Minute No. 540
Report - Standing Policy Committee on Property and Development - May 2, 2006

Item No. 16 **Sale - Northeast corner of Logan Avenue and King Edward Street**
File FI-2.4(31)

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

1. That the City-owned property, shown as Parcels 4 and 5 on Misc. Plan No. 6164/10, be declared surplus to the City's requirements.

2. That the sale of that portion of the Public Lane and City-owned property, identified as Parcels 3 and 4 respectively on Misc. Plan No. 6164/10, to KR Auto Ltd. (Krzysztof Rygiel) be approved at a price of $11,000.00 in accordance with the terms and conditions of the form of Offer to Purchase contained in the report from the Director of Planning, Property and Development dated April 24, 2006, subject to Council's approval/enactment of the closing By-law.

3. That the sale of the City-owned property, shown identified as Parcel 5 on Misc. Plan No. 6164/10, in favour of Carte International Inc. for the purchase price of $10,500.00, be approved in accordance with the terms and conditions of the form of Offer to Purchase dated November 30, 2005.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report - Standing Policy Committee on Property and Development - May 2, 2006

DECISION MAKING HISTORY:

Moved by Councillor De Smedt,
That the recommendation of the Standing Policy Committee on Property and Development be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 17, 2006, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On May 2, 2006, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

Re: **Proposed Sale of City-owned Lands Located at the Northeast Corner of Logan Avenue and King Edward Street**
Assiniboia Community
St. James-Brooklands Ward

For submission to: **Standing Policy Committee on Property and Development**

Original report signed by: **Director of Planning, Property and Development**

Report date: April 24, 2006

Recommendation(s):

1. That Council declare the City-owned property Parcels 4 & 5 on the attached Misc. Plan No. 6164/10 as surplus to the City's requirements.
2. That the proposed sale of that portion of the Public Lane and City-owned property identified as Parcels 3 & 4 respectively on the attached Misc. Plan No. 6164/10 to KR Auto Ltd. (Krzysztof Rygiel) be approved at a price of $11,000.00, and in accordance with the terms and conditions of the attached form of Offer to Purchase, and subject to Council's approval/enactment of the proposed closing By-law.
3. That the proposed sale of the City-owned property shown identified as Parcel 5 on the attached Misc. Plan No. 6164/10, in favour of Carte International Inc. for the purchase price of $10,500.00 be approved in accordance with the terms and conditions of the attached form of Offer to Purchase dated November 30, 2005.
4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report Summary

Key Issues:

- KR Auto Ltd. and Carte International Inc. intend to consolidate the subject properties with their respective business operations, being 2031 Logan Avenue and 1995 Logan Avenue.
- On April 4, 2006, the Standing Policy Committee on Property and Development approved the closing of that portion of the Public Lane identified as Parcel 3 on Misc. Plan No. 6164/10 (DAC 1/2006). It is anticipated that Council will approve the closing at its next scheduled meeting of April 26, 2006.
- The Planning, Property and Development Department is now recommending the approval of the terms and conditions of sale of both the Public Lane and the surplus City-owned property (Parcels 4 & 5) to KR Auto Ltd. and Carte International Inc.

Implications of the Recommendation(s):

General implications

- [X] None
- [ ] For the organization overall and/or for other departments
- [ ] For the community and/or organizations external to the City of Winnipeg
- [ ] Involves a multi-year contract

Comment(s):

Policy Implications

- [X] No
- [ ] Yes

Comment(s):

Regulatory Implications

- [X] None
- [ ] Eliminates or reduces regulatory impact
- [ ] Proposes regulatory impact

Comments(s):

Environmental Implications

- [X] **No**
- [ ] **Yes**

Comment(s): The Real Estate Division has not conducted an Environmental Site Assessment (ESA) on this property. In accordance with the Sales and Purchase Agreement, the Purchaser will have an opportunity to conduct its own ESA, at its own cost.

Human Resources Implications

- [X] No
- [ ] Yes

Comment(s):

Financial Implications

- [X] Within approved current and/or capital budget
- [ ] Current and/or capital budget adjustment required

Comment(s):

Report

REASON FOR THE REPORT:

The Planning, Property and Development Department is in receipt of two Offers to Purchase certain property located at the northeast corner of Logan Avenue and King Edward Street. Approval by the Standing Policy Committee on Property and Development is required for the sale. Council's enactment of the proposed closing By-law is also required.

HISTORY:

In 1995, KR Auto Ltd. (Mr. K. Rygiel) acquired the land located at the northeast corner of King Edward Street and Logan Avenue from the City of Winnipeg. Mr. Rygiel established an auto body shop on the site and, in 2003, he subsequently purchased additional City land between his holding and the southerly limit of Gallagher Avenue.

On July 27, 2005, the Standing Policy Committee on Property and Development approved the sale of Parcel 2 on Misc. Plan No. 6164/10 to K R Auto Ltd.

On March 14, 2006, the Assiniboia Community Committee considered and approved an application (DAC 1/2006) to legally close that portion of the Public Lane identified as Parcel 3 on the attached Misc. Plan No. 6164/10. On April 4, 2006, the Standing Policy Committee on Property and Development considered and approved DAC 1/2006.

Mr. Rygiel of KR Auto Ltd. is agreeable to the purchase of the City-owned property identified as Parcels 3 & 4 on the attached Misc. Plan. In addition, Mr. Rygial has negotiated the acquisition of the adjoining privately owned lands to the south (possession date of September 15, 2006).

On November 30, 2005 Carte International Inc. submitted an Offer to Purchase City-owned property identified as Parcel 5 on Misc. Plan No. 6164/10.

DISCUSSION:

The Planning, Property and Development Department have determined that there is no City requirement for the subject properties (Parcels 3, 4 & 5).

The Planning, Property and Development Department is recommending the approval of the terms and conditions of sale of both the Public Lane and the surplus City-owned property (Parcels 4 & 5) to KR Auto Ltd. and Carte International Inc. for the following reasons:

a) The properties will be placed on the tax roll at the closing of the sale.

b) Mr. Rygiel will be responsible for all costs related to the closing of the Public Lane, including the necessary closing plan.

c) The proposed purchase price of $11,000.00 and $10,500.00 are supported by an internal appraisal report (Parcels 3 & 4 $10,500 to $13,500 and Parcel 5 $6,500 to $10,500.

d) The sale of the properties will allow further development of business operations at this location.

e) The sale will eliminate the maintenance and liability for the City associated with holding this property.

f) The Ward Councillor has no objections to the sale of the subject City-owned properties.

Financial Impact Statement

Date: April 18, 2006

Project Name:

Proposed Sale of City-owned Lands Located at the Northeast Corner of Logan Avenue and King Edward Street

First Year of Program 2006

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	21,678	356	356	356	356
Net Cost/(Benefit)	$ (21,678)	$ (356)	$ (356)	$ (356)	$ (356)
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (21,678)	$ (356)	$ (356)	$ (356)	$ (356)

Additional Comments:

The incremental revenue in 2006 consists of the $21,500 in proceeds of disposition plus $178 in municipal realty taxes. The latter amount is based on the assumptions that the assessed values equals the sale prices, the properties will be placed on the roll as of July 1, 2006, and the portioning and mill rates remain constant at 65% and 0.025448 respectively. Revenues from 2007 onward represent municipal realty taxes based on the same assumptions. Proceeds of disposition will accrue to the Land Operating Reserve Fund while tax revenues will accrue to the General Revenue Fund.

"Original signed by"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

None

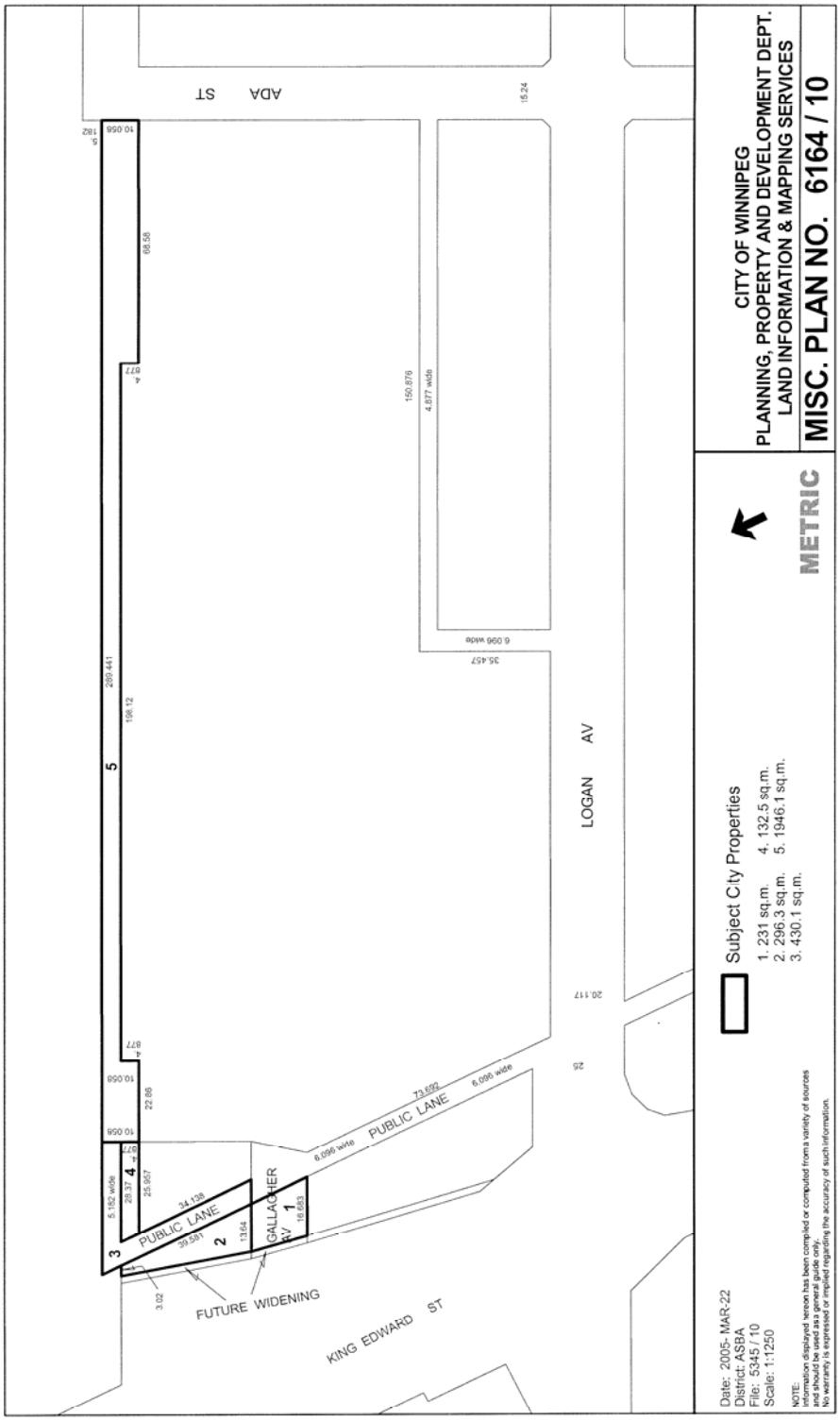
External Consultation With:

