclosure of Personal Information to Purchaser

The Vendor shall have obtained, at its expense, an order of the Ontario Superior Court of Justice pursuant to the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, permitting the disclosure of the personal information of the Transferring Members contained in the books and records to the Purchaser to the extent necessary to complete and implement the transactions provided for in this Agreement, and permitting the Purchaser to continue to use such personal information in a manner substantially identical to the manner in which such information was used by the Vendor prior to Closing, provided that the persons to whom such personal information is disclosed enter into confidentiality agreements with the Vendor binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to implement and give effect to the transactions set out in this Agreement.

4.02 Employment Matters

The Purchaser shall have entered into mutually-satisfactory employment contracts, effective on the Closing Date, with all Employees other than the Vendor’s Chief Executive Officer, recognizing in all respects, including, without limitation, termination

of employment, their years of service with the Vendor. The Purchaser shall also have entered into, with the Vendor's Chief Executive Officer, both a mutually-satisfactory employment contract, effective on the Closing Date, for a term of three months after the Effective Date, and also a mutually-satisfactory contract, with effect from the expiry of that employment contract, to provide support to the Purchaser's Chief Executive Officer as required, with a term expiring no later than September 30, 2016.

4.03 Truth and Accuracy of Representations of Vendor at the Closing Time

All of the representations and warranties of the Vendor made in or pursuant to this Agreement shall be true and correct as at the Time of Closing and with the same effect as if made at and as of the Time of Closing (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted by this Agreement), and the Purchaser shall have received a certificate from the Chief Executive Officer of the Vendor, confirming, to the best of her knowledge, information and belief (after due inquiry), the truth and correctness of the representations and warranties of the Vendor.

4.04 Performance of Obligations

The Vendor shall have performed or complied with, in all respects, all its obligations, covenants and agreements under this Agreement.

4.05 Receipt of Closing Documentation

All instruments of conveyance and other documentation relating to the sale and purchase of the Purchased Assets, including, without limitation, documentation relating to the due authorization and completion of such sale and purchase, and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Vendor of its obligations under this Agreement, shall be satisfactory to the Purchaser, acting reasonably, and the Purchaser shall have received copies of all such documentation or other evidence as it may reasonably request in order to establish the consummation of the transactions contemplated by this Agreement and the taking of all corporate proceedings in connection with such transactions in compliance with these conditions, in form (as to certification and otherwise) and substance satisfactory to the Purchaser.

4.06 Consents, Authorizations and Registrations

All consents, approvals, orders and authorizations of any person or governmental authority (or registrations, declarations, filings or recordings with any such authorities), required in connection with the completion of any of the transactions contemplated by this Agreement, the execution of this Agreement, the Closing or the performance of any of the terms and conditions of this Agreement, including the approval of the Deposit Insurance Corporation of Ontario, shall have been obtained at or before the Time of Closing. There shall be no injunction or restraining order issued preventing, and no pending or threatened claim, action, litigation or proceeding, judicial or administrative, or

investigation against any Party by any governmental authority, for the purpose of enjoining or preventing the consummation of the transactions contemplated in this Agreement, or otherwise claiming that this Agreement or the consummation thereof is improper or would give rise to proceedings under any statute or rule of law.

4.07 Encumbrances

The Purchaser shall have received evidence satisfactory to it that the Purchased Assets are free and clear of all encumbrances except for those in favour of Credit Union Central of Ontario Limited or Central 1 Credit Union.

4.08 No Laws

No laws shall have been enacted, introduced or announced which materially and adversely affect the Purchased Assets as a whole.

4.09 Approval

This Agreement shall have been approved as described in the third recital.

If any of the foregoing conditions in this Article has not been fulfilled by Closing, the Purchaser may terminate this Agreement by notice in writing to the Vendor, in which event the Purchaser is released from all obligations under this Agreement, and, unless the Purchaser can show that the condition relied upon could reasonably have been performed by the Vendor, the Vendor is also released from all obligations under this Agreement. However, the Purchaser may waive compliance with any condition in whole or in part if it sees fits to do so, without prejudice to its rights of termination in the event of non-fulfillment of any other condition, in 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.

ARTICLE FIVE

VENDOR'S CONDITIONS PRECEDENT

The obligations of the Vendor to complete the sale of the Purchased Assets under this agreement shall be subject to the satisfaction of or compliance with, at or before the Time of Closing, each of the following conditions precedent (each of which is acknowledged to be inserted for the exclusive benefit of the Vendor and may be waived by it in whole or in part):

5.01 Court Order Regarding Disclosure of Personal Information to Purchaser

The Vendor shall have obtained, at its expense, an order of the Ontario Superior Court of Justice pursuant to the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, permitting the disclosure of the personal information of the Transferring Members contained in the books and records to the Purchaser to the extent necessary to

complete and implement the transactions provided for in this Agreement, and permitting the Purchaser to continue to use such personal information in a manner substantially identical to the manner in which such information was used by the Vendor prior to Closing, provided that the persons to whom such personal information is disclosed enter into confidentiality agreements with the Vendor binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to implement and give effect to the transactions set out in this Agreement.

5.02 Board of Directors

The Purchaser shall have caused its Chair of the Board to procure the resignations of two of its directors, effective on the Closing Date, and shall have caused its Board of Directors to appoint to the vacancies resulting from those two resignations the two qualified individuals proposed by the Vendor, to serve as directors of the Purchaser until its next annual general meeting.

5.03 Truth and Accuracy of Representations of the Purchaser at Closing Time

All of the representations and warranties of the Purchaser made in or pursuant to this Agreement shall be true and correct as at the Time of Closing and with the same effect as if made at and as of the Time of Closing (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted by this Agreement), and the Vendor shall have received a certificate from the Chief Executive Officer of the Purchaser, confirming, to the best of her knowledge, information and belief (after due inquiry), the truth and correctness of the representations and warranties of the Purchaser.

5.04 Performance of Obligations

The Purchaser shall have performed or complied with, in all respects, all its obligations, covenants and agreements under this Agreement.

5.05 Receipt of Closing Documentation

The Vendor shall have received all instruments of conveyance and other documentation relating to the sale and purchase of the Purchased Assets, including, without limitation, documentation relating to the due authorization and completion of such sale and purchase, and all actions and proceedings taken on or prior to Closing in connection with the performance by the Purchaser of its obligations under this Agreement (which shall be satisfactory to the Vendor, acting reasonably). The Vendor shall also have received copies of all such documentation or other evidence as it may reasonably request in order to establish the consummation of the transactions contemplated by this Agreement and the taking of all corporate proceedings in connection with such transactions in compliance with these conditions, in form (as to certification and otherwise) and substance satisfactory to the Vendor.

5.06 Consents, Authorizations and Registrations

All consents, approvals, orders and authorizations of any person or governmental authority (or registrations, declarations, filings or recordings with any such authorities), required in connection with the completion of any of the transactions contemplated by this Agreement, the execution of this Agreement, the Closing or the performance of any of the terms and conditions of this Agreement, including the approval of the Deposit Insurance Corporation of Ontario, shall have been obtained at or before the Time of Closing. There shall be no injunction or restraining order issued preventing, and no pending or threatened claim, action, litigation or proceeding, judicial or administrative, or investigation against any Party by any governmental authority, for the purpose of enjoining or preventing the consummation of the transactions contemplated in this Agreement, or otherwise claiming that this Agreement or the consummation thereof is improper or would give rise to proceedings under any statute or rule of law.

5.07 Approvals

This Agreement shall have been approved as described in the third recital.

If any of the foregoing conditions in this Article has not been fulfilled by Closing, the Vendor may terminate this Agreement by notice in writing to the Purchaser, in which event the Vendor is released from all obligations under this Agreement, and, unless the Vendor can show that the condition relied upon could reasonably have been performed by the Purchaser, the Purchaser is also released from all obligations under this Agreement. However, the Vendor may waive compliance with any condition in whole or in part if it sees fit to do so, without prejudice to its rights of termination in the event of non-fulfillment of any other condition, in 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.

ARTICLE SIX

COVENANTS OF THE PARTIES

6.01 Conduct of Business Prior to Closing

During the period from the date of this Agreement to the Time of Closing, the Vendor will do the following:

- (a) **Conduct Business in the Ordinary Course** – Except as otherwise contemplated or permitted by this Agreement or with the prior written consent of the Purchaser, conduct its business in the ordinary and normal course, in accordance with and as required by the Act, at the Vendor's expense. The Vendor agrees not, without the prior written consent of the Purchaser, to enter into any transaction which, if effected before the date of this Agreement, would constitute a breach of the

representations, warranties or agreements of the Vendor contained in this Agreement.

