

OFFER OF PURCHASE AND SALE

BY AND BETWEEN:

WENDY PENNO, *as Administrator for the Estate of Garry Penno*
& EDWIN PENNO
(the "**Vendor**")

IN ALBERTA COURT OF QUEENS BENCH ACTION 1903 25382 (the "**Action**")

AND

(the "**Purchaser**")

1. The Vendor agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Vendor the property legally described in the attached Schedule "A" (the "**Property**").

2. The Purchaser hereby offers to purchase the Property for the sum of the Closing Bid on the CLHbid.com auction taking place on September 7, 2022 being \$_____ (the "**Purchase Price**") and subject to the terms and conditions herein set forth. The Purchaser agrees that the Purchase Price shall be paid in the following manner:

\$_____ **DOLLARS** deposit
(hereinafter referred to as the "**Deposit**") by Bank Draft or Electronic Bank Deposit, which amount equals 20% of the Purchase Price, made payable to the Carter, Lock & Horrigan as further described in Section 4.

\$_____ **DOLLARS**, more or less,
and subject to the usual adjustments, after the Court grants a Court Order Vesting Title approving the sale of the Property to the Purchaser (the "**Court Order Vesting Title**") and to the necessary conveyances and the formal documents, on the Closing Date to the Vendor's Lawyer.

3. The Deposit shall be released to the Vendor's Solicitor:

- a) On or before the Closing Date as determined by the Court Order Vesting Title; or
- b) if the Purchaser is in default of the completion of this Offer, upon such default as liquidated damages and the Offer shall be the null and void and there shall be no further recourse against the Purchaser.

4. The Purchaser agrees to submit on or before 4:30 pm on September 8, 2022 an executed copy of this Offer along with a Bank Draft or Electronic Bank Deposit in the sum of 20% of the Purchase Price made payable to Carter, Lock & Horrigan (the "**Deposit**").
5. The Purchase Price does not include Goods and Services Tax ("**GST**"). The Purchase Price will be subject, on the Closing Date, to the addition of GST which shall be paid by the Purchaser to the Vendor on the entire Purchase Price. Alternatively, in the event the Purchaser represents and warrants to the Vendor that the Purchaser is a registrant under the *Excise Tax Act* (Canada) and provides the Vendor with their GST registration number prior to the Closing Date together with a GST indemnity then the Purchaser may account directly to Canada Revenue Agency for the GST payable on this transaction without paying same to the Vendor.
6. The Vendor's Lawyer will, prior to the Closing Date, deliver to the Purchaser's Lawyer the following:
 - a) a Statement of Adjustments for the Property;
 - b) a Court Order Vesting Title in a form satisfactory to the Court;
 - c) a letter directed to the Registrar of Land Titles that the Solicitor for the Purchaser is authorized to file the Court Order Vesting Title; and
 - d) such other documents as may be required.
7. The Purchaser acknowledges that the closing date is subject to the Court Order Vesting Title which is anticipated to be 2-3 months following the sale date (the "**Closing Date**").
8. Possession will be made available as follows:
 - a) The house, buildings and the yard site will be in the discretion of the Court. The Purchaser acknowledges that all buildings are being purchased on an "as is" basis. The Vendor will not provide a Real Property Report and will provide no representations or warranties as to the condition or fitness of any buildings (the "**Possession Date**"); and
 - b) The cultivated land will be subject to the existing lease in place till March of 2024.
9. All money owing to the Vendor shall be paid to the Vendor's Lawyer on or before 12:00 noon on the Closing Date. Any monies received after 12:01 pm shall be deemed to have been received on the next business day. If the Vendor agrees to accept monies after the Closing Date, the Purchaser shall pay interest at a rate of 7% per annum on any money owing to the Vendor as at the Closing Date, from the Closing Date until that money has been paid.
10. The Vendor's Lawyer will deliver normal closing documents to the Purchaser's Lawyer upon reasonable conditions consistent with the terms of this Offer.
11. The Purchaser hereby acknowledges that if registration of the transfer documents, and Purchaser financing, if any, cannot be registered by the Closing Date due to Alberta Land Titles registration timeline delays then the Purchaser shall obtain a title insurance policy to avoid delays past Closing Date at their expense.