None

THIS REPORT SUBMITTED BY:

Department: Planning, Property and Development Department
Division: Real Estate
Prepared by: Gerry Anderson
PPD File #: 5345/10

Document name: o:\reports directive\real estate\sales\(ga) sale to carte electric & k & r auto.doc


ADA ST
LOGAN AV
PUBLIC LANE
PUBLIC LANE
GALLAGHER RV
FUTURE WIDENING
KING EDWARD ST
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 6164 / 10
METRIC
Subject City Properties
1. 231 sq.m. 4. 132.5 sq.m.
2. 296.3 sq.m. 5. 1946.1 sq.m.
3. 430.1 sq.m.
Date: 2005- MAR-22
District: ASBA
File: 5345 / 10
Scale: 1:1250
NOTE:
Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only.
No warranty is expressed or implied regarding the accuracy of such information.

File No: 5345/10

INDUSTRIAL/COMMERCIAL

OFFER TO PURCHASE

The Undersigned (hereinafter called "the Purchaser") hereby offers to purchase from The City of Winnipeg (the "City") the following lands: -

Parcesl No. 3 & 4 as shown on Misc. Plan No. 6164/10

(hereinafter called the "lands")

for the sum of $11,000.00 cash, and upon the following terms and conditions:

1. (1) Attached to this Offer is the Purchaser's certified cheque payable to "The City of Winnipeg" in the amount of $2,025.00, and represents an amount equal to fifteen (15%) percent of the purchase price which the Purchaser tenders by way of deposit, and which sum shall be applied to the purchase price if the sale is approved by the City's Standing Policy Committee on Property and Development and/or City Council (in the event that Council approval is required). The Purchaser agrees to pay the balance of the purchase price, interest and adjustments on or before the date of closing.

(2) If the Purchaser fails to pay the balance of the purchase monies, interest and adjustments on or before the date of closing as in sub-clause (1) above provided, the City may, at its option, cancel the sale and retain the deposit as liquidated damages.

2. (1) The date of Closing, Possession and adjustments shall be on or before October 1, 2006.

(2) The Purchaser agrees to pay as an adjustment an amount equal to the total of such taxes, rates and charges which would have been levied or charged against the Lands as though the Lands had been entered on the assessment rolls of the City as privately owned and subject to taxation, which adjustment shall be calculated from the date of adjustments to and including the last day of the current taxation year.

(3) The Purchaser shall pay interest in lawful money of Canada on all monies remaining outstanding and payable to the City as of the date of adjustments, which interest shall be calculated at the rate per annum equivalent to the prime lending rate in force by the City's Banker at the date of adjustments plus one (1%) percent, computed from the date of adjustments to and including the date all such monies and interest as aforesaid have been fully paid to the City.

3. Goods and Services Tax

(1) The Purchaser agrees to pay to the City all Goods and Services Tax applicable on the sale of the Lands or, if the Purchaser is a registrant under the Goods and Services legislation, the Purchaser shall advise the City in writing of its registration number The Goods and Services Tax is to be paid or the registration number provided to the City on or before the date of closing.

(2) If the Purchaser fails to pay the Goods and Services Tax or fails to provide its registration number as prescribed in sub-clause (1) of this Clause, the Purchaser agrees that all of the Purchaser's rights and interests in respect of the Lands shall, at the City's sole discretion, be fully ended without notice or any formality and all monies paid to the City by the Purchaser shall be retained by the City free from every claim.

4. The Purchaser will obtain possession of the Lands at the Purchaser's own expense.

5. The Purchaser will accept Title to the Lands subject to all exceptions, reservations and encumbrances expressed or implied in the City's Title.

6. The sale of the Lands to the Purchaser shall be subject to the provisions of the By-laws of the City of Winnipeg and all amendments thereto. Furthermore the Purchaser acknowledges and understands that it's proposed use and development of the lands may require applications for rezoning, variances or conditional uses and/or

amendments to Plan Winnipeg, which applications and resulting land dedication charges (if any) are to be at the sole cost and responsibility of the Purchaser.

7. The Purchaser agrees that the City may register and maintain a caveat against the Lands to ensure the performance of the covenants on the part of the Purchaser herein set forth, and the Purchaser agrees to grant and does hereby grant to the City an interest in the Lands according to the tenor of this Offer.

8. Upon closing of the sale, the Purchaser agrees to make application to the City Assessor (in form set out in Exhibit "A" attached) to have the Purchaser's name added to the Assessment Roll of the City as the Real Owner in respect of the lands.

9. The Purchaser agrees that in the event the Purchaser, at its sole cost, conducts or causes to be conducted an Environmental Site Assessment, it shall

(1) ensure that all work done in connection with such Environmental Site Assessment is completed no later than ninety (90) days from the Date of Approval, and

(2) maintain the Lands in safe condition at all times during the conduct of any work done in pursuance of this Clause 9; and

(3) restore the Lands to the same condition as prior to its entering in or upon same in pursuance of this Clause 9; and

(4) indemnify and save harmless the City from and against all damages and claims arising out of or in any way attributable to the conduct of any such Environmental Site Assessment; and

(5) provide copies of any such Environmental Site Assessment of the said Lands to the City for its own use, at no cost to the City no later than ninety (90) days from the date of approval.

AND in the event it is determined as a result of said Environmental Site Assessment, that contamination levels exceed Provincial Environmental Standards for the intended use of the Lands and documentation to that effect is produced to the City within ninety (90) days following the Date of Approval, the City, at its sole option, shall be entitled to:

take remedial action to bring the contamination levels to within the Provincial Environmental Standards;

OR

cancel the sale and return all monies paid in respect of the proposed sale by the Purchaser to that date, PROVIDED that the Applicant shall have first satisfied all conditions of this Clause 9.

AND FURTHER if the City has not been advised of any non-compliance of the lands to Provincial Environmental standards within 90 days from the Date of Approval, the Purchaser agrees to complete its purchase as herein contemplated and to indemnify the City against any and all claims arising from or in any way connected with the existence of contaminants of any kind at the Lands.

10 (1) The Purchaser agrees that the sale of the Lands shall be subject to any easement which may be required by a public utility, including, but not limited to the Manitoba Hydro, Manitoba Telephone System, Centra Gas, or The City of Winnipeg, for the maintenance of existing and future facilities together with the right to enter upon the Lands at any time, with or without equipment for said purposes and subject to the owner covenanting not to erect or cause to be erected upon the easement area any building or structure without the prior written consent of the public utility or The City of Winnipeg requiring such easement.

(2) The Purchaser to enter into agreements satisfactory to the said utilities or the City of Winnipeg.

(3) The Purchaser further covenants and agrees that it will, concurrent with its execution of this Offer to Purchase, enter into easement agreements with the City in the form similar to those set out in Exhibit "B" attached.

(4) The Purchaser acknowledges that the City may grant the easements before the Transfer of Land issues.

11. The Purchaser acknowledges and agrees that notwithstanding any other terms, conditions or provisions in this agreement that:

(1) the City has given no representations or warranties with respect to the Lands or with respect to the value thereof or with respect to the Purchaser's intended uses or development or redevelopment thereof or with respect to the environmental condition of the Lands;

(2) the Purchaser has inspected or investigated the Lands, the title thereto, the Permitted Encumbrances, any tenancies and all other matters material to the Purchase and the proposed use of the Lands and that it is relying solely upon its own independent inquiries and investigations and the advice of its own consultants and there are no representations, warranties, guarantees, conditions, collateral agreements, covenants and agreements except those expressly set forth herein;

(3) the Purchaser agrees that it is purchasing the Lands on an "as is", "where is" basis, and is purchasing the Lands based entirely on its own examinations without any representation by or on behalf of the City or any agent of the City. The Purchaser acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Lands;

(4) any information supplied to the Purchaser by the City or its agents or representatives is and was supplied without any representation or warranty, and that the responsibility for verification of any such information shall be the responsibility of the Purchaser; and

(5) the Lands are deemed to be taken by the Purchaser at the Purchaser's own risk with all faults and imperfections whatsoever. The Purchaser agrees with the City that the application of "Buyer Beware" shall apply to the offer in the strictest meaning.

(6) The Purchaser is aware that the lands are currently zoned M-1 Industrial District and that non accessory parking and storage are not permitted uses in the M-1 Industrial District, and all by-laws will be strictly enforced.

(7) The sale of the Lands shall be subject to the title to Lots 6 & 7 Block 1 Plan 795 being transferred to the Purchaser on or before the date of closing, possession and adjustments herein.

12. It is further understood and agreed between the parties that:

(a) The Purchaser agrees to be fully responsible for all activities and associated costs to create a Plan of Subdivision and the legal closing of streets and lanes if necessary including:

(i) the cost of preparation and registration of the subdivision, easement and closing plans;

(ii) any and all costs associated with the legal and physical closing of the open right-of-way lying within the Subject Land; and

(b) The Purchaser will be responsible for all costs of developing the Subject Land including the servicing of the Land;

(c) The Purchaser will be acquiring the Subject Land in an "as-is, where-is" condition and has satisfied itself as to soil conditions zoning, access and environmental concerns;

(e) The Purchaser will be responsible for any and all costs associated with applications related to zoning, variances and conditional uses including application and processing costs the payment of any dedication fees owing;

(f) The offer is subject to approval of the closing and subdivision of the Lands.

(g) The Purchaser is aware that there are existing sewer services in the right of way which may have to be abandoned according to the Water and Sewer By-Laws. The cost of abandoning these services are the responsibility of the Purchaser.

(h) The Purchaser and the City shall each pay their own legal and other consultant's fees with respect to this sale.

13. In consideration of the sale of the lands by the City to the Purchaser, the Purchaser covenants and agrees as follows:

The Purchaser shall at its sole cost, effort and expense, do all things as are necessary, including but not limited to causing to be prepared and registered at the Winnipeg Land Titles Office, in series with the transfer documentation for the Lands, such documentation as may be required to ensure that the lands to be conveyed by the City and the Purchaser's adjoining property legally described as Lots 6 & 7 Block 1 Plan 795 (herein called the "Purchaser's adjoining property") are consolidated so as to constitute a single and indivisible parcel. The Purchaser does hereby acknowledge that in complying with this obligation it may be required to arrange for the discharge and re-registration of existing encumbrances against the Purchaser's adjoining property.

14. Time shall be of the essence of this Offer.

15. The Purchaser will not file any caveat or other encumbrance against the Lands before the transfer of the Lands to the Purchaser.

16. The word "Purchaser" shall have a plural meaning in the event that more than one party is making this offer, and the masculine shall mean the feminine or neuter as the case may be.

17. The Purchaser is hereby advised that soil conditions in Winnipeg are of the glacial till variety which are composed of Lacustrine Clays with Silt Intrusions. The Purchaser shall be responsible for any increased costs of development due to this random stratification.

18. The Purchaser acknowledges and agrees that sale of the Lands by the City is subject to the approval of City Council or its delegated authority.

19. The full, true and correct name of the Purchaser is as follows: -

K.R. Auto Ltd. 2031 Logan Avenue Winnipeg, Manitoba
Name (Please Print) Address

Purchaser's Registration No. (G.S.T.) 871591178RT

IN WITNESS WHEREOF the Purchaser has signed this document in

_____, _____, this _____ day of _____2006

_____ _____

Industrial/Commercial Offer to Purchase Page 5

Witness Authorized Signature

_____

Name and Title of Authorized Signature (Please print)

_____ _____

Witness Authorized Signature

_____

Name and Title of Authorized Signature (Please print)

ACCEPTED this _____day of _____, A.D., 2006

THE CITY OF WINNIPEG

Per:_____

DIRECTOR

Planning,Property and Development Department

Approved:

_____

Planning Property and Development Department

Certified as to form:

_____

for City Solicitor/Manager of Legal Services

Industrial/Commercial Offer to Purchase Page 6

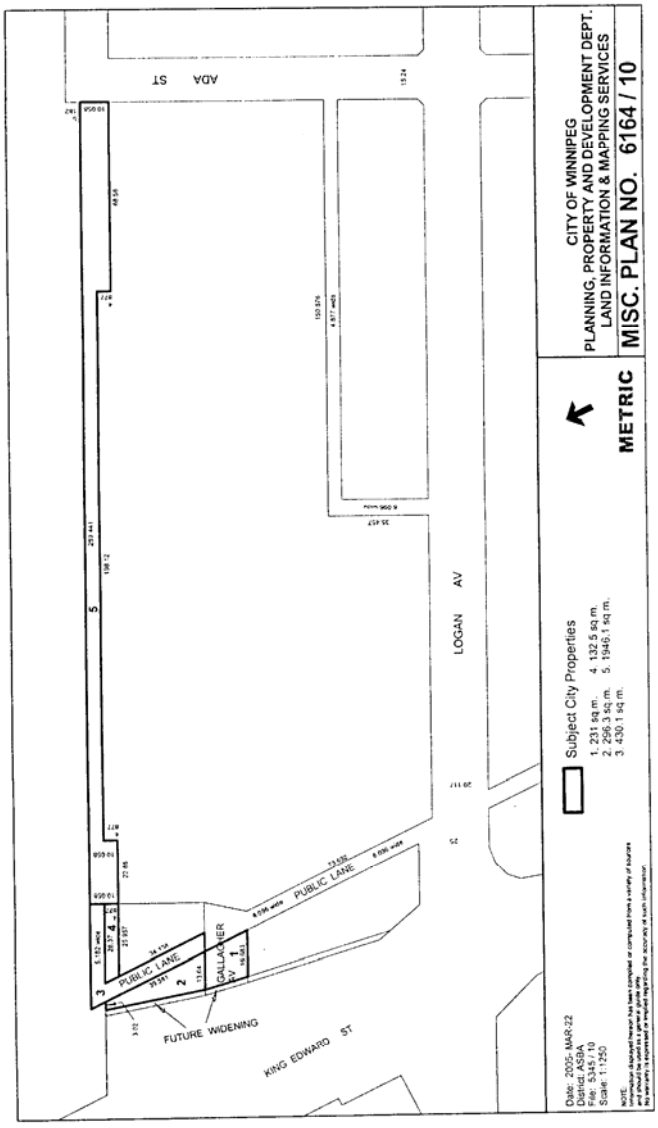


EXHIBIT "A"

Real Owner Application

To the City Assessor

(Name of Municipality) Roll No. _____

1. I/We _____
(Print Full Name)

request that my/our name(s) appear in the Assessment Roll of the City of Winnipeg in respect to the following property, pursuant to Section 12(1) of "The Municipal Assessment Act", Cap. M 226 S.M..

2. Description of Properties: (Give description of all property in respect of which you wish your name to appear).

Part of Lot or Section	Lot or Section	Block or Township	Range	Interest in Property

DRAFT

3. Mailing Address _____
4. Place of Residence _____
5. Name and Address of Registered Owner _____
(Print)

_____
(Print)

6. Description of building on property:

Dwellings _____

Other Buildings _____

7. Date of Purchase _____ 8. Purchase Price _____

Date: _____ 200

(Signature of Applicant)

Office of the City Assessor
The City of Winnipeg

_____
(Signature of Registered Owner)

File No: 5345/10

INDUSTRIAL/COMMERCIAL

OFFER TO PURCHASE

The Undersigned (hereinafter called "the Purchaser") hereby offers to purchase from The City of Winnipeg (the "City") the following lands: -

Parcels No. 5 as shown on Misc. Plan No. 6164/10

(hereinafter called the "lands")

for the sum of $10,500.00 cash, and upon the following terms and conditions:

1. (1) Attached to this Offer is the Purchaser's certified cheque payable to "The City of Winnipeg" in the amount of $1,575.00, and represents an amount equal to fifteen (15%) percent of the purchase price which the Purchaser tenders by way of deposit, and which sum shall be applied to the purchase price if the sale is approved by the City's Standing Policy Committee on Property and Development and/or City Council (in the event that Council approval is required). The Date of Approval shall be no later than January 31, 2006, unless such date is extended by mutual agreement between the Purchaser and the City and if approval is not obtained prior to that date, all obligations of the Purchaser herein shall cease and the deposit shall forthwith be returned to the Purchaser. The Purchaser agrees to pay the balance of the purchase price, interest and adjustments on or before the date of closing.

(2) If the Purchaser fails to pay the balance of the purchase monies, interest and adjustments on or before the date of closing as in sub-clause (1) above provided, the City may, at its option, cancel the sale and retain the deposit as liquidated damages.

2. (1) The date of Closing, Possession and adjustments shall be on the date which is 120 days from the date of approval of the sale. (the "Closing Date").

(2) The Purchaser agrees to pay as an adjustment an amount equal to the total of such taxes, rates and charges which would have been levied or charged against the Lands as though the Lands had been entered on the assessment rolls of the City as privately owned and subject to taxation, which adjustment shall be calculated from the date of adjustments to and including the last day of the current taxation year.

(3) The Purchaser shall pay interest in lawful money of Canada on all monies remaining outstanding and payable to the City after the Closing Date, which interest shall be calculated at the rate per annum equivalent to the prime lending rate in force by the City's Banker at the date of Closing plus one (1%) percent, computed from the date of adjustments to and including the date all such monies and interest as aforesaid have been fully paid to the City.

3. Goods and Services Tax

(1) The Purchaser agrees to pay to the City all Goods and Services Tax applicable on the sale of the Lands or, if the Purchaser is a registrant under the Goods and Services legislation, the Purchaser shall advise the City in writing of its registration number. The Goods and Services Tax is to be paid or the registration number provided to the City on or before the Closing Date.

(2) If the Purchaser fails to pay the Goods and Services Tax or fails to provide its registration number as prescribed in sub-clause (1) of this Clause, the Purchaser agrees that all of the Purchaser's rights and interests in respect of the Lands shall, at the City's sole discretion, be fully ended without notice or any formality and all monies paid to the City by the Purchaser shall be retained by the City free from every claim.

4. The Purchaser will obtain possession of the Lands at the Purchaser's own expense. The Purchaser is to have ten (10) working days from the acceptance of this Offer to search the Lands and satisfy itself with respect to this provision and if within this ten (10) day period the Purchaser is not prepared to accept title to the Lands in accordance with the provisions hereof for any reason the Purchaser shall advise the City accordingly , in writing, and all obligations of the Purchaser herein shall cease and the deposit shall forthwith be returned to the Purchaser.

5. The Purchaser will accept Title to the Lands subject to all exceptions, reservations and encumbrances expressed or implied in the City's Title.

6. The sale of the Lands to the Purchaser shall be subject to the provisions of the By-laws of the City of Winnipeg and all amendments thereto. Furthermore the Purchaser acknowledges and understands that it's proposed use and development of the lands may require applications for rezoning, variances or conditional uses and/or amendments to Plan Winnipeg, which applications and resulting land dedication charges (if any) are to be at the sole cost and responsibility of the Purchaser.

7. The Purchaser agrees that the City may register and maintain a caveat against the Lands to ensure the performance of the covenants on the part of the Purchaser herein set forth, and the Purchaser agrees to grant and does hereby grant to the City an interest in the Lands according to the tenor of this Offer.

8. Upon closing of the sale, the Purchaser agrees to make application to the City Assessor (in form set out in Exhibit "A" attached) to have the Purchaser's name added to the Assessment Roll of the City as the Real Owner in respect of the lands.

9. The Purchaser agrees that in the event the Purchaser, at its sole cost, conducts or causes to be conducted an Environmental Site Assessment, it shall

(1) ensure that all work done in connection with such Environmental Site Assessment is completed no later than ninety (90) days from the Date of Approval, and

(2) maintain the Lands in safe condition at all times during the conduct of any work done in pursuance of this Clause 9; and

(3) restore the Lands to the same condition as prior to its entering in or upon same in pursuance of this Clause 9; and

(4) indemnify and save harmless the City from and against all damages and claims arising out of or in any way attributable to the conduct of any such Environmental Site Assessment; and

(5) provide copies of any such Environmental Site Assessment of the said Lands to the City for its own use, at no cost to the City no later than ninety (90) days from the Date of Approval.

AND in the event it is determined as a result of said Environmental Site Assessment, that contamination levels exceed Provincial Environmental Standards for the intended use of the Lands and documentation to that effect is produced to the City within ninety (90) days following the Date of Approval, the City, at its sole option, shall be entitled to:

take remedial action to bring the contamination levels to within the Provincial Environmental Standards;

OR

cancel the sale and return all monies paid in respect of the proposed sale by the Purchaser to that date, PROVIDED that the Applicant shall have first satisfied all conditions of this Clause 9.

AND FURTHER if the City has not been advised of any non-compliance of the lands to Provincial Environmental standards within 90 days from the Date of Approval, the Purchaser agrees to complete its purchase as herein contemplated and to indemnify the City against any and all claims arising from or in any way connected with the existence of contaminants of any kind at the Lands.

10 (1) The Purchaser agrees that the sale of the Lands shall be subject to any easement which may be required by a public utility, including, but not limited to the Manitoba Hydro, Manitoba Telephone System, Centra Gas, or The City of Winnipeg, for the maintenance of existing and future facilities together with the right to enter upon the Lands at any time, with or without equipment for said purposes and subject to the owner covenanting not to erect or cause to be erected upon the easement area any building or structure without the prior written consent of the public utility or The City of Winnipeg requiring such easement.

(2) The Purchaser agrees to enter into agreements satisfactory to the said utilities or the City of Winnipeg.

(3) The Purchaser further covenants and agrees that it will, concurrent with its execution of this Offer to Purchase, enter into easement agreements with the City in the form similar to those set out in Exhibit "B" attached.

11. The Purchaser acknowledges and agrees that notwithstanding any other terms, conditions or provisions in this agreement that:

(1) the City has given no representations or warranties with respect to the Lands or with respect to the value thereof or with respect to the Purchaser's intended uses or development or redevelopment thereof or with respect to the environmental condition of the Lands;

(2) the Purchaser has inspected or investigated the Lands, and that it is relying solely upon its own independent inquiries and investigations and the advice of its own consultants and there are no representations, warranties, guarantees, conditions, collateral agreements, covenants and agreements except those expressly set forth herein;

(3) the Purchaser agrees that it is purchasing the Lands on an "as is", "where is" basis, and is purchasing the Lands based entirely on its own examinations without any representation by or on behalf of the City or any agent of the City. The Purchaser acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Lands;

(4) any information supplied to the Purchaser by the City or its agents or representatives is and was supplied without any representation or warranty, and that the responsibility for verification of any such information shall be the responsibility of the Purchaser; and

(5) the Lands are deemed to be taken by the Purchaser at the Purchaser's own risk with all faults and imperfections whatsoever. The Purchaser agrees with the City that the application of "Buyer Beware" shall apply to the offer in the strictest meaning.

12. It is further understood and agreed between the parties that:

(a) The Purchaser will be responsible for all costs of developing the Subject Land including the servicing of the Land;

(b) The Purchaser is aware that rail lines cross over a portion of the Lands to service the Purchaser's property and that the purchaser is

AND FURTHER if the City has not been advised of any non-compliance of the lands to Provincial Environmental standards within 90 days from the Date of Approval, the Purchaser agrees to complete its purchase as herein contemplated and to indemnify the City against any and all claims arising from or in any way connected with the existence of contaminants of any kind at the Lands.

10 (1) The Purchaser agrees that the sale of the Lands shall be subject to any easement which may be required by a public utility, including, but not limited to the Manitoba Hydro, Manitoba Telephone System, Centra Gas, or The City of Winnipeg, for the maintenance of existing and future facilities together with the right to enter upon the Lands at any time, with or without equipment for said purposes and subject to the owner covenanting not to erect or cause to be erected upon the easement area any building or structure without the prior written consent of the public utility or The City of Winnipeg requiring such easement.

(2) The Purchaser agrees to enter into agreements satisfactory to the said utilities or the City of Winnipeg.

(3) The Purchaser further covenants and agrees that it will, concurrent with its execution of this Offer to Purchase, enter into easement agreements with the City in the form similar to those set out in Exhibit "B" attached.

11. The Purchaser acknowledges and agrees that notwithstanding any other terms, conditions or provisions in this agreement that:

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(2) the Purchaser has inspected or investigated the Lands, and that it is relying solely upon its own independent inquiries and investigations and the advice of its own consultants and there are no representations, warranties, guarantees, conditions, collateral agreements, covenants and agreements except those expressly set forth herein;

(3) the Purchaser agrees that it is purchasing the Lands on an "as is", "where is" basis, and is purchasing the Lands based entirely on its own examinations without any representation by or on behalf of the City or any agent of the City. The Purchaser acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Lands;

(4) any information supplied to the Purchaser by the City or its agents or representatives is and was supplied without any representation or warranty, and that the responsibility for verification of any such information shall be the responsibility of the Purchaser; and

(5) the Lands are deemed to be taken by the Purchaser at the Purchaser's own risk with all faults and imperfections whatsoever. The Purchaser agrees with the City that the application of "Buyer Beware" shall apply to the offer in the strictest meaning.

12. It is further understood and agreed between the parties that:

(a) The Purchaser will be responsible for all costs of developing the Subject Land including the servicing of the Land;

(b) The Purchaser is aware that rail lines cross over a portion of the Lands to service the Purchaser's property and that the purchaser is

responsible for coordinating all rail activity with the Canadian Pacific Railway and Canadian National Railway as necessary.

(c) The Purchaser and the City shall each pay their own legal and other consultant's fees with respect to this sale.

13. In consideration of the sale of the lands by the City to the Purchaser, the Purchaser covenants and agrees as follows:

The Purchaser shall at its sole cost, effort and expense, do all things as are necessary, including but not limited to causing to be prepared and registered at the Winnipeg Land Titles Office, such documentation as may be required to ensure that the lands to be conveyed by the City and the Purchaser's adjoining property legally described as Lots 11 to 45 Block 1 Plan 795 (herein called the "Purchaser's Adjoining Property") are consolidated so as to constitute a single and indivisible parcel.

14. Time shall be of the essence of this Offer.

15. The Purchaser will not file any caveat or other encumbrance against the Lands before the transfer of the Lands to the Purchaser.

16. The word "Purchaser" shall have a plural meaning in the event that more than one party is making this offer, and the masculine shall mean the feminine or neuter as the case may be.

17. The Purchaser is hereby advised that soil conditions in Winnipeg are of the glacial till variety which are composed of Lacustrine Clays with Silt Intrusions. The Purchaser shall be responsible for any increased costs of development due to this random stratification.

18. The Purchaser acknowledges and agrees that sale of the Lands by the City is subject to the approval of City Council or its delegated authority.

19. The full, true and correct name of the Purchaser is as follows: -

CARTE INTERNATIONAL INC 1995 LOGAN AVE WINNIPEG, MB.

Name (Please Print) Address

Purchaser's Registration No. (G.S.T.) 100830801

IN WITNESS WHEREOF the Purchaser has signed this document in WINNIPEG, MANITOBA, this 30TH day of NOVEMBER 2005

CARTE INTERNATIONAL INC.

Per: _____

Per: _____

ACCEPTED this _____ day of _____, A.D., 2005

THE CITY OF WINNIPEG

Industrial/Commercial Offer to Purchase Page 5

Per:_____

DIRECTOR

Planning,Property and Development Department

Approved:

_____

Planning Property and Development Department

Certified as to form:

_____

for City Solicitor/Manager of Legal Services

Industrial/Commercial Offer to Purchase Page 6

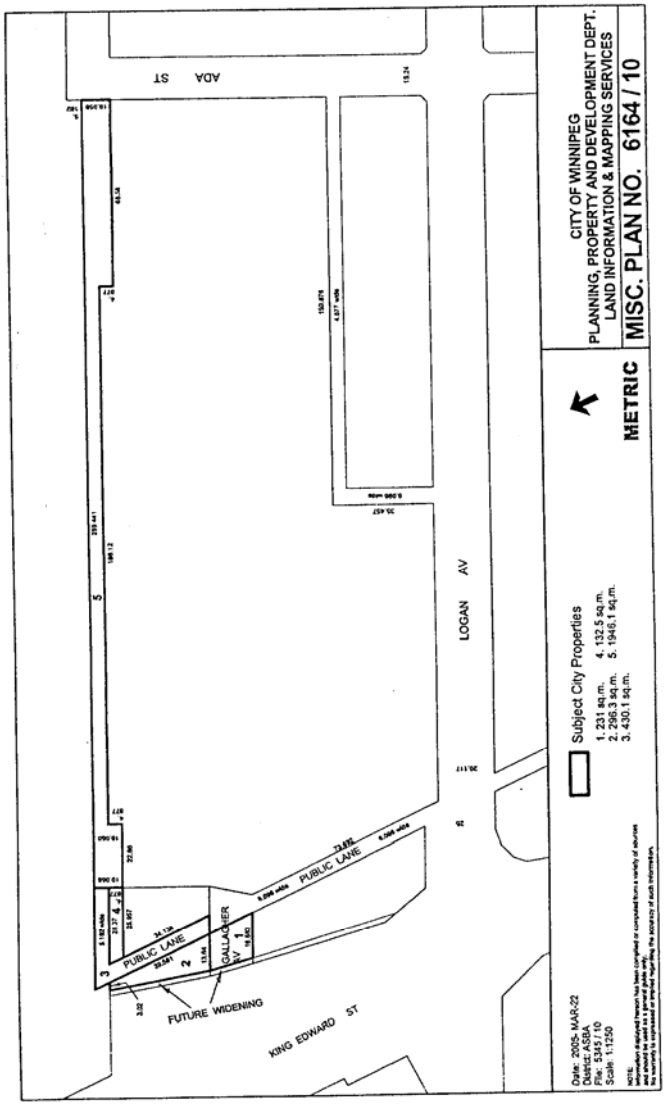


EXHIBIT "A"

Real Owner Application

To the City Assessor

(Name of Municipality) Roll No. _____

1. I/We _____
(Print Full Name)

request that my/our name(s) appear in the Assessment Roll of the City of Winnipeg in respect to the following property, pursuant to Section 12(1) of "The Municipal Assessment Act", Cap. M 226 S.M..

2. Description of Properties: (Give description of all property in respect of which you wish your name to appear).

Part of Lot or Section	Lot or Section	Block or Township	Plan or Range	Interest in Property

DRAFT

3. Mailing Address _____

4. Place of Residence _____

5. Name and Address of Registered Owner _____
(Print)

_____
(Print)

6. Description of building on property:

Dwellings _____

Other Buildings _____

7. Date of Purchase _____ 8. Purchase Price _____

Date: _____ 200 __ _____
(Signature of Applicant)

Office of the City Assessor
The City of Winnipeg _____
(Signature of Registered Owner)