- (b) **Approvals** – Co-operate with the Purchaser and use all reasonable efforts and diligently pursue obtaining approval of this Agreement by the Deposit Insurance Corporation of Ontario.
- (c) **Communication with Members** – Communicate with its members in a manner designed to facilitate the transfer of the Purchased Assets and the Assumed Liabilities, and as approved by the Purchaser. Such communication shall include the forwarding, at the expense of the Vendor, of the Vendor’s Information Mailing.
- (d) **Approval of Members** – Diligently pursue, and use all reasonable efforts to obtain, the approval of this Agreement by the Vendor’s membership, as required by the third recital to this Agreement.

6.02 Access for Investigation

The Vendor, during the period from the date of this Agreement to the Time of Closing, shall permit the Purchaser and its representatives, without interference to the ordinary conduct of the Vendor’s business, to have free and unrestricted access during normal business hours to the premises of the Vendor and to all of its books and records, and to the properties and assets used in the Vendor’s business, and shall furnish the Purchaser with such financial and operating data and other information with respect to the Vendor’s business and the Purchased Assets, as the Purchaser shall from time to time reasonably request to enable confirmation of the matters warranted in this Agreement. Without limiting the generality of the foregoing, it is agreed that the representatives of the Purchaser shall be afforded ample opportunity to make a full investigation of all aspects of the financial affairs of the Vendor.

6.03 Confidentiality

- (a) During the period between the date of this Agreement and the Closing Date, the Purchaser shall, and shall cause its employees, officers, directors, shareholders, outside advisors, agents and representatives to, treat any data and information relating to the Vendor’s business confidentially and with commercially reasonable care and discretion, and will not disclose any such information to third parties; provided, however, that the foregoing shall not apply to:
 - (i) information in the public domain or that becomes public through disclosure by any party other than the Purchaser or its representatives, so long as such other party is not in breach of a confidentiality obligation;
 - (ii) information that is required to be disclosed by applicable law; or

- (iii) information that is disclosed by Purchaser or its representatives on a confidential basis, to any of their respective agents, accountants, or attorneys in connection with or related to the consummation of the transaction contemplated hereby.
- (b) In the event that this Agreement is terminated, the Purchaser, upon the written request of the Vendor, shall, and shall cause its representatives to, promptly deliver to the Vendor any and all documents or other materials furnished by the Vendor or its representatives to the Purchaser in connection with this Agreement without retaining any copy thereof. In the event of such request, all other documents, whether analyses, compilations or studies, which contain or otherwise reflect the information furnished by the Vendor shall be destroyed by Purchaser or shall be returned to the Vendor, and the Purchaser shall confirm to the Vendor in writing that all such materials have been returned or destroyed. No failure or delay by the Vendor in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.
- (c) Both parties hereto recognize and agree that, in the event of a breach by the Purchaser of this section, money damages would not be an adequate remedy for such breach and, even if money damages were adequate, it would be impossible to ascertain or measure with any degree of accuracy the damages sustained therefrom. Accordingly, if there should be a breach or threatened breach by the Purchaser of the provisions of this section, the Vendor shall be entitled to an injunction restraining the Purchaser from any breach without showing or proving actual damage sustained by the Vendor. Nothing in the preceding sentence shall limit or otherwise affect any remedies that the Vendor may otherwise have under applicable law.

6.04 Data System Requirements

The conversion of the Vendor's member information to the Purchaser's banking system will occur on the Closing Date, or as soon as practicable thereafter but at the end of a calendar month. The Purchaser shall be responsible, at its expense, for importing the Vendor's data onto the Purchaser's banking system, and the Vendor and the Purchaser shall verify and confirm in writing, each to the other, that the financial data, as imported, balances with the data on the Vendor's records as at the time of conversion.

6.05 Assumption of Liabilities Agreement

At the Time of Closing, the Purchaser shall execute and deliver to the Vendor the Assumption of Liabilities Agreement. Notwithstanding anything contained herein, should this Agreement not be completed, the Purchaser shall not be liable for the Assumed Liabilities.

6.06 General Conveyance and Transfer of Land

At the Time of Closing, the Vendor shall execute and deliver to the Purchaser a general assignment and conveyance of all of its right, title and interest in, to and under, or in respect of the Purchased Assets (the “General Conveyance”) substantially in the form attached hereto as Schedule A, and a Deed/Transfer of Land in respect of the Real Property, pursuant to the terms and conditions of an Agreement of Purchase and Sale for the Real Property, substantially in the form attached hereto as Schedule D.

