

AGREEMENT OF PURCHASE AND SALE

1. I _____ (hereinafter called the "Purchaser"), having inspected the following described property, hereby offer to purchase from the **Town of Kensington**, (hereinafter called the "Vendor"), that property known as Lot # _____ as shown on a plan of Survey entitled "Plan of Survey showing a Subdivision of the Lands of TOWN of KENSINGTON", prepared by Locus Surveys Ltd. On May 7, 2021 (as revised July 27, 2021) as Plan Number 19257-S01, as approved by the Town of Kensington on September 13, 2021, with said lands located at Kensington, Prince County, Prince Edward Island, (being part of PID# 76406 and/or 767673), for the purchase price of _____ CAD dollars (_____) plus HST payable in Canadian funds, subject to the following conditions:
- (a) A 10% deposit paid to Key Murray Law, In Trust, upon submission of this Agreement of Purchase and Sale, shall be credited against the purchase price forfeited upon the failure of the Purchaser to fulfill its' terms of this Agreement. The deposit shall be returned to the Purchaser, without interest, in the event the Vendor fails to fulfill its' Terms of this Agreement. In the event that the Purchaser does not complete the Closing of the Agreement as provided for herein, then the Purchaser shall forfeit the Deposit and the forfeiture shall be in addition to all other claims that the Vendor may have against the Purchaser for its failure to complete this Agreement. If for any reason the transaction does not close, the Vendor is not liable for any other payments, penalties, actions, or future consideration.
 - (b) This sale is conditional upon the purchaser(s) obtaining financing by _____, 20_____, at its' own expense, and providing written confirmation of the financing from a lending institution. If financing time expires without written confirmation, then it will be deemed that financing has been approved. If within the financing time provided, the purchaser is not able to obtain financing with written confirmation this offer becomes null and void and the deposit money shall be returned in full without interest or penalty. This clause is inserted for the benefit of the Purchaser.

- (c) No buildings or structures shall be used for purposes other than those permitted by the Zoning By-Laws of the Town of Kensington, or by Resolution of Council, as applicable.
 - (d) The purchaser, at its expense, may have a geotechnical assessment or other due diligence conducted on the property, provided the Vendor is provided with reasonable notice and consents to the work and the property is returned to the condition it was in prior to the due diligence. The results of the due diligence shall be deemed to be satisfactory unless the Vendor is notified in writing to the contrary within 14 days of the day of the date hereof. If notice to the contrary is provided it shall be accompanied by a copy of any reports on the due diligence following which either party shall be at liberty to terminate this Agreement and the Purchaser's deposit shall be returned in full without interest or penalty.
 - (e) The Purchaser shall obtain all permits, licenses and approvals including environmental approvals for construction of its intended development.
2. The Closing date of this transaction shall be on or before _____ (hereinafter referred to as the Closing Date).
3. The Purchaser is allowed _____ business days to investigate title to the property, which the Purchaser shall do at the Purchaser's expense. If within that time frame any valid objection to title 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 shall be null and void and the deposit herein shall be returned to the Purchaser, and without liability by the Vendor for any expenses incurred or damages sustained by the Purchaser.
4. The Purchaser acknowledges that this transaction is taxable under Part IX of the Excise Tax Act (Canada) (the "Act") or relevant provincial legislation and that such tax (hereinafter referred to as "HST") shall be in addition to the Purchase Price and paid by the Purchaser to the Vendor on the Closing Date; provided, however, in the event the Purchaser is an HST registrant on the Closing Date, the Purchaser covenants to:
- (a) Self-assess and remit any HST to the Receiver General of Canada and /or provincial agency, if applicable, when and to the extent required by the Act or relevant provincial legislation;
 - (b) Indemnify the Vendor for any amounts for which the Vendor may become liable as a result of any failure by the Purchaser to pay the HST in respect of the

purchase and sale under the Act and/or other taxes pursuant to relevant provincial legislation and;

- (c) Provide a Statutory Declaration pursuant to S.221 (2) of the Act, on closing confirming its HST registration number under the Act and that it will report the HST on this transaction and remit same, as required.

