

AGREEMENT FOR PURCHASE AND SALE OF LAND/LOTS
AVENTERRA ESTATES

BETWEEN:

CREATION COMMUNITIES INC.

a corporation duly incorporated pursuant to the laws of the Province of Alberta
(hereinafter referred to as the “**Vendor**”)

-and-

A resident/Corporation of

(hereinafter referred to as the “**Purchaser**”)

WHEREAS the Vendor is the owner of certain lands located in the County of Rocky View, in the Province of Alberta as set forth in **Schedule “A”** attached hereto (hereinafter referred to as the “**Vendor’s Lands**”);

AND WHEREAS the Vendor wishes to sell to the Purchaser, and the Purchaser wishes to purchase from the Vendor, **ONE LOT** out of the Vendor’s Lands, subject to the terms and conditions contained herein, as described in **Schedule “A”** attached hereto (hereinafter referred to as the “**Purchased Lands**”);

NOW THEREFORE, in consideration of the sum of **TEN (\$10.00) DOLLARS** paid by each party to the other, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **IT IS AGREED THAT:**

PURCHASE PRICE AND DAMAGE DEPOSITS

1. The Purchaser agrees to purchase the Lands from the Vendor at the total cost of

(\$ _____) **DOLLARS INCLUDING GST** (hereinafter referred to as the “**Purchase Price**”) on the terms and conditions set forth herein.

2. The Purchase Price shall be paid as follows:

a) An **Initial Deposit** non-refundable equal to _____ % of the Purchase Price in the amount of

(\$ _____), which is due upon execution of this Agreement.

- b) A Second non-refundable Deposit equal to _____ % of the Purchase Price in the amount of _____ dollars only (\$ _____) **Dollars** , which is due and payable within _____ days of the execution of this agreement after the removal of Purchasers and Buyers conditions as set forth in Schedule “C”, OR on _____
- c) A Third non-refundable Deposit equal to _____ % of the Purchase Price in the amount of _____ dollars only (\$ _____) **Dollars** , which is due and payable within _____ days of the execution of this agreement OR on _____
- d) The balance of the Purchase Price in the amount of \$ _____

 is due and payable upon closing on the _____ day of _____, 20_____

e) A ***Damage Deposit*** in the amount of **Ten (\$10,000.00) THOUSAND DOLLARS** in the form of a draft or an Irrevocable Letter of Credit in a form satisfactory to the Vendor in its sole discretion, and automatically renewable until the completion of all of the purchasers construction including house, landscaping and internal roads. Unless otherwise provided for herein, these funds shall be held in trust, at which time the Vendor shall deduct from this amount the costs to repair any damages, plus a reasonable administration fee, to the subdivision caused by the Purchaser and its contractors, if any, maintenance (including garbage removal and erosion control measures), or compliance with Architectural Controls, including, but not limited to, altering any house exteriors to match plans approved by the Vendor, and then return the balance, if any, to the Purchaser.

In the event that any part of the Damage Deposit is used to repair any damages to the subdivision prior to the Pay-Out Date, the Purchaser shall forthwith provide the Vendor with a further Irrevocable Letter of Credit to replenish the Damage Deposit to its original balance. Should the Purchaser fail to replace the Irrevocable Letter of Credit after being requested to do so by the Vendor, the Vendor shall be duly entitled, and is hereby authorized, to withhold the issuance of any further Grade Slips or Transfers of Land for lots purchased by pursuant to this Agreement, or any other Agreement between the Vendor and Purchaser, until the Purchaser replaces such funds. The Purchaser also acknowledges that the Vendor shall be duly entitled, and is hereby authorized, to use Damage Deposits held pursuant to other Agreements between the Vendor and Purchaser to replenish the Damage Deposit funds hereunder and vice versa, as the case may be, and the Purchaser will be responsible to replenish the balance of the Damage Deposit so used to its original amount as specified in the respective Agreement between the parties.