6.07 Bulk Sales Act Affidavit

The Vendor shall deliver to the Purchaser before the Time of Closing the statement, verified by affidavit, required by section 4(1) of the *Bulk Sales Act*. The Purchaser agrees to file said documentation with the court within five days after the Closing Date, as required by section 11(1) of the *Bulk Sales Act*.

6.08 Transfer of Member Files

Upon Closing, the Vendor agrees to deliver to the Purchaser all member files in its possession. The transferred member files shall include, without limitation, all computer files and all relevant promissory notes, security agreements, insurance documentation and registration documents.

6.09 No HST or Retail Sales Tax Election

Each Party acknowledges to the other that the Parties will not make a joint election under subsection 167(1) of Part IX of the *Excise Tax Act* (Canada), because the transaction, being a transaction between credit unions, is not subject to the Ontario harmonized sales tax.

6.10 Transfer of Vendor’s Members

The Purchaser further covenants and agrees to issue membership shares to each of the members of the Vendor as soon as possible after Closing. Such members (the “Transferring Members”) shall be deemed to have been members of the Purchaser as at the Effective Time, with all of the rights and obligations of such membership, including the right to receive any dividends which may be declared by the Purchaser subsequent to the Effective Time, calculated at the same rate and on the same basis as other members of the Purchaser. The Purchaser further covenants and agrees that each of the Transferring Members shall receive credit in his, her or its membership share account with the Purchaser for such amount as is standing to his, her or its credit in the membership share capital account of the Vendor as at the Effective Time which does not exceed the membership share requirement of the Purchaser, shall receive as additional membership shares of the Purchaser (to the extent permitted by the Purchaser’s by-laws) the remaining balance, if any, standing to his, her or its credit in the membership share

capital account of the Vendor at that time, and shall purchase additional membership shares, if any, as required by the Purchaser's by-laws.

6.11 Assignment of Security Documentation

The Purchaser shall be responsible, at its expense, for the preparation and registration of any specific assignments of security documentation (including, without limitation, any registrations under the *Personal Property Security Act* (Ontario)), which assignments shall be satisfactory to the Purchaser, acting reasonably, as to form and content. The Vendor agrees, as soon as possible after Closing, to execute such assignment documents as may be required by the Purchaser, and not to charge any fee for the execution of such documents. Notwithstanding the foregoing, the Vendor is not obligated to assign to the Purchaser any security for any of the Purchased Assets which is not assignable by the Vendor, but the Vendor shall hold any such non-assignable security in trust for the Purchaser until any necessary consent to its assignment is obtained, following which said security will be assigned forthwith to the Purchaser.

6.12 Notice of Assignment of Loans

At least ten days prior to Closing, the Purchaser and the Vendor shall deliver a joint notice to the Vendors' members notifying them that the Loans have been assigned to the Purchaser and that future payments should be directed to the Purchaser.

6.13 Endorsement of Cheques Received After Closing

The Vendor shall endorse, without recourse, and assign to the Purchaser any and all cheques received by it after the Effective Time which are payable to it and relate to or represent payments on account of the Purchased Assets or the Assumed Liabilities.

6.14 Electronic and other Clearing Items

After Closing the Vendor shall deliver (and continue to deliver as received) to the Purchaser all clearing items and all electronic debit and credit items relating to the Purchased Assets and the Assumed Liabilities.

6.15 Winding Up

Vendor shall not after Closing conduct an active business as a credit union, and shall proceed to dissolution as soon as is reasonably possible. The Purchaser shall pay all expenses associated with dissolving the Vendor.

ARTICLE SEVEN

NON-WAIVER; SURVIVAL

7.01 Non-Waiver

No investigations made by or on behalf of the Purchaser at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by the Vendor in or pursuant to this Agreement. No waiver of any condition or other provision, in whole or in part, shall constitute a waiver of any other condition or provision (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

7.02 Nature and Survival

- (a) Subject to subsection (b), all representations, warranties and covenants contained in this Agreement on the part of each of the parties shall survive the closing, the execution and delivery under this Agreement of any bills of sale, instruments of conveyance, assignments or other instruments of transfer of title to any of the Purchased Assets.
- (b) All representations and warranties shall only survive for a period of two years after the Closing Date. If no claim shall have been made under this Agreement against a Party for any incorrectness in or breach of any representation or warranty made in this Agreement prior to the expiry of that survival period, such Party shall have no further liability under this Agreement with respect to such representation or warranty.
- (c) Notwithstanding the limitations set out in subsection (b), any claim which is based on title to the Purchased Assets, intentional misrepresentation, or fraud may be brought at any time.