12. All normal adjustments for the Property including but not limited to surface leases, taxes, lease of land, municipal utility charges, and interest shall be adjusted as at noon on the Closing Date.
13. The Purchaser agrees to pay a transaction fee equal to 1.25% of the Purchase Price plus GST (the "**Transaction Fee**"). Such fee will be in addition to the Purchase Price. The Transaction Fee will appear on the Statement of Adjustments as provided to the Purchaser's Lawyer.
14. The Property shall be free and clear of any financial encumbrances attributable to the Vendor. The Property may be subject to all non-financial encumbrances now on title such as easements, utility right of ways and covenants and conditions registered against the Property.
15. The Purchaser has inspected the Property and agrees that the Vendor has not made any representation, warranty, collateral agreement or condition regarding the Property or any adjacent land or lands in close proximity to the Property or otherwise which may in any way directly or indirectly affect the Property or regarding this Offer other than what is written herein.
16. The Vendor represents and warrants to the Purchaser that:
 - (a) They are not now (nor will be within 60 days after Possession Date) a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
 - (b) They are not agents or trustees of anyone with an interest in the property who is (or will be 60 days after Possession Date) a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and
 - (c) They have the legal right to sell the Property.
17. The parties hereto agree that the representations, warranties, and covenants herein shall not merge by the acceptance of documents, registration of documents, or the taking of possession by the Purchaser.
18. Upon this Offer being accepted by the Vendor, this document shall, as of the date of such acceptance, constitute an agreement of sale and purchase, notwithstanding the fact that formal documents may be required and the Purchaser and Vendor both agree to promptly execute and deliver all necessary documents and do all necessary acts in order to fully carry out and perform the true intent and object of these presents.
19. Time shall be of the essence in this Offer.
20. In this Offer, the masculine gender and the singular shall be construed as the feminine gender and the plural where the context so requires. This Offer shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

21. The Agreement may be executed in several counterparts bearing PDF, electronic, or facsimile signatures, each of which so executed shall be deemed to be an original, and such counterpart together shall constitute one and the same instrument.

IF THIS OFFER IS NOT ACCEPTED by the Vendor, the Deposit forthwith shall be refunded to the Purchaser, without deduction, provided however, that if this Offer is accepted and the Purchaser fails to comply with the terms as hereinbefore agreed, the Deposit shall be forfeited as liquidated damages and the Offer herein shall be null and void and of no further effect.

Dated at _____, in the Province of Alberta, on this ____ day of September, 2022.

PURCHASER

PURCHASER

Purchaser's Lawyer:

Firm: _____

Attention: _____

Address: _____

Phone: _____

Email: _____

ACCEPTANCE

ACCEPTANCE OF THIS OFFER is subject to approval by the Court, in the Action, by way of an Application for review of all Offers for the Property and approval of the Court by way of Court Order Vesting Title applied for by the Vendor's Lawyer.

The undersigned Vendor of the Property, hereby accepts the Offer and agrees to complete the sale on the terms and conditions in the Offer and should the Vendor fail to do so, the Purchaser at his option may cancel this Offer and may take such other remedies the Purchaser has at law.

Dated at _____, in the Province of Alberta, on this ____ day of September, 2022.

WENDY PENNO

as Administrator for the Estate of Garry Penno

EDWIN PENNO

Vendor's Lawyer:

Firm: McAllister LLP

Attention: Norman R. St. Arnaud

Address: 2500 Commerce Place, 101155- 102 Street
Edmonton, Alberta, T5J 4G8

Phone: 1-780-917-8605

Email: nstarnaud@mcallisterllp.com

OFFER SCHEDULE "A"

LEGAL SUBDIVISIONS ELEVEN (11) TWELVE (12) AND THIRTEEN (13)
AND ALL THAT PORTION OF LEGAL SUBDIVISION FOURTEEN (14) NOT
COVERED BY ANY OF THE WATERS OF LAKE NO. 11, ALL OF SECTION
ELEVEN (11)
TOWNSHIP SIXTY (60)
RANGE FOUR (4)
WEST OF THE FIFTH MERIDIAN
AS SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP SIGNED AT OTTAWA
ON THE 9TH DAY OF DECEMBER A.D. 1922,
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS
EXCEPTING THEREOUT:
1.63 HECTARES (4.02 ACRES) MORE OR LESS AS SHOWN ON ROAD
PLAN 3594JY
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

NOT COVERED BY ANY OF THE WATERS OF LAKE NO. 11
THE SOUTHWEST QUARTER OF SECTION ELEVEN (11)
TOWNSHIP SIXTY (60)
RANGE FOUR (4)
WEST OF THE FIFTH MERIDIAN
AS SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP SIGNED AT
OTTAWA ON THE 9TH DAY OF DECEMBER A.D. 1922
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME