

PURCHASE AND SALE AGREEMENT (“Agreement”)

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF
ALBERTA, as represented by the Minister of
Infrastructure**

(the "Vendor")

- and -

(the "Purchaser")

RECITALS:

- A. The Vendor is the legal and beneficial owner of the Structure located at Gunn McCullough Centre, 308, 55022 Ste. Anne Trail, Gunn, Alberta; and
- B. Pursuant to an Auction issued by the Province and a Bid submitted by the Purchaser, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Structure on the terms and conditions herein.

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the mutual covenants and agreements contained herein, each of the parties hereto covenants and agrees with the other as follows:

1. Definitions

- 1. For the purposes of this Agreement, the recitals hereof and the Schedules, each of the following capitalized words and expressions shall have the meaning ascribed to it in this section:
 - 1. "Agreement" means this purchase and sale agreement including the body of the agreement, the Recitals, and Schedule A, Schedule B, and Schedule C;
 - 2. "Auction" means the Alberta Online Auction which is the Province's electronic disposal system, the web site of which is <http://surplus.gov.ab.ca/OA/ItemsSearch.aspx>.

3. "Auction Close Date" means the final bid submission date of the Auction of the Structure.
4. "Bid" means an offer of Canadian funds submitted on the Alberta Online Auction in response to and in compliance with the requirements set out in the Terms and Conditions of the Auction.
5. "Business Day" means 8:15 am to 4:30 pm in Alberta from Monday through Friday excluding holidays observed by the Vendor;
6. "Date of Execution" means the date the Vendor has duly executed this Agreement and, for clarity, the Vendor shall be the last party to sign this Agreement;
7. "*Excise Tax Act*" means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15;
8. "G.S.T." means the Goods and Services Tax as established from time to time pursuant to the *Excise Tax Act*;
9. "Hazardous Substances" means but is not limited to any biological materials and agents; petroleum products and by-products; pollutants; contaminants; dangerous substances; hazardous, corrosive, or toxic substances; hauled liquid, industrial, or hazardous waste; hazardous materials or chemicals; or any other substance or material the storage, manufacture, disposal, treatment, generation, use, transport, or remediation, of which is now or hereafter prohibited, controlled, regulated or licensed under any federal, provincial or municipal legislation;
10. "Land" means the Vendor's land upon which the Structure is situated, legally described in Schedule "A";
11. "Purchase Price" means the amount of money in Canadian Dollars that must be submitted with this Agreement, paid by certified cheque, bank draft, or wire transfer payable to "Government of Alberta" and drawn on a financial institution that is authorized by law to conduct business in Alberta. It is calculated as the Bid plus applicable G.S.T. (i.e. 5% x Bid). In addition, Security must also be provided.
12. "Removal Date" means that date which is 30 Business Days or less, after the Auction Closing Date and Time as defined in the Auction;

13. "Security" means \$2,500.00 Canadian dollars, paid by certified cheque or bank draft, payable to "Government of Alberta" and drawn on a financial institution that is authorized by law to conduct business in Alberta, being the security that shall be paid by the Purchaser, but may be forfeited pursuant to Auction terms or refunded as set out in section 4; and
14. "Structure" means the housing building, including all above foundation interior and exterior fixtures and decks (if applicable) described in Schedule "C" that will be detached by the Purchaser and removed by the Purchaser, from the Land.

2. Purchase and Sale of the Structure

1. The Vendor agrees to sell and the Purchaser agrees to purchase the Structure on the terms and conditions provided in this Agreement.
2. The Purchaser agrees to purchase the Structure at the Purchase Price and provide Security in Canadian dollars on delivery of this Agreement to the Vendor.
3. The GST calculated on the Bid shall be paid by the Purchaser pursuant to the *Excise Tax Act*. The Purchaser shall pay the applicable GST to the Vendor in addition to the Bid and the Vendor will then remit the GST as required by the *Excise Tax Act*.
4. The Purchaser agrees to detach the Structure from its foundation, remove the Structure, and relocate the Structure on or before the Removal Date.

3. Payment of Purchase Price and Security

1. The Purchaser shall pay the Purchase Price to the Vendor as follows:
 1. The Security shall be paid by the Purchaser upon being notified by electronic mail (email) that it was the successful bidder and shall be paid within 3 Business Days of the Auction Close Date for the Structure; and
 2. The Purchase Price shall be paid by the Purchaser to the Vendor upon execution and delivery of this Agreement to the Vendor which shall be within 7 Business Days of the Auction Close Date.
2. The Purchaser shall not be entitled to nor shall it receive accrued interest on the Purchase Price, Security, nor for any other matter, nor for any reason whatsoever. This section 3.2 shall survive the Agreement.