ARTICLE EIGHT**GENERAL****8.01 Further Assurances**

Each of the Vendor and the Purchaser shall from time to time execute and deliver all such further documents and instruments and do all such acts and things as any other party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

8.02 Time of the Essence

Time shall be of the essence of this Agreement.

8.03 Expenses

Regarding all jointly-authorized legal and consulting expenses, the Purchaser shall pay all such expenses. Each of the Parties shall pay their respective accounting and any other costs and expenses whatsoever and howsoever incurred, incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant hereto.

8.04 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of each of the Parties. No Party may assign any rights under this Agreement without the written consent of the other Party.

8.05 Entire Agreement

The Agreement, together with the agreements and other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no warranties, representations or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document delivered pursuant to this Agreement.

8.06 Amendments and Waiver

No modification or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by both the parties hereto, and no waiver of any breach of any term of this Agreement shall be valid or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, shall be limited to the specific breach waived.

8.07 Notices

All notices or other communications required or permitted to be given in connection with this Agreement shall be in writing and shall be given by personal delivery, by registered mail or by facsimile addressed to the recipient as follows:

(a) To the Purchaser at:

Mainstreet Credit Union Limited
1295 London Rd.
Sarnia, Ontario.
N7S 1P6

Attention: Janet Grantham, Chief Executive Officer

Phone: 519-464-5515

Fax: 519-542-5301

(b) To the Vendor at:

Goderich Community Credit Union Limited
39 St. David Street
Goderich, Ontario
N7A 1L4

Attention: Sandy Wilson, Chief Executive Officer

Phone: 519-524-8366

Fax: 519-524-1329

or to such other address, telecopy number or person as may be designated from time to time by notice to the other Parties.

8.08 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

8.09 Counterparts

This Agreement may be executed by the Parties in separate counterparts each of which when so executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument. Delivery of this Agreement or any counterpart may be made by delivery of a facsimile transmission of an executed copy thereof with the original forwarded thereafter.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the first date above written.

MAINSTREET CREDIT UNION LIMITED

Per: _____

Per: _____

GODERICH COMMUNITY CREDIT UNION LIMITED

Per: _____

Per: _____

SCHEDULE A

GENERAL CONVEYANCE

THIS AGREEMENT is made as of the 30th day of June, 2015

BETWEEN:

MAINSTREET CREDIT UNION LIMITED, a credit union under the *Credit Unions and Caisses Populaires Act, 1994*, having its head office at 1295 London Road, Sarnia, Ontario N7S 1P6

(the “Purchaser”)

- AND -

GODERICH COMMUNITY CREDIT UNION LIMITED, a credit union under the *Credit Unions and Caisses Populaires Act, 1994*, having its head office at 39 St. David Street, Goderich, Ontario N7A 1L4

(the “Vendor”).

RECITALS:

- A. The Vendor and the Purchaser have entered into an asset purchase agreement dated as of February 17, 2015 (the “Asset Purchase Agreement”), pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase all of the assets, property and undertaking of the Vendor.

NOW THEREFORE, in consideration of the premises and the covenants and agreements contained herein and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree as follows:

ARTICLE ONE

INTERPRETATION

- 1.1 **Definitions** – Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meaning ascribed to them as follows:
- (a) “**Agreement**” means this general conveyance, including all schedules and all instruments supplementing or amending or confirming this Agreement, and

references to “**Article**” or “**Section**” mean and refer to the specified article or section of this Agreement;

- (b) “**Purchased Assets**” has the meaning as defined in the Asset Purchase Agreement; and
 - (c) “**Effective Date**” has the meaning as defined in the Asset Purchase Agreement.
- 1.2 **Headings** – The division of this Agreement into articles and sections, and the insertion of headings, is for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “the Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular article, section or other portion hereof, and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to articles and sections in this Agreement.
- 1.3 **Number** – In this Agreement, words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders and *vice versa*, and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and *vice versa*.