5. On the Closing Date, the Purchaser shall pay the balance of the Purchase Price to the Vendor by certified cheque or solicitor's trust cheque. Property Taxes and municipal charges shall be adjusted as at the closing date.

6. On the Closing Date, the Property shall be conveyed by the Vendor to the Purchaser by Warranty Deed drawn at the expense of Purchaser and delivered to the Purchaser by the Vendor upon payment of the Purchase Price and HST. On the Closing Date the Vendor and the Purchaser shall comply with the applicable provisions of the Harmonized Sales Tax legislation.

7. The Property shall be conveyed free from any encumbrances except as to easements, registered restrictions or covenants that do not materially affect the enjoyment of the property and except as otherwise provided for herein. The terms, conditions and covenants contained herein shall survive the closing of this transaction.

8. Unless otherwise specifically agreed upon in writing by the Purchaser and the Vendor, the Property is conveyed on an "as is where is" condition as of the date of Closing.

9. The Vendor and the Purchaser acknowledge and agree that the Vendor shall not be deemed as making any representations or warranties to the Purchaser with respect to the condition of the Property. The Purchaser shall be solely responsible for carrying out all appropriate site investigations and ensuring that the Property and the Development on the property are in compliance with all applicable building and environmental regulations, including, without limitation the following:

- (a) The Purchaser acknowledges that the Property may have been rough graded and filled by the Vendor;
- (b) The Purchaser accepts that there may be significant variations in bearing capacity on and throughout the site.
- (c) The Purchaser shall be solely responsible for carrying out any necessary soil investigations of the property to determine its load bearing capacity and suitability for the proposed development on the Property;

- (d) The Purchaser shall be solely responsible for determining that the property and the development on the property comply with all applicable building and environmental by-laws and regulations; and
 - (e) That the foregoing representations as to possible variations in soil bearing capacity, shall not be modified or varied in any manner whatsoever as a result of any oral or written communication to the Purchaser by the Vendor, its contractors, consultants, or other servants and agents. The provision of any information to the Purchaser by the Vendor, its consultants or contractors, is a courtesy alone and in no way relieves the Purchaser of its obligation to secure adequate soil testing for its property development.
10. The Property shall be and remain the responsibility of and at the risk of the Vendor pending closing.
 11. Time shall in all respects be of the essence in the Agreement. In the event of a written agreement of extension time shall continue to be of the essence.
 12. This Agreement shall ensure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.
 13. This Agreement is to be read with all changes of gender or number required of the context.
 14. This agreement shall be interpreted in accordance with the laws of Prince Edward Island.
 15. The Vendor and Purchaser agree to be bound by offers and counter offers and related documentation that may be transmitted electronically and that reproductions of the signatures therein will be treated as originals.
 16. The Vendor and Purchaser agree with each other that a signature on this Agreement delivered via facsimile or other electronic transmission shall constitute a legally binding agreement.
 17. This Agreement may be executed by the parties in separate counterparts, each of which shall be deemed to constitute an original, but all of which together shall constitute one and the same agreement. This Agreement will be considered fully executed when all parties have executed an identical counterpart, notwithstanding that all signatures may not appear on the same counterpart.
 18. Both parties to this Agreement understand and agree that the terms, conditions and covenants of this Agreement shall survive closing.

19. This offer shall be open for acceptance until _____ on the _____ day of _____, 20____.

Dated at _____, Prince Edward Island, this _____ day of _____, 20____.

Purchaser:

Per:

Witness's Signature

Printed Witness Name

Purchaser's Lawyer and Address:

20. Town of Kensington hereby accepts the above offer and agree to sell on the terms therein set forth.

Dated at Kensington, Prince Edward Island, this _____ day of _____, 20____.

Town of Kensington

Per:

Witness's Signature

Printed Witness Name

Vendor's Lawyer and Address:

J. Kenneth Clark Q.C at Key Murray Law, P.O. Box 1570, 494 Granville Street, Summerside, PEI, C1N 4K4, Phone: 902-436-4841, Fax: 902-436-5063,

Email: kenneth.clark@keymurraylaw.com