4. Security

1. If the successful bidder fails to execute this Agreement and provide the Purchase Price in accordance with section 3.1.2. of this Agreement, then the successful bidder shall forfeit the Security as liquidated damages pursuant to the Auction terms and in consideration of the Vendor's forbearance and may be applied to the costs of demolishing and removal of the Structure.
2. If the sale and purchase of the Structure is completed in accordance with this Agreement and the Structure is removed from the Land, the Security shall be returned to the Purchaser in due course, after the completion of the following:
 1. The Land including within the remaining foundation is left in a condition similar to the condition it was in immediately prior to the Purchaser removing the Structure;
 2. No non-related Structure debris is left in or about the Land including within the remaining foundation;
 3. The Purchaser did not cause directly or indirectly, damage to the Land, excepting out normal wear and tear; and
 4. The Structure was removed on or before the Removal Date.
3. If the Purchaser defaults in any of its obligations set out in section 4.1 above, the costs incurred directly or indirectly to remedy the default shall be deducted from the Security.
4. This section 4 shall survive the Agreement.

5. Default

1. If the Purchaser shall default in any of its covenants or obligations under this Agreement, other than as set out in section 4 Security), on, before, or after the Removal Date, the Vendor, in addition to all other rights and remedies it may have at law or in equity, may:
 1. The Vendor may declare this Agreement terminated;
 2. The Vendor may retain the amount of the Purchase Price less costs to demolish the Structure and dispose of the debris, upon sending correspondence to the Purchaser with 48 hours' notice by email or fax, whichever was indicated on the Auction registration of the Purchaser. Further notice or actions by the Vendor are not required;

3. The Purchaser shall forfeit the Security and is responsible for paying all costs due to the default of the Purchaser whether incurred directly or indirectly, associated with demolishing the Structure including demolition, disposal, hauling, or dumping costs;
 4. The Security and Purchase Price shall be immediately released unconditionally to the Vendor, and if applicable the Purchaser shall provide the Vendor with a registrable discharge of any caveat or encumbrance registered against the title to the Lands by reason of the action of the Purchaser or anyone claiming an interest through the Purchaser; and
 5. The Purchaser agrees that all costs and expenses incurred by the Vendor in connection, directly or indirectly, with any default of the Purchaser under this Agreement, together with all legal costs on a solicitor and his own client basis, shall be payable on demand forthwith by the Purchaser to the Vendor.
2. Should the Vendor default in any of its covenants or obligations under this Agreement, then the Purchaser shall be entitled to all remedies available to it in law or equity:
 1. The Vendor may declare this Agreement terminated;
 2. In addition, the Vendor agrees that all costs and expenses incurred by the Purchaser in connection with any default of the Vendor under this Agreement, together with all legal costs on a solicitor and his own client basis, shall be payable on demand forthwith by the Vendor to the Purchaser; and
 3. The Purchaser shall provide the Vendor with a registrable discharge of any caveat or encumbrance registered against the title to the Lands by reason of the action of the Purchaser or anyone claiming an interest through the Purchaser.
 3. This section 5 shall survive the Agreement.

6. Vendor's Representations and Warranties

1. In addition to any other representations, warranties, covenants and agreements of the Vendor herein, the Vendor hereby represents and warrants to the Purchaser that on the Date of Execution:
 1. The Vendor will be the legal and beneficial owner of the Structure;
 2. The Structure will be free and clear of all encumbrances, save and

only except for the permitted encumbrances set out in Schedule B;
and

3. The Structure shall be sold on an “as is and where is” basis, with no warranty or guarantee provided by the Vendor whatsoever.
2. The Vendor covenants and agrees that all representations, warranties and covenants set forth in this Agreement including, without limitation, those set forth in section 6.1 shall be true and correct on and as at the Date of Execution as though made or given on and as at such date.
3. This section 6 shall survive the Agreement.

7. Purchaser's Representations and Warranties

1. In addition to any other representations, warranties, covenants and agreements of the Purchaser herein, the Purchaser hereby represents and warrants to the Vendor that on the Date of Execution the Purchaser:
 1. Has inspected and is satisfied with the quality, condition or sufficiency of the Structure for any use or purpose;
 2. Has inspected and is satisfied with the presence or absence of Hazardous Substances in, on or under the Structure, and the abatement thereof if applicable;
 3. Has inspected, performed due diligence and is satisfied with the logistics, costs, availability of utility companies for disconnection of utilities and other services, and the availability of third party contractor(s), if required, for moving the Structure; and
 4. Shall comply with all legislation applicable to purchasing, detaching and removing of the Structure in the Province of Alberta.
2. The Purchaser covenants and agrees that all representations, warranties and covenants set forth in this Agreement including, without limitation, those set forth in section 7.1 shall be true and correct on and as at the Date of Execution as though made or given on and as at such date.
3. This section 7 shall survive the Agreement.

8. Condition of Structure

1. Notwithstanding anything contained in this Agreement, the Purchaser expressly acknowledges and agrees that it has conducted its own due diligence of the Structure to its satisfaction and further agrees that the

purchase of the Structure is on an “as is and where is” basis and at its own risk. The Vendor does not represent or warrant:

1. The quality, condition or suitability of the Structure for any use or purpose;
 2. The adequacy of the services, utilities and ancillary facilities within the Structure;
 3. Whether or not the Structure or Land has or has not been used as a waste disposal site; or
 4. Whether or not there are Hazardous Substances present on, under, or within the Structure or Land.
2. This section 8 shall survive the Agreement.

9. Transfer of Ownership

1. Ownership of the Structure shall be granted to the Purchaser when:
 1. The Purchase Price and Security has been paid in full and released unconditionally to the Vendor; and
 2. The Purchaser has completely detached the Structure from its foundation.
2. An executed bill of sale and keys to the Structure shall be provided to the Purchaser from the Vendor for the Structure when the Structure is detached from the Land. If the Purchaser defaults in removing the Structure as set out in this Agreement, the Bill of Sale may be used by the Vendor as the Vendor sees fit.

10. HOLD HARMLESS

1. The Purchaser shall indemnify and hold harmless Vendor and its employees and agents from any and all third party claims, demands, actions, or costs, including legal costs on a solicitor and own client basis, that arise directly or indirectly out of any act or omission of the Purchaser, its employees, agents or contractors or resulting from the inspection of the Structure, excavation or partial removal of the Structure, removal of the Structure or resulting from the existence of or removal of fencing and Structure debris on the Land.
2. The Purchaser shall indemnify and hold harmless the Vendor against and from any loss or damage to the real or personal property of the Vendor that

arise directly or indirectly out of any act or omission of the Purchaser, its employees, agents or contractors or resulting from the inspection of the Structure, excavation or partial removal of the Structure, removal of the Structure or resulting from the existence of or removal of fencing and Structure debris on the Land for which the Purchaser is legally responsible including, without limitation, those arising out of negligence or wilful acts by the Purchaser or the Purchaser's employees or agents.

3. The Purchaser shall indemnify and hold harmless the Vendor, its employees and agents against and from any and all third party claims, demands, actions or costs, including legal costs on a solicitor and own client basis, by future purchasers of the Structure due to the condition of the Structure resulting from the flooding occurring in southern Alberta in June 2013.
4. This Hold Harmless, section 10, provision shall survive this Agreement.

11. INSURANCE

1. The Purchaser at its own expense and without limiting its liabilities herein, shall obtain, and maintain:
 1. General liability insurance in an amount not less than \$2,000,000.00 inclusive per occurrence, insuring against bodily injury, personal injury, and property damage including loss of use thereof.
 2. The Purchaser shall, at its own expense and without limiting its liabilities herein, require and ensure that all contractors and subcontractors who will perform the work to remove and transport the Structure and Structure debris maintain the following insurance. In the event the Purchaser removes the Structure and Structure debris, the Purchaser shall maintain the following insurance in place of the insurance required under 11.1.1:
 - (a) General Liability Insurance, in accordance with the *Insurance Act* (Alberta), in an amount not less than \$2,000,000 inclusive per occurrence, insuring against bodily injury, personal injury and property damage including loss of use thereof. Such insurance shall include but not be limited to:
 - i. Owner's and Contractor's protective liability;
 - ii. Cross liability and severability of interests ;
 - iii. Products and completed operations liability;
 - iv. Broad form blanket contractual liability;
 - v. Non-owned automobile liability;
 - vi. Towing/on hook coverage;
 - vii. Crane operators liability;
 - viii. Contingent employer's liability;

- ix. Broad form property damage;
- x. Employees as additional insureds;
- xi. Forest fire fighting expenses;
- xii. Operation of attached machinery;
- xiii. Sudden and accidental pollution;
- xiv. Elevator and hoist liability; and
- xv. Riggers liability.