PAYMENT

3. All payments/cheques hereunder shall be made to the Vendors Lawyer at "***Parminder Hundal Professional Corp***". The Vendor and Purchaser acknowledge and agree that all Deposits shall be held in the Vendors Lawyers Trust account and immediately releasable to the Vendor.

4. The Purchaser shall pay interest at a rate equal to the Royal Bank of Canada Prime Rate, plus **Three (3%) PERCENT** per annum, on all money owing to the Vendor from a date which is **Eight (8) MONTHS** from the due date of the first deposit (the "**Adjustment Date**") up to the Pay-Out Date. Provided that the Vendor agrees to accept payment of the Balance of the Purchase Price after the Pay-Out Date, the Purchaser agrees to pay interest at a rate equal to the Royal Bank of Canada Prime Rate in effect, plus **FOUR (4%) PERCENT** per annum on all money owing to the Vendor at the Pay-Out Date, until same, has been paid for unconditional release to the Vendor. **(This Applicable to Builders Only)**

5. It is agreed that if the Purchaser shall default in payment of the Purchase Price or interest or any part of the payables agreed to be paid by the Purchaser under this Agreement, or should the Purchaser default in the observance or performance of any covenants, conditions, or provisions of this Agreement, then the Vendor may, at its sole discretion and option, after the occurrence of such event, declare this Agreement to be null and void and any rights or interests hereby created or then existing in the Lands in favour of the Purchaser, or derived from the provisions of this Agreement, shall cease and determine and the Deposits shall be forfeited to the Vendor as a genuine pre-estimate of liquidated damages (and not penalty) and the Vendor may take such other remedies that are available to it at law.

7. All adjustments including, but not restricted to taxes, rents and interest shall be made as at the Adjustment Date and provided that all the terms and conditions of this Agreement are first complied with and the Balance of the Purchase Price has been unconditionally paid and released to the Vendor, the Purchaser shall be granted vacant possession of the Lands.

8. Upon this Agreement being accepted by the parties, it shall constitute a complete agreement for the purchase and sale of the Lands and the parties agree that they will each promptly execute and deliver all necessary formal documentation and to do all necessary acts in order to fully carry out and perform the true intent of this Agreement.

9. The Transfer of Land shall be prepared at the Vendor's expense. Any prepayment penalties, bonuses, or costs of discharging any existing mortgage, local improvement levy, off site levy, on site levy, costs to repair damages caused to a particular lot by the Purchaser and/or its contractors, or other encumbrance not expressly assumed by the Purchaser shall be the Vendor's responsibility. The Vendor shall be permitted to discharge any financial encumbrance not assumed by the Purchaser out of the sale proceeds and such discharge shall be registered by the Vendor, at its expense, at the South Alberta Land Titles Office within **FORTY FIVE (45) DAYS** of the Pay-Out Date.

10. The Purchaser shall pay any expenses associated with the granting of any new mortgage and shall be responsible for the registration, and costs thereof, of all Transfer of Land and mortgage documents.

11. Both parties acknowledge that they are aware of the provisions of Section 94 of the *Land Titles Act* of Alberta and each agrees with the other that they each expressly and completely waive any and all rights they may have pursuant to this Section of the *Act* as against the other in respect to the sale and purchase of the Lands or to declare to have this Agreement declared null and void.

PURCHASER'S PRE-PAY-OUT RIGHTS

12. The Vendor agrees to allow the Purchaser to file a Caveat against the Lands protecting its interests under this Agreement, provided that the Purchaser agrees to postpone the Caveat to the Vendor's development financing on the Lands, and to erect a sign on the Lands advising of its future development and its availability for sale. The Purchaser agrees to remove its Caveat at its expense and to dismantle this sign, if any, on the Lands should the purchase not proceed to closing.

