Agenda - Executive Policy Committee - February 11, 2009

Report - Standing Policy Committee on Property and Development - February 2, 2009

Item No. 6 Sale - South side of Wilkes Avenue, between Griffin Street and Paget Street - Canada Post Corporation
(River Heights - Fort Garry Ward)
eFile FI-2.4(32)

STANDING COMMITTEE RECOMMENDATION:

On February 2, 2009, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the City-owned property shown outlined on Misc. Plan No. 13498/3 be declared surplus to the City's requirements.

2. That the sale of the City-owned property shown outlined on Misc. Plan No. 13498/3 in favour of Canada Post Corporation, for the purchase price of $1,024,000.00, be approved in accordance with the terms and conditions of the Agreement of Purchase and Sale Counter Offer contained in the report of the Director of Planning, Property and Development dated January 26, 2009.

3. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

Agenda - Executive Policy Committee - February 11, 2009

Report - Standing Policy Committee on Property and Development - February 2, 2009

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On February 2, 2009, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

RE: Proposed Sale of City-owned Property located on the South side of Wilkes Avenue, between Griffin Street and Paget Street – Canada Post Corporation
City Centre Community
River Heights – Fort Garry Ward

FOR SUBMISSION TO: Standing Policy Committee on Property and Development

ORIGINAL REPORT SIGNED BY: Director of Planning Property and Development

REPORT DATE: January 26, 2009

RECOMMENDATION:

1. That Council declare the City-owned property shown outlined on Misc. Plan No. 13498/3, attached, surplus to the City's requirements.
2. That subject to the approval of Recommendation No. 1, the sale of the City-owned property shown outlined on Misc. Plan No. 13498/3, attached, in favour of Canada Post Corporation, for the purchase price of $1,024,000.00, be approved in accordance with the terms and conditions of the attached Agreement of Purchase and Sale Counter Offer.
3. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

Report Summary

Key Issues:

- The majority of the subject City property shown outlined on Misc. Plan No. 13498/3 was acquired by the City from the former RM of Fort Garry pursuant to Unicity.
- The Planning, Property and Development Department is recommending that the sale of the subject property shown outlined on Misc. Plan No. 13498/3 be approved to Canada Post Corporation for the price of $1,024,000.00 in accordance with the terms and conditions of the attached Agreement of Purchase and Sale Counter Offer.
- The Purchaser proposes to acquire the property for the construction of its new regional postal distribution centre.

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

( ) Involves a multi-year contract

Comment(s):

Policy Implications
(X) No

( ) Yes

Comment(s): The recommended sale of the subject City-owned property is in accordance with the City's *"Offer to Purchase City-owned Property Policy"*. The Department may accept for consideration unsolicited offers for City-owned property in the case where a utility company, or government agency or body is seeking to acquire the property.

Regulatory Implications
(X) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(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 an Agreement of Purchase and Sale and Counter Offer for the City-owned property shown outlined on Misc. Plan No. 13498/3. Council approval is required to declare the City property surplus to the City's requirements. Standing Policy Committee on Property and Development approval is required for the sale.

HISTORY:

The majority of the subject City property shown outlined on Misc. Plan No. 13498/3 was acquired by the City from the former RM of Fort Garry pursuant to Unicity.

Details of the subject property are as follows:

Location:	Wilkes Avenue, south side, between Griffin Street and Paget Street
Description:	Vacant Land
Legal Description:	Lots 2/7, Block 2, Plan 34440
Site Size:	4.163 acres
Zoning:	"A" - Agricultural District

The Department has determined that there is no City requirement for the subject property.

DISCUSSION:

The Planning, Property and Development Department is in receipt of an Agreement of Purchase and Sale and Counter Offer from Canada Post Corporation for the City-owned property shown outlined on Misc. Plan No. 13498/3. The Purchaser proposes to acquire the property for the construction of its new regional postal distribution centre.

Details of the Agreement of Purchase and Sale and Counter Offer are as follows:

Purchaser:	Canada Post Corporation
Price Offered:	$1,024,000.00
Deposit:	$100,000.00

The Planning, Property and Development Department is recommending that the sale of the subject property shown outlined on Misc. Plan No. 13498/3 be approved to Canada Post Corporation for the price of $1,024,000.00 in accordance with the terms and conditions of the attached Agreement of Purchase and Sale and Counter Offer.