ARTICLE TWO

CONVEYANCE

- 2.1 **Conveyance** – The Vendor hereby grants, transfers, conveys, assigns and sets over to the Purchaser, its successors and assigns, without recourse, all of its right, title and interest, if any, in and to the Purchased Assets, together with the benefit of all notes, bills, liens, covenants, chattel mortgages, security interests and all security of any nature and kind with respect to the Purchased Assets, with effect as at and from the Effective Date.
- 2.2 **Non-Assignable Assets** – This Agreement shall not constitute an assignment or attempted assignment of any of the Purchased Assets which are not assignable without the consent or approval of any third party (a “Third Party Consent”) where such Third Party Consent has not been obtained. In respect of such Purchased Assets, the Vendor shall:
- (a) use all reasonable efforts (other than the payment of money), in cooperation with the Purchaser, to secure any Third Party Consent required in connection with the assignment of such Purchased Assets; and
 - (b) pending the effective transfer of such Purchased Assets, hold all rights, benefits and entitlements with respect thereto for and on behalf of and in trust for the exclusive benefit of the Purchaser, provided that the Purchaser shall pay, perform

and discharge all obligations arising or accruing with respect thereto during such period, all to the same effect as if such Purchased Assets had been absolutely transferred to the Purchaser as at the Effective Date with such Third Party Consents having been obtained.

- 2.3 **Reliance on Own Inquiries** - The Purchaser itself has been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the credit worthiness, affairs, status and nature of each of the Purchased Assets, and has not relied and will not hereafter rely on the Vendor, its directors, officers, employees, agents, auditors or legal counsel in connection with the credit worthiness, affairs, status or nature of any of the Purchased Assets, other than as set out in the Asset Purchase Agreement or any agreement, certificate or document delivered in connection with the closing of the transaction contemplated by the Asset Purchase Agreement.

ARTICLE THREE

SUBSTITUTION AND SUBROGATION

- 3.1 **Substitution and Subrogation** – The conveyance of the Purchased Assets to the Purchaser hereunder is with full rights of substitution and subrogation of the Purchaser to the extent possible, in and to all certification, covenants and warranties by others heretofore given or made in respect of the Purchased Assets or any part thereof.

ARTICLE FOUR

REMEDIES

- 4.1 **Remedies** – The rights and remedies conferred hereunder are not intended to be exclusive of any other rights or remedies available to any party hereto in connection with the breach or failure of any of the covenants, warranties, representations or other obligations of any other party hereunder, and nothing contained herein shall be construed in any manner as restricting or derogating from any other such rights or remedies.

ARTICLE FIVE

FURTHER ASSURANCES

- 5.1 **Further Assurances** – The Vendor will from time to time and at all times hereafter, upon every reasonable request of the Purchaser and at the expense of the Purchaser, do and perform, or cause to be done or performed, all such further acts and things, and execute or cause to be executed all such further deeds, documents, writings or other instruments, and give all such further assurances as may be required by the Purchaser effectively to carry out the intent and meaning hereof.

ARTICLE SIX

GENERAL

- 6.1 **Enurement** – This Agreement shall enure to the benefit of and be binding upon the successors and assigns of the parties hereto.
- 6.2 **No Superseding or Merger** – The provisions contained in this Agreement shall not supersede or merge with any provision contained in the Asset Purchase Agreement, as such may be amended from time to time. The provisions contained in this Agreement shall not merge in any transfer, assignment, novation agreement or other document or instrument issued pursuant hereto or in connection herewith.
- 6.3 **Governing Law** – This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 6.4 **Counterparts** – This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same instrument. Delivery of this Agreement or any counterpart may be made by delivery of a facsimile transmission of an executed copy thereof, with the original forwarded thereafter.
-

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

MAINSTREET CREDIT UNION LIMITED

Per:
Title:

Per:
Title:

GODERICH COMMUNITY CREDIT UNION LIMITED

Per:
Title:

Per:
Title:

SCHEDULE B

ASSUMPTION OF LIABILITIES AGREEMENT

THIS AGREEMENT is made as of this 30th day of June, 2015

BETWEEN:

MAINSTREET CREDIT UNION LIMITED, a credit union under the *Credit Unions and Caisses Populaires Act, 1994*, having its head office at 1295 London Rd, Sarnia, Ontario N7S 1P6

(the “Purchaser”)

- AND -

GODERICH COMMUNITY CREDIT UNION LIMITED, a credit union under the *Credit Unions and Caisses Populaires Act, 1994*, having its head office at 39 St. David Street, Goderich, Ontario N7A 1L4

(the “Vendor”).

RECITALS:

A. The Vendor and the Purchaser entered into an asset purchase agreement dated as of the 17th day of February, 2015 (the “Asset Purchase Agreement”) providing for the sale of all of the assets and undertaking of the Vendor to the Purchaser.

B. Under the terms of the Asset Purchase Agreement, the Purchaser agreed to assume all of the liabilities of the Vendor and to indemnify and save harmless the Vendor in respect of such liabilities.

NOW THEREFORE, in consideration of the premises, covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties agree as follow:

1. **Assumption of Liabilities** – With effect as at and from the Effective Time (as defined in the Asset Purchase Agreement), the Purchaser hereby assumes, and shall indemnify and save harmless the Vendor in respect of, all of the liabilities of the Vendor.
2. **Further Assurances** – The Purchaser will from time to time and at all times hereafter, upon every reasonable request of the Vendor and at the expense of the Vendor, do and perform, or cause to be done or performed, all such further acts and things, and execute or cause to be executed all such further deeds, documents, writings or other instruments,

and give all such further assurances as may be required by the Vendor effectively to carry out the intent and meaning hereof.

3. **Successors and Assigns** – This Agreement shall enure to the benefit of and be binding upon the successors and assigns of the Parties.
4. **No Merger** - The provisions of this Agreement shall not supersede or merge with any provision contained in the Asset Purchase Agreement. The provisions contained in this Agreement shall not merge in any transfer, assignment, novation agreement or other document or instrument issued pursuant hereto or in connection herewith.
5. **Governing Law** – This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
6. **Counterparts** – This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be original, but such counterparts shall together constitute one and the same instrument. Delivery of this Agreement or any counterpart may be made by delivery of a facsimile transmission of an executed copy thereof, with the original forwarded thereafter.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

MAINSTREET CREDIT UNION LIMITED

Per: _____

Per: _____

GODERICH COMMUNITY CREDIT UNION LIMITED

Per: _____

Per: _____



**AGREEMENT OF PURCHASE AND SALE
(FOR USE IN THE PROVINCE OF ONTARIO)**



BUYER, Mainstreet Credit Union Limited agrees to purchase from
(Full legal names of all Buyers)

SELLER, Goderich Community Credit Union Limited, the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address – _____ in the City of _____, Ontario and legally described as _____ on Registered
Plan _____ being Parts _____, Reference Plan _____, City of _____, Regional Municipality of _____ (the “Property”)
(Legal description of land including easements not described elsewhere)

PURCHASE PRICE: _____ Dollars (CDN \$ _____ .00), and is allocated as follows:

SCHEDULE A attached hereto forms part of this Agreement.

1. **CHATTELS INCLUDED:** See Article 4, Schedule A.
2. **FIXTURES EXCLUDED:** Not applicable.
3. **RENTAL ITEMS:** The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:
Hot Water Tanks (if applicable)
4. **IRREVOCABILITY:** This Agreement is a schedule to the Asset Purchase Agreement between the parties dated February 17, 2015 (the “APA”), and is subject to the due completion of that Agreement.
5. **COMPLETION DATE:** This Agreement shall be completed, in escrow, by no later than 5:00 p.m. on June 30, 2015, although registration of the deed may take place on July 2, 2015, or on such later date as may be agreed by the parties. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.
6. **NOTICES:** This offer, any counter offer, notice of acceptance thereof, or any notice shall be deemed given and received, when hand delivered to the address for service provided in the Acknowledgement below, or where a facsimile number is provided herein, when transmitted electronically to that facsimile number.
7. **GST:** If this transaction is subject to Harmonized Sales Tax (H.S.T.), then such tax shall be included in the Purchase Price. If this transaction is not subject to H.S.T., Seller agrees to certify on or before closing that the transaction is not subject to H.S.T.
8. **TITLE SEARCH:** Buyer is accepting the property on an “as is” basis, but the Buyer’s obligation to complete the purchase is subject to full compliance by the Seller with the terms and conditions of the APA. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.
10. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers, the form of which is as recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.
11. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust and Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
12. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller.
13. **INSURANCE:** All property on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.
14. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
15. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit,

be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O. 1990.

16. **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.
17. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
18. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or their respective lawyers who may be specifically authorized in that regard.
19. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire. Payment of the Purchase Price is by assumption of the liabilities of the Seller by the Buyer, pursuant to the terms of the APA.
20. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless Seller's spouse has executed the consent hereinafter provided.
21. **UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
22. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, and the APA, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
23. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

Dated at Sarnia, Ontario this 17th day of February, 2015.

SIGNED, SEALED AND DELIVERED in the presence of:	IN WITNESS whereof I have hereunto set my hand and seal:	
.....x- NO (Witness)	Mainstreet Credit Union Limited (Buyer) SEAL	ζ DATE February 17, 2015)

I, the Undersigned Vendor, agree to the above Offer.

Dated at Goderich, Ontario this 17th day of February, 2015.

SIGNED, SEALED AND DELIVERED in the presence of:	IN WITNESS whereof I have hereunto set my hand and seal:	
.....X-no (Witness)	Goderich Community Credit Union Limited (Vendor) SEAL	ζ DATE February 17, 2015 (Seal)

SCHEDULE "A"

ARTICLE 1 - DOCUMENTS ON CLOSING BY THE VENDOR

- 1.1 The Vendor shall deliver to the Purchaser on or before the Date of Closing, the following Vendor's Closing Documents in form and substance satisfactory to the Purchaser's solicitors, acting reasonably:
- (a) a good and valid conveyance of the Property in registrable form (except for any land transfer tax affidavit, which is the responsibility of the Purchaser) and the Vendor shall also deliver its statement by way of statutory declaration of an officer confirming that the Property does not in any way comprise a matrimonial home pursuant to the *Family Law Act* of Ontario. The Vendor covenants that the transfer/deed of land to be provided on Closing shall contain the statements contemplated by clauses 50 (22) (a) and (b) of *The Planning Act* (Ontario);
 - (b) properly identified and referenced master keys and duplicate keys to all locks in the Property in its possession or control;
 - (c) a bill of sale for the Improvements situated in, on, about or serving the Property;
 - (d) a statement of adjustments which, notwithstanding anything herein contained to the contrary, shall be delivered at least five (5) Days prior to the Date of Closing and the Vendor's undertaking to re-adjust all items on the statement of adjustments;
 - (e) evidence by way of a statutory declaration of an officer of the Vendor verifying that neither the Vendor nor anyone for whom the Vendor is acting as a trustee is not a nonresident of Canada within the meaning of the Income Tax Act of Canada (the "IT Act"); and
 - (f) such other documents, information and assurances as the Purchaser or its solicitors shall reasonably require or as may be required pursuant to this Agreement or as may be required under the laws of the province of Ontario in order to properly vest title to the Property in the Purchaser.

ARTICLE 2 - ACCEPTANCE BY FACSIMILE

- 2.1 The Purchaser and Vendor covenant and agree that the Purchaser may submit this Offer to Purchase and any amendment thereto and the Vendor may accept this Offer to Purchase and any amendment thereto by signing a facsimile thereof which shall be to the same effect as the Purchaser and Vendor having signed the original thereof.

ARTICLE 3 - CONFLICT WITH THE APA

- 3.1 Wherever there exists a conflict between the provisions contained in this Agreement and those contained in the APA, the provisions of the APA shall govern.

ARTICLE 4 - CHATTELS AND FIXTURES

- 4.1 The Purchase Price includes all chattels and fixtures of every nature and kind affixed to, incorporated or situated in, on, around or upon the Property being purchased herein and without limiting the

generality of the foregoing shall include all electric light fixtures, plumbing fixtures, heating equipment, ventilating and air-conditioning equipment, air-handling equipment, sprinklers, telephone system, security systems and appurtenances thereto and all other chattels, fixtures and equipment, which may be the property of the Vendor and used in connection with said premises, and all of which the Vendor warrants to be free and clear of any Encumbrances whatsoever and in good operating condition as of the Date of Closing and shall maintain same from the date of acceptance until Closing as would a prudent owner.

ARTICLE 5 – ADJUSTMENTS FOR UNDISCLOSED ENCUMBRANCES

- 5.1 The Vendor agrees to adjust for the value of all existing but not previously disclosed mortgages, liens, or Encumbrances registered on title to the Property.

ARTICLE 6 - NOTICE

- 6.1 Any notice, direction or instrument required or permitted to be given hereunder shall be given in writing and be mailed postage prepaid by registered mail, transmitted by facsimile or other form of recorded communication or delivered by one party to another at the address provided to the party and, if delivered or faxed, shall be deemed to have been given or made on the day on which it was delivered or faxed, or if mailed, shall be deemed to have been given or made on the third regular postal delivery day following the day after which it was mailed, and any of the parties hereto may, from time to time, give notice of any change of their addresses in the manner herein provided and, in such event, the address of the party shall be deemed to be changed accordingly.

ARTICLE 7 - HEADINGS

- 7.1 The section headings hereof are for the convenience of the parties only and shall not be given any legal effect or otherwise affect the interpretation of this Agreement.