



April 26, 2022

Chuck Dowdall
Executive Director
Prince Edward County Affordable Housing Corporation
332 Picton Main Street
Picton ON
K0K 2T0

Email: cdowdall@pecahc.ca

Dear Mr Dowdall

VineRidge Residential Development: Letter of Intent

This Letter of Intent is to set out general terms and conditions of the proposed purchase by Prince Edward County Affordable Housing Corporation (the "Purchaser") of certain real property and condominiums on the property currently known as 4 – 74 Nery Avenue and 27 – 81 Inkerman Avenue, Picton, ON and to be re-developed by Picton on the Green Development Corporation (the "Vendor"). Application has been made for Zoning By-Law Amendment and Draft Plan of Subdivision which is currently under review by the Corporation of the County of Prince Edward. Included in the redevelopment will be a separate phased condominium on the westerly portion of the property on Fish Creek Drive. This condominium will consist of 60 rental apartments and 2 refurbished existing dwellings. The apartments will be built as triplex units in 5 three storey buildings. The buildings will be built in two phases, 2 in the first phase and 3 in the second phase.

The real property to be purchased shall consist of 7 triplex condominium units comprising a total of 21 two bedroomed rental apartments. The Purchaser to have the choice of units to be purchased, preferably not adjacent. Each triplex will consist of:

- a two bedroom ground floor apartment with direct access from the condominium road;
- 2 back-to-back two storey two bedroom apartments above, accessed from a common lobby and staircase;
- the average saleable floor area of each rental apartment will be approx. 900 square feet. Sample floor plans are annexed hereto as Schedule "A".

It is the intent of this letter that it sets out with sufficient particularity the details of the transaction contemplated by the parties so that the parties may know the general terms of the formal, comprehensive long form agreement of purchase and sale of the individual condominiums and the disclosure related thereto to be executed by them. Other than the provisions of this letter respecting exclusivity, termination and general provisions which will become binding upon acceptance of this letter, this letter is not intended to constitute a binding offer or agreement.

1. Purchase of Real Property and Condominium Units

- a) The Purchaser will purchase 7 Condominium Units. Each Condominium Unit will consist of 3 apartments in a triplex configuration such that the Purchaser shall purchase 21 apartments.
- b) The price of each Condominium Unit will be the sum of \$1,200,000.00 including HST and the New Residential Rental Property Rebate. This price is based on the Vendor's estimates of development and construction costs and market value as at March 1, 2022; to be adjusted, if necessary, based on changes to the costs and value at the time the transaction is signed.
- c) The Purchaser shall execute the Vendor's standard form agreement of purchase and sale for the Condominium Units when development approvals are in place and prior to the Vendor starting construction. A sample draft is annexed hereto as Schedule "B" and a sample draft of proposed condominium documents is annexed hereto as Schedule "C".

2. The HST Election

The parties agree that they will take all steps necessary, including the execution of a joint election in prescribed form containing prescribed information and the filing of such joint election within the prescribed time and in the prescribed manner, in order to obtain the benefit of the *Excise Tax Act*, (Canada) as from time to time amended.

3. Rent Supplement Program:

The Vendor to implement a housing benefit subsidy program for the Purchaser's tenants of the real property being purchased. The program to be based on the proposal made by FLC Group on behalf of the Vendor on December 9, 2021; this proposal is annexed here to as Schedule "D" and has been redlined as per the March 1, 2022 meeting of the Parties.

4. Mediation and/or Arbitration:

In the event of a dispute between the Parties the parties shall negotiate, mediate if necessary and finally if required arbitrate. The appropriate clause to be included in the final agreement between the Parties.

5. Termination

This letter may be terminated and the transaction contemplated hereby may be abandoned or terminated: at any time on fourteen (14) days' notice to the other by either party.

6. General Provisions

- a) This letter contains an outline of terms only and shall not be legally binding upon any party hereto. Each party hereto represents and warrants that it is duly authorized and has all necessary power and authority to execute and deliver this letter and to perform its obligations hereunder. It is expressly agreed and acknowledged that no other agreement or meeting of the minds has been reached. If for any reason whatsoever the purchase of the real property is not consummated, no party hereto shall be entitled to any form of relief whatsoever, including, without limitation,

injunctive relief or damages.

- b) No party hereto may transfer or assign its rights or obligations hereunder without the prior written consent of the other parties hereto.
- c) This letter may be signed in two or more counterparts, any one of which need not contain the signature of more than one party, but all such counterparts taken together will constitute one and the same agreement and shall be governed by the laws of the Province of Ontario.
- d) Each party hereto shall bear all expenses incurred by it in connection with this letter, including, without limitation, the charges of their respective legal counsel, accountants, financial advisors and finders.

Please indicate your consent and agreement to the foregoing by signing this letter in the space provided below and returning one fully executed copy to us

Yours truly



Fred Heller

Agreed to and acknowledged this day of ,2022.

Prince Edward County Affordable Housing Corporation

By: _____
duly authorized