The Department has processed an application to legally close the Public Lane shown hatched on Misc. Plan No. 13498/3 (DAC 2/2009). The sale of the subject property is subject to Council's enactment of the necessary Closing By-law.

Financial Impact Statement

Date: January 26, 2008

Project Name:

First Year of Program **2008**

Proposed Sale of City-owned Property located on the South side of Wilkes Avenue between Giffin Street and Paget Street - Canada Post Corporation

	2008	2009	2010	2011	2012
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	544,000	-	-	-	-
Net Cost/(Benefit)	$ (544,000)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(544,000)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Net proceeds of $.544 million consist of the proceeds of disposition of $1,024 million and will be credited to the Land Operating Reserve.

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

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

N/A

External Consultation With:
N/A

THIS REPORT SUBMITTED BY:
Department: Planning Property and Development
Division: Real Estate
Prepared by: John S. Zabudney
PPD File No. 32/6153

O:\Reports Directive\Real Estate\Sales\(jz)Sale of Wilkes Avenue Site - Canada Post Corporation 1.doc


WILKES AVENUE
GRIFFIN STREET
PAGET STREET
BOREBANK ST
STOVEL STREET
STERLING LYON PARKWAY
PT LOT 57 O.T.M.
PARISH OF ST BONIFACE
SOLD
SOLD
Subject City Property
AREA: ±16,848.5 m²
(±4.163 acres)
Existing Lane to be Closed by City
City Owned Property
Date: 2009-JAN-23
District: CC
File: 32/6153 V3
Scale: 1:2000
METRIC
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.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 13498 / 3

AGREEMENT OF PURCHASE AND SALE
(THE "AGREEMENT")

CANADA POST CORPORATION (the "Purchaser") hereby offers to purchase from THE CITY OF WINNIPEG (the "Vendor"), the property legally described in Schedule "A" and shown outlined on Schedule "A-1", to consist of approximately 4.096 acres, in the City of Winnipeg, Province of Manitoba, as hereinafter defined (the "Property"), for a purchase price (the "Purchase Price") of One Million Twenty-four Thousand Dollars ($1,024,000.00) based on not less than 4.096 acres, adjusted on a per acre basis in accordance with paragraph 16(c).

1. **Payment of Purchase Price**

The Purchase Price shall be paid as follows:

(a) $100,000.00 by certified cheque payable to the Purchaser's solicitor upon acceptance of this Agreement as deposit to be held in trust in an interest bearing trust account pending completion or other termination of this Agreement and the deposit and interest earned thereon to be credited on account of the Purchase Price on Closing (the "Deposit"); and

(b) the balance, subject to adjustments as herein set forth, by certified cheque or bank draft payable to the Vendor or as it may direct on Closing.

2. **Allocation of the Purchase Price** – Intentionally Deleted.

3. **Building** – Intentionally Deleted.

4. **Acceptance**

This offer will be irrevocable by the Purchaser until 4:00 p.m. (Eastern Standard Time or Eastern Daylight Saving Time, whichever is applicable) on January 16, 2009, after which time, if not accepted, this offer will be null and void. Delivery by facsimile to either party to this Agreement or its respective counsel of an accepted copy of this Agreement (as it may have been amended during the course of negotiation between the parties) at or before such time will constitute conclusive evidence of such acceptance.

5. **Closing**

This Agreement shall be completed thirty (30) days following the later of:

(a) the waiver or satisfaction of the Purchaser's conditions in paragraphs 7 and 9 hereof; and

(b) the satisfaction of the conditions in paragraph 33 hereof;

or on such other date as the parties may agree to in writing (such completion being herein referred to as the "Closing" and the date of such completion being herein referred to as the "Closing Date"); provided however that if the Closing Date has not occurred by June 30, 2009, the Purchaser may at its option terminate this Agreement by notice in writing to the Vendor whereupon the Deposit and all accrued interest will be immediately returned to the Purchaser and neither party shall have any further obligation to the other under this Agreement.

6. **Title Examination**

The Purchaser will be allowed until expiry of the Conditional Period hereinafter defined to examine the title at its own expense and to satisfy itself that the proposed use will be permitted and that the title is good and free from all registered privileges, hypothecs, encumbrances or other real rights. If during that time any objection, including any deficiencies or lack of title whatsoever, is made in writing to the Vendor, which the Vendor is unable or unwilling to remove and which the Purchaser will not waive, this Agreement, notwithstanding any intermediate acts or negotiations in respect of such

objections, shall be null and void, and the deposit shall be returned to the Purchaser with interest thereon.