13. The parties agree that the Purchaser shall be entitled to possession of the Lands after payment of the full price of the land/lot and, after the Plan of Subdivision is registered and the existence of the lots as described in **Schedule "A"** attached hereto is confirmed, solely for the purposes of constructing residential dwellings thereon in accordance with the building plans and specifications it has first submitted to the Vendor for approval, and such possession shall be at the sole risk and responsibility of the Purchaser, provided always that:

- (a) The Purchaser shall not use the Lands to generate, treat, store, dispose of, or transfer any garbage construction waste, or contaminants (meaning substances, pollutants, and wastes which are deleterious, hazardous, toxic, a threat to public health or to the environment, or which may cause an adverse effect to the environment) without the prior written consent of the Vendor, which may be arbitrarily withheld by the Vendor at its sole discretion.
- (b) In the event the Agreement is terminated, the Purchaser shall immediately discharge and obtain releases of any claims, liens, Builder's Liens, charges, or encumbrances which are, or may be, filed against the Lands, or any portion of them, as a result of, or in any way related to, the use or occupation of the Lands by the Purchaser.
- (c) The Purchaser shall restore the Lands to the condition and state of repair as existed prior to the Purchaser being granted access to them.

14. The Vendor agrees to allow the Purchaser to make such inspections and examinations of title and of the condition of the Lands as it shall require and further agrees to provide such

documentation or authorizations, as the Purchaser shall require to carry out such inspections or examinations.

ARCHITECTURAL CONTROLS AND VENDOR APPROVAL OF BUILDING PLANS AND SPECIFICATIONS

15. The Purchaser acknowledges that the Lands will be subject to the Vendor's Architectural Controls as per Schedule D attached, and agrees to abide by and comply with all terms and conditions thereof and all terms and conditions associated with the Vendor's approval of the Purchaser's building plans and specifications. A finalized form of the Architectural Controls will be provided to the Purchaser in a timely manner prior to the issuance of show home building permits for the Lands. The Vendor shall be entitled to register a Caveat against the title to the Lands protecting its interests in the Architectural Controls. The Purchaser further agrees to supply all of its third party end purchasers with a copy of the Vendor's Architectural Controls and to provide the Vendor with a signed acknowledgement from its end purchaser that the end purchaser has in fact received a copy of the Vendor's Architectural Controls.

16. The Purchaser agrees to submit its building plans and all additional information or details as may be reasonably required by the Vendor or its representatives for approval, which shall not unreasonably be withheld. The Purchaser agrees that it shall not be entitled to receive a Grade Slip until such time as the Vendor has provided its Architectural Control approval. The Purchaser further acknowledges that it shall not make any changes to its Vendor-approved building plans and specifications without the prior written consent of the Vendor, which may be arbitrarily withheld.

17. The Purchaser agrees that it shall not apply for a Building Permit or commence construction until such time as the Vendor has approved its building plans and specifications. In the event that the Vendor determines that the Purchaser's construction does not conform to the building plans and specifications and/or the Architectural Controls, the Purchaser agrees to make such changes as may be required to make such construction conform otherwise the Vendor shall be entitled, but shall not be obligated, to:

a) enter the Lands to cause such work or repairs to be done as it deems necessary to (and the necessary access therefore to the Lands is hereby granted to the Vendor) and the costs thereof, plus a reasonable administration fee, shall be recoverable from the Purchaser and shall form a charge and lien against the Lands, and/or, **b)** withhold the issuance of any further Grade Slips for lots purchased by pursuant to this Agreement, or any other Agreement between the Vendor and Purchaser, until the Purchaser has made the necessary corrections to the home to make it adhere to the building plans and specifications and/or Architectural Controls.

18. The Purchaser acknowledges that it shall be solely responsible for the adherence to, and compliance with, all building codes, land use by-laws, drainage by-laws, restrictive covenants, caveats and all federal, provincial and municipal regulations affecting the Lands and the construction of homes thereon. The approval of the Purchaser's building plans and specifications by the Vendor or its agents does constitute a confirmation of adherence to, or compliance with all building codes, land use by-laws, restrictive covenants, caveats and all federal, provincial and

municipal regulations affecting the Lands and the construction of homes thereon, nor does it absolve the Purchaser of the responsibility of ensuring such adherence and compliance.

19. The Purchaser shall supply the Vendor with a copy of the certified survey certificate signed by an accredited Alberta Land Surveyor showing the “as constructed” grades on each of the lots comprising the Lands prior to the final Architectural Control inspection of each of the lots by the Vendor.

PURCHASER’S CONSTRUCTION OBLIGATIONS

20. The Purchaser shall complete a footing check on each of the lots comprising the Lands as per the tolerances set forth in the Vendor’s Architectural Control guidelines, and provide the Vendor with confirmation of same, prior to the commencement of any basement construction on any lot comprising the Lands.

21. Prior to the commencement of any construction on the Lands, the Vendor and Purchaser will meet, on a date to be confirmed by the Vendor, to prepare an inspection report, noting any damages to the Lands and services located thereon. This report shall note any damages to the Lands caused by the Vendor’s contractors prior to the aforementioned inspection. Should the Purchaser fail to attend at the inspection with the Vendor, it shall be deemed to have accepted the contents of such report.

22. After the Vendor has provided written notice to the Purchaser that the Lands have been fully serviced, (i.e. graded, deep and shallow utilities installed, roads paved and concrete curbs/gutters and sidewalks as appropriate), the Purchaser shall be responsible for maintaining and repairing any damage to the services and sidewalks on the Lands, until the County has issued its F.A.C. on the services on the Vendor’s Lands. Upon sale of the Lands to a third party purchaser, the Purchaser shall obtain from the third party purchaser an indemnity in favour of both the Purchaser and Builder, that requires the third party purchaser to make any repairs necessary to the services on the Lands caused by it or its contractors.

23. The Purchaser shall store all of its construction materials and supplies in an orderly manner on the Lands and such materials and supplies and any dirt removed from any basement excavation must not encroach on any adjacent lots.

24. The Purchaser acknowledges that there shall be only one controlled point of access to, and egress, from each of the lots comprising the Lands during construction thereon and that it shall ensure that all people entering onto the Lands during construction shall use this one point of access and egress which shall be gravelled at the Purchaser’s expense. The Purchaser further agrees that it shall be responsible for the removal of this gravelled access/egress point and/or the cleanup of any excess mud or debris on the road on or adjacent to the Vendor’s Lands caused by anyone leaving the Lands during construction thereon.

25. The Purchaser, at its sole cost and expense, shall manage all of the water drainage within the boundary of their property. The Vendor will not become involved in any disputes between the

Purchaser and any adjacent landowner or the municipality with respect to any water management or drainage issues

26. In the event that the Purchaser fails to construct and install a retaining wall as required herein in a timely manner, and such failure results in the delay of the issuance of an F.A.C. by the City, the Vendor shall be entitled, but shall not be obligated, to enter on to Lands to construct the required retaining wall (and the necessary access therefore to the Lands is hereby granted to the Vendor) and the costs thereof, plus a reasonable administration fee, shall be recoverable from the Purchaser's Damage Deposit.

27. All curb stops must be adjusted to a final grade as determined by the Vendor at the sole cost and expense of the Purchaser. Curb stops must be protected during construction on the Lands and no curb stop markers may be removed during construction until same is completed.

28. The Purchaser shall provide and install topsoil, sod, and one tree (as per County requirements for same) for the front yard of each lot comprising the Lands and the Purchaser agrees to compact and grade each lot prior to delivery of the topsoil and/or the sod. The Purchaser shall complete the installation of sod for any house constructed on the Lands prior to possession by a third party purchaser occurring during the period from May 15 to October 31, on or before October 31 of the same calendar year. Homes possessed by third party purchasers after October 31 must be sodded by no later than June 15 of the following calendar year. The Purchaser may access the topsoil pile, if any, located on the Vendor's Lands for no cost, however the Purchaser acknowledges that the Vendor will not screen this topsoil.

29. The Purchaser may not remove any material, other than topsoil used to landscape the Lands, such as rock or soil, from the Lands or the Vendor's Lands without the express prior written consent of the Vendor, which may be arbitrarily withheld. All excess material removed during basement excavation on the Lands must be removed from the Lands by the Purchaser at its sole cost and expense and placed by it on a site to be identified by the Vendor.

30. The Purchaser also agrees that it shall provide **ONE (1)** garbage bin per lot (unless the Purchaser has purchased contiguous lots, in which case there shall be **ONE (1)** bin for every **TWO (2)** lots) and shall locate same either on the front of the lot, and in no event shall these garbage bins be placed on the sidewalks or curbs adjacent to the Lands. The garbage bins shall be emptied on a regular basis and shall not be allowed to overflow. In the case the purchaser fails to clean the site within 48 hours after a notice has been provided by the developer, the developer shall implement the cleanup and deduct the cost of such cleanup from the damage deposit.

31. The Purchaser acknowledges and agrees that attendance at scheduled meetings between the Vendor and all the builders on the Vendor's lands is mandatory.

32. In the event that the Purchaser has Vendor-approved building plans and wishes to commence construction on the Lands prior to the installation of asphalt by the Vendor on the adjacent roads, the Vendor agrees to supply and maintain a driveable surface on such roads unit such time as asphalt is installed.

SALE OF LANDS BY PURCHASER

33. The Purchaser expressly agrees not to sell any of the lots comprising the Lands, other than in the ordinary course of home construction, to any third party without the prior written consent and approval of the of the Vendor, which may not be unreasonably withheld.

MISCELLANEOUS AND GENERAL

34. The Purchaser has inspected the Lands and expressly agrees that neither the Vendor nor any agent for the Vendor has made any representation, warranty, collateral agreement or condition regarding the Lands, other than as set forth in writing in this Agreement.

35. The Purchaser acknowledges and agrees that it is the prime contractor within the meaning of the *Occupational Health and Safety Act* of Alberta and the Purchaser undertakes to carry out the duties and responsibilities of the prime contractor with respect to all work performed on the Lands. **(Applicable to Contractors and Builders Only)**

36. The Purchaser, whether a contractor or not, shall indemnify and save harmless the Vendor from any liability for claims, damages, or penalties, including legal fees on a solicitor and own client basis to defend any prosecutions or civil actions, arising from the Purchaser's failure to comply with the duties under the said *Occupational Health and Safety Act* of Alberta or any other relevant legislation.

37. The parties agree that the Lands shall be serviced to the property line of each lot with electrical power, natural gas, telephone, water and cable television.

38. This Agreement shall not merge in the registration of the Transfer of Land but shall survive such registration and the Pay-out Date.

39. All Schedules form part of this Agreement.

40. If any section or provision in this Agreement shall be adjudged to be invalid or unenforceable, then such section or provision shall not affect the validity or enforceability of any other section or provision of this Agreement.

41. Time shall in all respects be the essence of this Agreement.

42. This Agreement shall be governed and construed by the laws of the Province of Alberta.

43. This Agreement shall ensure to the benefit of, and be binding on, the parties hereto and their respective successors and assigns. This Agreement may not be assigned by the Purchaser without the express written consent of the Vendor.

44. The Vendor hereby represents and warrants to the Purchaser that that the Vendor is not a non-resident Canadian within the meaning of Section 116 of the *Income Tax Act of Canada*.

45. The parties acknowledge that the Purchase Price is subject to the Federal Goods and Services Tax (hereinafter referred to as “GST”). In the event that the Purchaser holds a GST registration number, it shall remit directly to the Receiver General the GST payable on the Purchase Price and shall file the prescribed form with the Minister of National Revenue.

46. If there is any Realtor involved in the sale of the Lands, and therefore any commission due for the purchase of the Lands hereunder, It shall be the sole responsibility of the Realtor to ensure and clarify who will be responsible for the commissions payable prior to the signing of the agreement.

47. The Purchaser shall indemnify and save harmless the Vendor from and against any and all claims, demands, costs, damages, actions, suits, or other proceedings which may be brought against the Vendor, either directly or indirectly by reason of construction or the performance of any other work on or in connection with the Lands by the Purchaser, its contractors, servants, agents, employees, invites, licenses, and all persons having business with the Purchaser.

48. The Purchaser acknowledges the registration of an encumbrance on the title of the purchased lands by Aventerra Residents Association as per attached “The Aventerra Resident’s Association Encumbrance”.

49. The purchaser is required to initiate the construction of their house on the lot within a period of 2 years from the transfer of the lot. If the purchaser fails to comply, then a penalty in the amount of \$1000 per month becomes payable to the Vendor.

IN WITNESS WHEREOF this Agreement has been accepted and duly executed by the Vendor at the City Of _____, in the province of Alberta on the ____ day of _____, 20.

CREATION COMMUNITIES INC.

WITNESS

IN WITNESS WHEREOF this Agreement has been accepted and duly executed by the Purchaser at the City of _____, in the Province of Alberta on the ____ day of _____, 20

PURCHASER’S

WITNESS

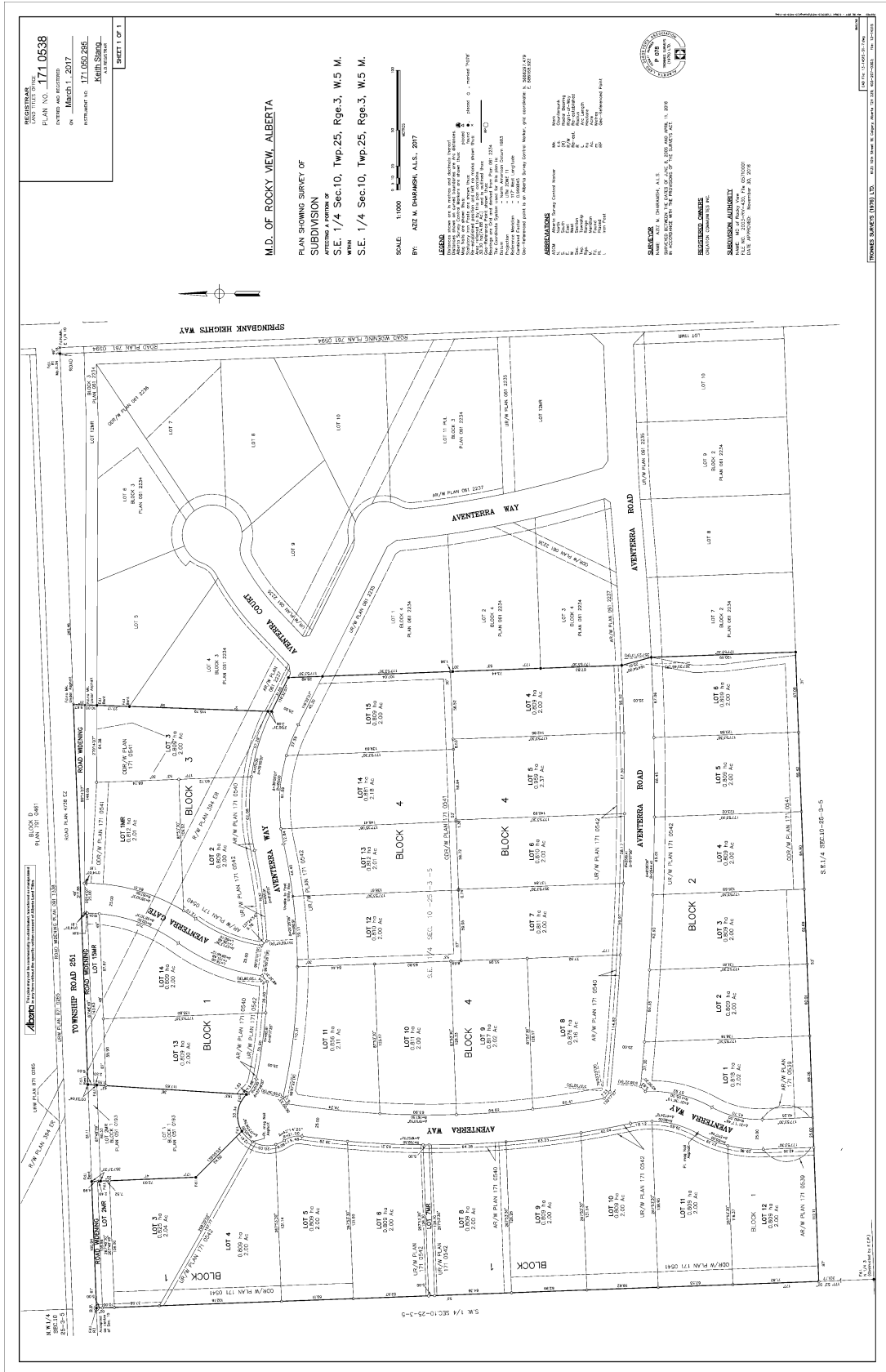
Schedule "A"
Vendors Lands

DESCRIPTION: LEGAL Portion of SE1/4 – SEC 10- TWN – 25 – RGE 3 – W5M
LOCATION: RANGE RD 32 – TOWNSHIP 251A, ROCKYVIEW COUNTY
PHASES 2 AND 3

PURCHASED LANDS- PHASES 2 AND 3

1. Block ,	Lot ,	Price	\$
		GST	\$
		Total	\$

Schedule B



SCHEDULE "C"
PURCHASER'S AND VENDOR'S CONDITIONS

1. CONDITIONS IN FAVOR OF THE PURCHASER:

THIS AGREEMENT IS SUBJECT TO THE FOLLOWING CONDITION(S) IN FAVOR OF THE PURCHASER, ALL OF WHICH MAY, UNLESS OTHERWISE INDICATED, BE UNILATERALLY WAIVED BY THE PURCHASER BY WRITTEN NOTICE TO THE BUILDER ON OR BEFORE THE _____ DAY OF _____, 20_____ (the "**Purchaser's Condition Date**").

A. _____

B. _____

C. _____

2. CONDITION(S) IN FAVOUR OF THE VENDOR:

THIS AGREEMENT IS SUBJECT TO THE FOLLOWING CONDITION(S), IN FAVOUR OF THE BUILDER, ALL OF WHICH MAY, UNLESS OTHERWISE INDICATED, BE UNILATERALLY WAIVED BY THE VENDOR BY WRITTEN NOTICE TO THE PURCHASER ON OR BEFORE THE _____ DAY OF _____, 20_____ (the "**Builder's Condition Date**").

A. _____

B. _____

C. _____

3. FAILURE TO MEET OR WAIVE CONDITIONS:

If the Purchaser's conditions are not met or waived on or before the Condition Date, then this Agreement shall be deemed to be null and void, and all Deposit monies paid by the Purchaser to the Vendor shall be forfeited by the Vendor.

4. VENDOR'S RIGHT TO REQUIRE PURCHASER TO MEET OR WAIVE PURCHASER'S CONDITIONS ON 48 HOURS NOTICE.

Notwithstanding the Purchaser's Condition Date as set forth in paragraph 1 above, the Vendor shall have the right, at any time prior to the Purchaser's Condition Date, to give the Purchaser 48 hours written notice requiring the Purchaser to waive the Purchaser's Conditions by notice in writing delivered to the vendor, failing which, this Agreement shall be null and void and the Purchaser shall have no further interest in the Land and Home and the Vendor shall return to the Purchaser the Deposit.

In the event the Vendor is unable to contact the Purchaser for a period of 24 hours or more to provide the aforesaid 48 hour written notice to the Purchaser, the Vendor shall deliver to the Purchaser the 48 hour notice in writing by fax or e-mail at the Purchaser's address provided herein, and the Purchaser agrees that the 48 hour notice period shall commence from the date and time of delivery of the said written notice by the Vendor to the Purchaser.

Schedule "D"
Architectural Guidelines