(b) Automobile liability insurance, in accordance with the *Insurance Act* (Alberta), on all vehicles used in the removal of the Structure and Structure debris, in an amount not less than \$2,000,000.

2. Purchaser waives its right of recourse against the Vendor, its employees, or agents with regard to loss or damage to the Structure or Purchaser's personal property located in or around the Structure, whether or not the cause of the damage is the negligence of the Vendor.
3. Fourteen days prior to entering the Land to remove the Structure, the Purchaser shall provide evidence of all required insurance, in the form of a detailed certificate of insurance, acceptable to the Vendor. At any time requested by the Vendor, the Purchaser shall provide certified copies of all required insurance to the Vendor.
4. All required insurance, with the exception of automobile liability insurance, shall be endorsed to provide the Vendor with 30 days advance written notice of cancellation.
5. The Purchaser shall be responsible for any deductible that may apply in the aforementioned policies.
6. The Purchaser is encouraged to consult with its insurance advisor to determine any additional insurance needs beyond the minimum insurance requirements stated herein.
7. This section 11 shall survive the Agreement.

12. Access

1. The Purchaser may be granted supervised entry in order to commence detaching and detach the Structure from the foundation. The Purchaser shall request entry to the Structure by providing at least 14 days' notice to the Vendor and shall provide the following to the satisfaction of the Vendor:
 1. Providing copies of Insurance certificates as set out herein;
 2. Providing certificates from the Workers' Compensation Board showing

that the Purchaser, its employees, contractors, subcontractors, or anyone else involved in the detaching, removal of the Structure or Structure debris, or installing or removing the fencing is registered and in good standing with the Board;

3. Providing a letter from the Purchaser or its contractor stating that they agree to be the “Prime Contractor” for the site, as defined and as set out in the *Occupational Health and Safety Act* (Alberta).

13. WCB & OHS

1. The Purchaser understands and agrees that:
 1. The Purchaser, its employees, contractors, subcontractors, or anyone else involved in the detaching, removal of the Structure or Structure debris, or installing or removing the fencing shall comply with all requirements of the *Workers' Compensation Act* (Alberta) as amended from time to time.
 2. The Purchaser, its employees, contractors, subcontractors, or anyone else involved in the detaching, removal of the Structure or Structure debris, or installing or removing the fencing shall comply with *Occupational Health and Safety Act, RSA 2000, c.0-2* (“OHS Act”) as amended from time to time, as well as all safety requirements as contained in the Regulations as issued under authority of the latest edition of the OHS Act.
 3. This section 13 shall survive the Agreement.

14. Fencing

1. Upon being granted access to the Land for the purpose of commencing detaching the Structure, the Purchaser shall enclose the area around the Structure with a construction safety fence that has a minimum height of 2 meters or a height as permitted by the municipality with jurisdiction, to the satisfaction of the Vendor. The Purchaser may not be permitted access to the Land if the construction safety fence is not satisfactory.
2. Upon completing removing the Structure from the Land, the Purchaser shall completely remove the fence.
3. Upon nearing completing removing the Structure from the Land, the Purchaser shall provide at least 24 hours’ notice to the Vendor so that the Vendor may enclose the remaining foundation in a safety fence.

15. Vendor Non-Liability

1. The Vendor shall not be liable for any personal or bodily injury or property damage that may be suffered or sustained by the Purchaser, its employees, contractors, subcontractors, or anyone else involved in the detaching, removal of the Structure or Structure debris, or installing or removing the fencing. This section 15 shall survive the Agreement.

16. Time of the Essence

1. Time shall in every respect be of the essence of this Agreement.

17. Schedules and Headings

1. All Schedules shall be incorporated into and form part of this Agreement. Headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

18. Money

1. All monies payable by the Purchaser pursuant to this Agreement shall be paid by certified cheque, bank draft or wire transfer in Canadian dollar currency, drawn on a financial institution authorized to conduct business in the Province of Alberta, made payable to the "Government of Alberta" and delivered to:

Attn: Alberta Infrastructure c/o Jason Voyteck
38 Highfield Circle SE,
Calgary, Alberta
T2G 5N5

19. Holidays

1. If the date of providing of any notice or payment under this Agreement shall fall on a day which is not a Business Day, then any such date shall be deemed postponed and extended to the next following Business Day.

20. Notices

1. Any giving of notice required or permitted to be given under this Agreement shall be sufficiently given or made if faxed or delivered to the other party at the fax number, email address, or mailing address as follows:

To the Purchaser:

To the Vendor:

Jason Voytechek, Director – Surplus Sales and Warehousing
38 Highfield Circle SE,
Calgary, Alberta
T2G 5N5
Fax: 403-297-4576
Email: jason.voytechek@gov.ab.ca

Or such other fax numbers, email addresses or mailing addresses as the party amending same shall designate in writing from time to time to the other party. Any notice faxed or delivered by email or mail, by 4:00 p.m., Alberta time, on any Business Day shall be deemed to be received on that day, and if faxed or delivered after such time or on a non-Business Day shall be deemed to be received by 9:00 a.m., Alberta time, on the next following Business Day. All notices shall be in writing.

21. Severability

1. In the event that a court of competent jurisdiction finds that any term of this Agreement is void for uncertainty or otherwise unenforceable, then that term shall be severed and the remainder of this Agreement shall survive and be of full force and effect. This section 21 shall survive the Agreement.

22. Proper Law

1. This Agreement shall be governed by the laws in force in the Province of Alberta and the parties hereto hereby attorn to the exclusive jurisdiction of the courts of the Province of Alberta. This section 22 shall survive the Agreement.

23. Entire Agreement

1. The terms and conditions of this Agreement and all Schedules hereto are the full and complete terms of the purchase and sale of the Lands as of the date hereof and there are no collateral warranties, representations or conditions other than those contained herein. The parties hereto agree that only those amendments to this Agreement and further agreements in writing signed by the parties shall be binding on them. This section 23 shall survive the Agreement.

24. Caveat

1. The Purchaser shall not register any caveat or other instrument in respect of this Agreement. The Purchaser agrees that no caveat shall have attached thereto any copy of this Agreement. This section 24 shall survive the Agreement.

25. Confidentiality

1. Each of parties acknowledges that the provisions of this Agreement are confidential to the parties and constitute commercial and financial information which has been supplied in confidence. Accordingly, the parties covenant to keep confidential the terms (but not the existence) of this Agreement, except that each may disclose same:
 1. To their respective professional advisors;
 2. To their respective lenders;
 3. As may be required by law, including without limitation the *Freedom of Information and the Protection of Privacy Act*, R.S.A. 2000, c. F-25.
2. This section 25 shall survive the Agreement.

26. Assignment

1. This Agreement is not capable of being assigned by either party and each party covenants and agrees with the other that it shall not assign this Agreement.

27. Joint and Several Liability

1. If the Agreement has been executed by more than one party as Purchaser, their obligations hereunder shall be joint and several, and all references to the Purchaser herein shall refer to all such parties, as the context requires. This section 27 shall survive the Agreement.

28. Amendment

1. This Agreement may be amended in writing by mutual agreement of the parties.

The remainder of this page is intentionally left blank.

The parties have made this Agreement

DATED at _____ in the Province of _____
this _____ day of _____, 20__.

(LEGAL NAME OF PURCHASER)

SIGNED by the person authorized
to bind the Purchaser.

Per: _____

Name: _____

Title: _____

DATED at Edmonton in the Province of Alberta this _____ day of _____
_____, 20__.

**Her Majesty the Queen in right of
Alberta**, as represented by the Minister
of Infrastructure

SIGNED by the Minister of
Infrastructure of the Province of
Alberta or the duly authorized
representative.

Per: _____

Name: _____

Title: _____

SCHEDULE "A"

LAND LEGAL DESCRIPTION OF LOCATION OF STRUCTURE

SW 11 55 3 W5

SCHEDULE "B"

PERMITTED ENCUMBRANCES

There shall be no Permitted Encumbrances on the Structure.

SCHEDULE “C”

DESCRIPTION OF STRUCTURE

Structure at 308, 55022 Ste. Anne Trail
Gunn, Alberta

House was constructed in 1941 and was later converted for use as an administration/office setting and as such, no longer has kitchen facilities.

Exterior:

- horizontal wood siding and brick face
- asphalt shingles (poor condition)
- windows throughout

Interior:

- 2 bedrooms upstairs
- 3 rooms on main floor
- 2 piece bathroom