7. Title Documents

The Purchaser will not call for production of any deed, abstract, survey or other evidence of title except such as are in the possession and control of the Vendor.

8. Vendor Deliveries

The Vendor covenants to deliver the following documents to the Purchaser within **five (5)** calendar days after the date of acceptance of this Agreement:

(a) A currently dated survey of the Property, prepared by a licensed land surveyor, without any encroachments on the Property. The survey shall include the surveyor's certificate confirming the area of the Property and shall further indicate the location of any right-of-way or easements affecting the Property.

(b) Copies of all other contracts, agreements, warranties and guarantees related to or affecting the Property, including, but not limited to, all permits and licenses or evidence of compliance with regulatory authorities required for the operation and use of the Property.

(c) A current and complete legal description of the Property in registerable form.

(d) Any and all recent environmental or other reports, as are in the possession of the Vendor, related to or affecting the Property.

(e) Authorizations to municipal and government authorities necessary to permit the Purchaser to obtain information from their files relating to the Property.

(f) Any other information in the possession and control of the Vendor relating to the Property.

9. Purchaser's Conditions

The obligations of the Purchaser to complete the purchase of the Property is subject to the following conditions:

(a) Title to the Property being clear and free of all encumbrances on Closing, except for the conditions and reservations contained in the original grant of the said lands from the Crown and except for any encumbrance which the Purchaser is prepared to assume, in its sole discretion, or which will be discharged as a condition of Closing.

(b) The Vendor having fulfilled the terms of this Agreement to be fulfilled by him on or prior to Closing unless the Purchaser is prepared to waive any failure to fulfill such terms.

(c) The Purchaser and Purchaser's authorized representatives having access to the Property for the period of **sixty (60)** days following the acceptance of this Agreement (the "Conditional Period"), for the purpose of carrying out such environmental tests, physical tests, and other tests and inspections of the Property as the Purchaser deems necessary and being satisfied with such tests or inspections, in the Purchaser's sole discretion. If any such tests or inspections cause damage to the Property, the Property will be restored to its former condition at the Purchaser's expense if the transaction herein is not completed and the Purchaser will indemnify and hold the Vendor harmless for any damages the Vendor may suffer as a result of such tests or inspections.

If during the Conditional Period the Purchaser's environmental tests, physical tests and/or inspections of the Property disclose the existence of environmental contaminants, the Purchaser may, but shall not be required to, provide the Vendor with a written request to correct such conditions. The Vendor shall have **five (5)**

calendar days after the giving of such request to indicate whether it is prepared to remediate the Property. If the Vendor is not prepared to do so, the Purchaser may terminate this Agreement by delivery of a written notice to the Vendor. Upon delivery of such notice, this Agreement shall be null and void, and the deposit shall be returned to the Purchaser with interest but without penalty.

If the Vendor is prepared to do so, then the Vendor, at its own expense, shall forthwith after giving notice thereof to the Purchaser remediate the Property to meet applicable environmental legislation and standards, which work shall be completed within such period of time as may be agreed between the Vendor and the Purchaser. In such event, the date for closing this transaction shall be extended for the same period. If the period for remediation is not agreed to or the Vendor does not complete the remediation within the applicable period, the Purchaser may terminate this Agreement by delivery of a written notice to the Vendor. Upon delivery of such notice, this Agreement shall be null and void and the deposit shall be returned to the Purchaser with interest but without penalty. If the period for remediation is agreed to, but the Vendor does not complete the remediation within the applicable period, then the Purchaser may terminate this Agreement by delivery of a written notice to the Vendor, provided however that any such termination will be without prejudice to any other remedy of the Purchaser at law or in equity.

(d) On or before the expiry of the Conditional Period, the Purchaser being satisfied in its sole discretion, that the current zoning and development rights will permit the Purchaser's proposed use of the Property.

(e) On or before the expiry of the Conditional Period, the conditions set out in paragraph 33 have been satisfied subject only to such conditions as are acceptable to the Purchaser in its sole discretion.

10. Satisfaction of Conditions

The conditions in paragraphs 6 and 9 are for the sole benefit of the Purchaser and may be waived by the Purchaser. The Purchaser may, if it is not satisfied with any of the conditions in paragraphs 6 and 9 in its sole discretion, terminate this Agreement by notice to the Vendor on or before the date upon which the condition is to be satisfied, in which event, this Agreement shall be null and void and the Deposit returned to the Purchaser with interest but without penalty.

If notice of termination is not given by the Purchaser and any of the conditions in paragraphs 6 and 9 have not been met, fulfilled, performed or completed and waived in writing by the Purchaser to the Vendor prior to the end of the period applicable to such conditions, this Agreement shall be null and void and any monies paid by the Purchaser shall be refunded forthwith with interest but without penalty.

11. Termination of Agreement

Notwithstanding any other term or provision of this Agreement, the Purchaser has the right in its sole and unfettered discretion on written notice to the Vendor, to terminate this Agreement at any time during the Conditional Period and this Agreement shall become null and void and any monies paid by the Purchaser shall be refunded forthwith with interest and without penalty.

12. Representations and Warranties

The Vendor represents and warrants to the Purchaser, as warranties that are true at the Closing Date, unless otherwise expressly stated that:

(a) That there are no encroachments on the lands by buildings, structures or fences from adjacent lands.

(b) The Property complies with all bylaws and regulations of the City of Winnipeg, all provincial fire, health and safety regulations, all development agreements, covenants or commitments given by the Vendor to the City of Winnipeg in

respect of the Property and that the Property will be on the Closing Date free of any outstanding work orders or any of the above;

(c) There are no local improvement charges owing to the City of Winnipeg with respect to the Property;

(d) There are no existing leases or other tenancy agreements entered into with any tenant for the occupancy of space on the Property;

(e) No monies are payable or will be payable (as a result of the satisfaction of any condition or requirement) by the Vendor to any general contractor, subcontractor or materials man with respect to the Property and there are no liens, builders' or otherwise, against the Property, except as specifically disclosed in writing to the Purchaser and accepted by the Purchaser;

(f) The Vendor has not received from any governmental or municipal authority any notice of expropriation or intended expropriation of any portion of the Property and no notice of road closure affecting present access by vehicular traffic to the Property; and the Vendor has received no orders or requests from any municipal or other governmental authority under which any work, repairs or replacements are required or requested with respect to the Property;

(g) To the best of the Vendor's knowledge, all questions asked or to be asked before closing during inspections of the Property by the Purchaser were fully and honestly answered and no adverse condition of the Property was concealed;

(h) To the best of the Vendor's knowledge, there is no defect in any portion of the Property which the Vendor knows or, as a reasonable and prudent owner, should know and be aware of that is material;

(i) All utilities charges related to the Property, which are the obligations of the Vendor, will be paid in full to the Closing Date, except as contemplated in the adjustments made between the parties pursuant to this Offer;

(j) The entering into by the Vendor of this Offer and the closing of the transaction contemplated hereby shall not constitute a default under any contractual obligations or commitments relative to the Property;

(k) All necessary corporate steps and proceedings have been taken to authorize the Vendor to enter into this Offer and the agreement constituted on its acceptance and perform the transactions contemplated hereby;

(l) There are no management contracts, listing agreements or other agreements in force with respect to the Property, which will be in effect as of the Closing Date;

(m) To the best of the Vendor's knowledge, the Property and lands adjacent to the Property are free from all environmental contamination, including all hazardous and controlled substances, any patent or latent environmental contamination of the atmosphere, air, soil, subsoil or ground or surface water and the Vendor has not released any hazardous and controlled substances on to or adjacent to the Property at any time;

(n) The Purchaser will have no obligation to assume any employees of the Vendor in respect of the Property;

(o) No written notice has been received by the Vendor which remains outstanding at closing from any governmental or quasi-governmental authority advising of any deficiency or non-compliance with any building restriction, zoning by-laws, fire codes, environmental protection legislation, or other regulation;

(p) There is no litigation, claim, or proceeding, including appeals and applications for review, in progress, pending or, to the best of the knowledge of the Vendor, threatened against or relating to the Vendor and affecting the Property before any domestic court, governmental department, commission, board, bureau or agency,

or arbitration panel, and there is not presently outstanding against the Vendor any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency or arbitrator which materially adversely affects the Property;

(q) The Property is fully serviced with all utilities necessary or desirable for the proposed use and development by the Purchaser and access or hookup to such utilities is reasonably and cost-effectively located for the proposed use and development by the Purchaser. Without limiting the generality of the foregoing, the municipal services are available to the Property as follows:

Water Waste Sewer - located at the North terminus of Paget Street, as shown on Schedule "A-1";

Watermain - located along the South side of Wilkes Avenue frontage, as shown on Schedule "A-1"; and

Land Drainage Sewer - located along the North side of Wilkes Avenue, as shown on Schedule "A-1";

(r) The Purchase Price includes all charges related to improvements benefiting the Property (including trunk service charges for land drainage) and the Property will not be subject to and the Vendor will not levy or assess the Property with any further charges with respect to improvements benefiting the Property in existence as at the Closing Date; and

(s) The Vendor is not a non-resident of Canada for income tax purposes.

The above representations and warranties shall not merge on but shall survive closing of this transaction.

13. Closing Documents

(a) Documents to be delivered by the Vendor

Within a reasonable period of time prior to the Closing Date, the Vendor shall deliver to the Purchaser's solicitors the following:

(i) a duly executed Transfer of Land in registerable form transferring the fee simple title to the Property to the Purchaser, free and clear of all liens, charges and encumbrances except for the Permitted Encumbrances together with, if not previously registered, a registerable Plan or Plans of Subdivision to effect the closing of the lane (as shown hatched on Schedule "A-1") and to consolidate such lane with the remainder of the Property into one lot;

(ii) an assignment of all of the right, title and interest of the Vendor in all third party contracts and warranties which the Purchaser has agreed to assume provided that if any warranty is not assignable, the Vendor agrees to provide a commensurate warranty and representation to the Purchaser;

(iii) a certificate executed by the Vendor repeating the representations and warranties of the Vendor set forth in paragraph 12 as of the Closing Date;

(iv) a direction as to the payee or payees of the balance of the Purchase Price payable on Closing if not the Vendor;

(v) an undertaking by the Vendor to re-adjust the adjustments on closing;

(vi) a statement of adjustments approved by the Vendor;

(vii) registerable discharges of all encumbrances other than Permitted Encumbrances;

or a breach of the Vendor's representations and warranties in paragraph 7 or any breach of its obligations hereunder, including, without limitation, the leakage or migration of hazardous substances to any neighbouring property. The term "Claims" herein means any and all liabilities (whether accrued, actual, contingent, direct or indirect or otherwise), claims, demands, proceedings, lawsuits, damages, fines, penalties, judgments, awards, losses, costs and expenses (including, without limiting the generality of the foregoing, the fees and costs of counsel, on a solicitor and own client basis, consultants and experts and investigation and cleanup costs and expenses, whether incurred by the Indemnitees or charged to them by third parties). For greater certainty, it is understood and agreed that the term "Claims" also includes any Claims that might be made for environmental damage or for the cost of any investigation or environmental cleanup or remediation relating to or arising out of the ownership, occupation, possession or use of the Property by the Vendor or any other persons on or before the Closing Date. This indemnity will remain in full force and effect after the Closing Date and will not merge with the transfer of the Property by the Vendor to the Purchaser.

15. Work Orders

The Vendor covenants to comply, at its own expense, with any work order or orders relating to the Property issued and outstanding on closing from any governmental authority including police or fire department, sanitation or health authorities or any other federal, provincial or municipal authority having jurisdiction relating to the work orders which are the responsibility of the owner of the Property with such compliance to be completed as soon as possible and if not by closing then as soon thereafter as is reasonable.

16. Adjustments

(a) The Vendor acknowledges that the Purchaser makes payments in lieu of property taxes and that accordingly there will be no adjustment to the Purchase Price on Closing in respect of property taxes; the Purchaser shall not be required to make any payment in lieu of property taxes until the 2010 taxation year.

(b) The Vendor shall reimburse the Purchaser the amount of the cost to the Purchaser to connect the Property to the existing land drainage sewer connection serving the Property, including engineering and contingency costs as such amount is certified by an engineer licensed to practise in the Province of Manitoba. The Vendor will pay such amount to the Purchaser within thirty (30) days of the Purchaser submitting the certification of costs to the Vendor, which obligation of the Vendor will not merge but will survive Closing.

(c) The Vendor shall arrange, at its sole cost and as part of the condition set out in paragraph 33, to have a plan of subdivision for the Property and the lane (shown hatched on Schedule "A-1") prepared and to cause the surveyor to provide a certificate certifying the total acreage of the Property and the lane. The Purchase Price shall be adjusted on the basis of Two Hundred Fifty Thousand Dollars ($250,000.00) per acre of land as certified.

17. Risk

Until the Closing Date, the Property will be and remain at the risk of the Vendor, and thereafter will be at the risk of the Purchaser.

18. Delivery of Possession

Subject to the terms of this Agreement being complied with, the Vendor shall deliver vacant possession of the Property to the Purchaser upon Closing. The Vendor shall deliver a declaration of possession or statutory declaration respecting its possession of the Property.

19. Goods and Services Tax

On Closing, the Purchaser will promptly pay any goods and services tax ("GST") imposed on the Purchaser with respect to any amounts owing by the Purchaser to the

Vendor under this Agreement. The Purchaser will pay the GST to the Vendor on Closing if the Purchaser is not a registrant as that term is defined in the applicable goods and services tax legislation.

In any other case, the Purchaser will provide evidence satisfactory to the Vendor that it is a registrant under the applicable goods and services tax legislation and will remit the GST directly to the appropriate taxing authority.

20. Tender

Any tender of documents or money hereunder may be made upon the Vendor or the Purchaser or their respective solicitors, and money may be tendered by cash or certified cheque.

21. Joint and Several Covenants

If more than one person executes this Agreement as Purchaser, each person shall be jointly and severally bound with the other(s).

22. Successors and Assigns

The provisions of this Agreement shall be binding upon and enure to the benefit of the Vendor and Purchaser, their heirs, successors and assigns.

23. Time of Essence

Time will be of the essence of this Agreement.

24. Waiver

No waiver of any provision of this Agreement will be deemed or constitute a waiver of any other provision nor will any such waiver constitute a continuing waiver unless otherwise expressly provided. No waiver of this Agreement will be binding unless executed in writing by the party to be bound thereby.

25. Amendment

No amendment, modification or change to this Agreement shall be binding upon the parties unless it is contained in a written agreement signed by the parties hereto.

26. Notices

Any notice, document or other communication required or permitted to be given hereunder will be in writing and may be given by personal delivery, Priority Post, telex or facsimile, addressed:

(a) in the case of the Purchaser to:

CANADA POST CORPORATION
Real Estate
2701 Riverside Drive, Suite B-323
Ottawa, ON K1A 0B1
Attention: Manager, Brokerage Services
Telephone: 613-734-6961
Facsimile: 613-734-8633

(b) in the case of the Vendor to:
THE CITY OF WINNIPEG
Planning, Property & Development Department
2nd Floor, 65 Garry Street
Winnipeg, MB R3C 4K4
Attention: Ray Klassen
Telephone: 204-986-5016
Facsimile: 204-944-8476

with a copy to:

_____
Barristers and Solicitors

_____
_____
_____
Attention: _____
Telephone: _____
Facsimile: _____

Each of the foregoing will be entitled to specify a different address by giving written notice as aforesaid to the other. Any such notice, if sent by facsimile, will be deemed to have been received on the next business day following the day on which the notice was dispatched or if delivered by personal delivery, will be deemed to have been received on the day of delivery if a business day or, if not a business day, on the business day next following the day of delivery, or if delivered by courier, will be deemed to have been received on the third business day following the day on which the notice was sent. In the event of an actual or threatened disruption of postal service, only notice by personal delivery or facsimile will be sufficient.

27. Counterparts

This Agreement may be executed in several counterparts, each of which so executed will be deemed to be an original and such counterparts together will constitute one and the same instrument.

28. Governing Law

This Agreement will be governed by the laws of the Province of Manitoba and the laws of Canada applicable therein.

29. Non-Merger

This Offer to Purchase shall not be or be deemed to be merged in any document, agreement, conveyance or other like matter of thing hereafter entered into between the Vendor and the Purchaser and all of the terms, covenants, conditions and agreements herein contained shall survive the closing of the transaction hereby created.

30. Legal Fees

It is agreed between the parties hereto that each party shall bear its own legal fees with respect to this transaction. The Purchaser is responsible for any fees with respect to the registration of the transfer, and the Vendor shall be responsible for the cost of discharging all encumbrances against the Property which are to be discharged.

31. Commissions

The Vendor shall pay all fees and commissions payable to real estate agents or other third parties in respect of the sale of the Property to the Purchaser. The Purchaser shall have no responsibility for the payment of any commissions respecting this Agreement.

32. Entire Agreement

This Agreement, including Schedules "A" and "A-1" attached hereto, which continues and forms part of this Agreement, constitutes the entire Agreement between the parties and there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property except as specifically set forth herein. This Agreement shall be read with all changes of gender or number required by the context. In the event of any conflict between any written or typed provisions and any printed provision herein the written or typed provision will supersede the printed provision to the extent of such conflict.

33. Condition Precedent

The obligation of the Vendor and the Purchaser hereunder is subject to the following conditions being satisfied on or before the expiry of the Conditional Period:

(a) the sale of the Property being approved by the Vendor or its delegated authority; and

(b) the closing of the lane shown hatched on Schedule "A-1".

The Vendor will, at its sole cost, initiate all steps required to close the lane and to consolidate the title to the lane with the remainder of the Property in accordance with paragraph 13(a)(i).

34. Additional Lane Closure

If requested by the Purchaser within five (5) days of the acceptance of this Offer by the Vendor, and upon receipt by the Vendor of the waiver of any objection or interest therein from the registered owners of the lands legally described as Lot 1 Block 2 Plan 34440 WLTO ("Lot 1"), the Vendor will, as part of the condition in paragraph 33(b), close the portion of the lane adjacent to the Lot 1 lands. The Vendor shall, at the further request of the Purchaser, include the additional lane portion together with the Lot 1 lands within the survey contemplated under paragraph 13(a)(i)to consolidate the Property, the lane and the Lot 1 lands as one lot.

DATED at Ottawa, Ontario this 7th day of January, 2009.

CANADA POST CORPORATION

By: _____
Name: Bill Michalopulos
Title: GM Sourcing Management

ACCEPTED at _____ this _____ day of _____, 2009.

THE CITY OF WINNIPEG

By: _____
Name:
Title:

SCHEDULE "A"

LEGAL DESCRIPTION OF THE PROPERTY

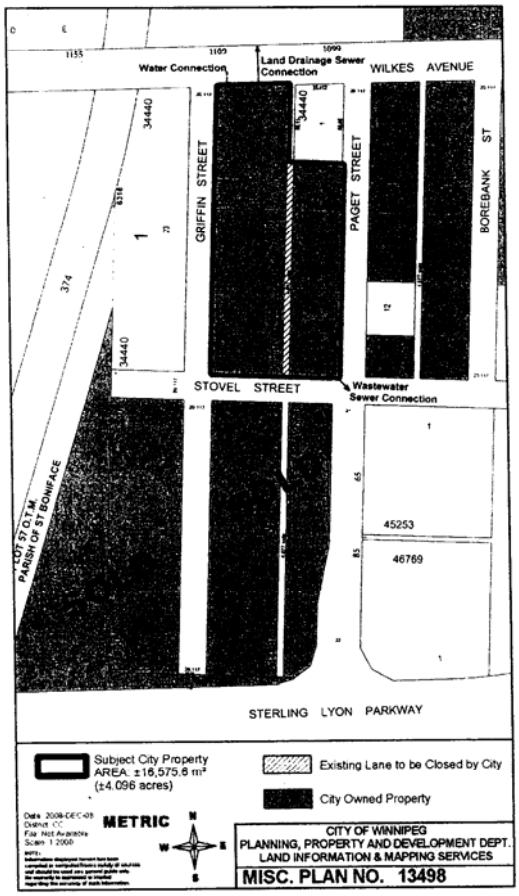
Lots 2, 3, 4, 5, 6 and 7 Block 2 Plan 34440 WLTO
In OTM Lots 53 to 57 Parish of St Boniface and
In Two Mile Road;

Including the lane situated between the above noted lots as shown hatched on Schedule "A-1" attached hereto.

SCHEDULE "A-1"

SKETCH OF THE PROPERTY

December 8, 2008 Page 3



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COUNTER OFFER

Re: Purchase of approximately 4.096 Acres Wilkes Avenue, Winnipeg, Manitoba

With reference to the offer to purchase made by Canada Post Corporation (the "Purchaser") dated January 9, 2009 (the "Offer"), the City of Winnipeg (the "Vendor") hereby confirms that the Offer is amended as follows:

1. Paragraph 4 of the Offer is amended by deleting in the second line reference to "January 16, 2009" and inserting in place thereof "February 23, 2009".

2. Paragraph 8(a) of the Offer is amended by inserting at the end of the first sentence the following words: ", to the extent that the City has such a survey in its possession".

3. Paragraph 10 is amended by deleting, where they occur in paragraph 10, the references to "paragraphs 6 and 9" and inserting in place thereof the words "paragraphs 6, 9, 33 and 34".

4. Paragraph 11 of the Offer is deleted and the following inserted in its place:

"11. Intentionally Deleted"

5. Paragraph 12(c) of the Offer is amended by deleting the words "are no local improvement charges" and inserting the following in its place "will be no local improvement charges".

6. Paragraph 13(a)(iii) of the Offer is deleted and the following inserted in its place:

"(iii) Intentionally Deleted"

7. Paragraph 14 of the Offer is deleted and the following inserted in place thereof:

"14. Purchaser's Indemnity

(a) The Purchaser acknowledges that the Vendor is not providing any warranty as to the environmental condition of the Property;

(b) The Purchaser agrees that it will rely solely upon its own investigations in determining the degree of contamination, if any, existing on and within the Property and the extent of contamination, if any;

(c) The Purchaser shall indemnify and save harmless the Vendor from and against all claims, costs and damages arising from or in any way connected with the existence of contaminants of any kind in or on the Property;

(d) It is understood and agreed that the terms, conditions and covenants contained in this clause shall not merge but shall survive closing;

(e) The Purchaser acknowledges that the Vendor has advised it that soil conditions in Winnipeg are of the glacial till variety which are composed of Lacustrine Clays with Silt Intrusions and that the Purchaser shall be responsible for any increased costs of developments due to this random stratification."

8. Paragraph 33 of the Offer is deleted and the following inserted in its place:

"33. Condition Precedent

The obligation of the Purchaser hereunder is subject to the Vendor having approved and completed, at the Vendor's sole cost but on terms and conditions satisfactory to the Purchaser in its sole discretion:

(a) on or before the expiry of the Conditional Period, all steps, including enacting all by-laws, required for the closing of the lane shown hatched on Schedule "A-1" attached hereto (the "Lane"); and

(b) on or before the Closing Date, all steps to consolidate the title to the Lane with the title to the remainder of the Property in accordance with paragraph 13(a)(i) hereof."

9. Paragraph 34 of the Offer is deleted and the following inserted in its place:

"34. Additional Lane Closure

The Vendor will, as part of the condition in paragraph 33, close the portion of the lane adjacent to the lands legally described as Lot 1 Block 2 Plan 34440 WLTO provided that if the Vendor has not approved and completed, on terms satisfactory to the Purchaser in its sole discretion, all steps necessary, including enacting any by-laws, required for the closing of such portion of the lane, the Purchaser may, separate from the condition set out in paragraph 33, waive the condition under this paragraph 34 without prejudice to its rights of termination in the event of the non-fulfillment of any other condition for the benefit of the Purchaser under this Offer, in whole or in part."

10. The following is added as paragraph 35 of the Offer:

"35. Vendor's Indemnity

If the Vendor has not completed the closing, on terms and conditions satisfactory to the Purchaser in its sole discretion, of the Lane that is the subject of the condition in paragraph 33 hereof on or before the expiry of the Conditional Period, the Vendor will and does hereby indemnify and save harmless, and will reimburse the Purchaser in respect of, all costs, losses, damages, claims and

expenses that the Purchaser bears, suffers, sustains or is put to as a result of the Purchaser, by reason of not being able to complete the acquisition of the Property by the Closing Date and thereafter commence development of a post office facility on the Property, having to locate and acquire a different tract of land in Winnipeg upon which to build a post office facility. Without limiting the generality of the foregoing, the indemnity and reimbursement obligation of the Vendor will include employee costs incurred by the Purchaser including overtime, bonuses and benefits, increased costs of land acquisition, real estate commissions payable as a result of the transaction under this Offer not being completed, increased costs of construction by reason of the delay in commencement of construction and the costs of due diligence investigations of the Property borne by the Purchaser including solicitor's costs. This indemnity shall survive any termination of this Offer by reason of the conditions set out in Paragraphs 33 and 34 hereof not being satisfied."

Please acknowledge your agreement to the foregoing amendments.

THE CITY OF WINNIPEG

By: _____
Name:
Title:

The undersigned Purchaser hereby agrees to the foregoing amendments to the Offer and agrees to and with The City of Winnipeg to duly complete the purchase and sale upon the terms and conditions set forth and described in the Offer, as amended hereby.

DATED at the City of _____,in _____, this _____ day of January, 2009.

CANADA POST CORPORATION

By: _____
Name:
Title: