

THIS AGREEMENT dated this ____ day of _____, 2008.

BETWEEN:

Town of Nanton
(the "Vendor")

- and -

(the "Purchaser")

PURCHASE AGREEMENT

WHEREAS:

- A. The Vendor wishes to sell the Lands; and
- B. The Purchaser wishes to purchase the Lands in accordance with the terms and conditions contained herein.

THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained, the parties hereby covenant and agree as follows:

DEFINITIONS

- 1. In this Agreement, the following words shall be defined as follows:
 - (a) "Closing Date" means _____, 2008 (15 days after the Condition Date, or if NO conditions, 30 days from execution), unless otherwise agreed to in writing by the parties;
 - (b) "Condition Date" means those dates specified within Section 15 for the satisfaction or waiver of the Conditions;
 - (c) "Conditions" means those conditions precedent contained within Section 15 of this Agreement;
 - (d) "Conditions of Development" means those requirements as described in **Schedule "C"** attached hereto;
 - (e) "Deposit" means the sum of **\$10,000**;
 - (f) "Development" means the construction of an approved industrial use building consisting of the following:

Minimum _____ sq. ft. engineered building with permanent foundation (15% of total lot area)

to be constructed in accordance with all applicable building permits, development permits, development agreements, by-laws, regulations, building and safety codes, **Conditions of Development** and restrictions affecting the Lands and the Development;

- (g) "Goods and Services Tax" means the Goods and Services Tax in the amount of \$_____, payable by the Purchaser to the Vendor pursuant to the *Excise Tax Act* (5% of the Purchase Price), subject to the terms of this Agreement;
- (h) "Lands" means those lands legally described within **Schedule "A"** attached hereto;
- (i) "Option Agreement" means that agreement set forth in **Schedule "B"** attached hereto;
- (j) "Permitted Encumbrances" means those encumbrances described in **Schedule "A"** attached hereto including, without restriction, the caveat respecting the Option Agreement as contemplated within this Agreement; and
- (k) "Purchase Price" means the sum of \$_____, **not including Goods and Services Tax**, subject to adjustments as set out in Section 4 of this Agreement.

PURCHASE AND SALE

2. The Purchaser hereby agrees to purchase the Lands subject only to the Permitted Encumbrances, and free and clear of all tenancies, for the Purchase Price and the Vendor hereby agrees to sell the Lands to the Purchaser in accordance with the terms and conditions hereinafter set out.
3. The Purchase Price shall be paid as follows:
 - (a) the Deposit, to be paid to and held by the Vendor or its solicitor upon execution of this Agreement by the parties;
 - (b) the balance of the Purchase Price, subject to adjustments as hereinafter described, together with the Goods and Services Tax and any levies and contributions described within Section 17 of this Agreement which may be due and payable, on the Closing Date.
4. All normal adjustments for taxes, rents, security deposits and utilities shall be made as at 12:00 noon on the Closing Date. All amounts which cannot be adjusted on the Closing Date by virtue of the same being unknown shall be adjusted on a post-closing basis once the same becomes known.
5. Upon payment of the Purchase Price, and the satisfaction of all other terms, covenants and conditions contained within this Agreement, the Purchaser shall be given possession of the Lands at 12:00 noon on the Closing Date. If the Vendor agrees to accept late payment of the Purchase Price, the Purchaser shall pay interest at **18%** to the Vendor calculated daily from and including the Closing Date to but excluding the day that the Purchase Price is paid in full. Payment received after 12:00 noon on any day shall be deemed to have been received on the next regular business day.
6. Upon being granted possession of the Lands, the Purchaser shall assume all risks and liabilities with respect to the Lands and buildings thereon.
7. The Vendor's solicitor shall provide the Purchaser's solicitor with a registrable transfer of land and any other documentation reasonably required to give effect to the terms hereof within a reasonable amount of time, prior to the Closing Date on reasonable trust conditions which will allow the transaction to close in accordance with the terms hereof including, without restriction, the registration of mortgage security documentation, if any, and the requirement to register the Vendor's Caveat respecting the Option Agreement. In the event that the Vendor does not provide the Purchaser's solicitor with the said registrable Transfer of Land and other documentation on or before the Closing Date, then the Purchaser shall be released from the payment of interest pursuant to Section 5 of this Agreement until the Vendor provides said documents.

8. In the event that the Vendor fails to perform its obligations hereunder, the Deposit shall forthwith be releasable to the Purchaser without interest. In the event that the Purchaser fails to perform its obligations hereunder, upon the conditions being met, the Vendor shall be entitled to retain the Deposit as being automatically forfeited to the Vendor on account of liquidated damages without prejudice to the Vendor's ability to enforce any rights or remedies which the Vendor may have under this Agreement, in law or in equity.

9. The Purchaser acknowledges that the Vendor has not given any representations or warranties regarding the title to or the condition of the Lands and that it shall accept the Lands "as is, where is". Specifically, and without limiting the generality of the foregoing, the Purchaser further covenants and agrees that the Vendor has not provided any representations, warranties, promises or collateral agreements with respect to:

- (a) the presence or absence in, on or upon the Lands of any unregistered utility lines, easements or rights of way, nor any hazardous substances, hydrocarbons, or any other form of environmental contamination whatsoever;
- (b) the acreage or area of the Lands, and that the Purchase Price shall be paid by the Purchaser regardless of the actual acreage or area of the Lands;
- (c) any approval of or consent to any proposed subdivision, use or development of the Lands;
- (d) the current servicing of the Lands, nor whether or not the Lands are currently serviced with any municipal or other services; and
- (e) the suitability of the Lands for the Purchaser's intended use and development, or the Lands' current or future compliance with laws, bylaws, regulations or codes applicable to the Lands;

and in all respects the Purchaser has relied upon its own due diligence investigations respecting the Lands, and its proposed use and development, and further the Purchaser shall be responsible for the installation of all new utility services to the Lands, **with the exception of municipal water and sewer connections to the property line**, as well as within the Lands, and all costs related thereto.

10. Notwithstanding anything contained within this Agreement, the Purchaser shall promptly apply for and obtain all permits, licenses, and approvals relating to the Lands and the construction of the Development when required by any law, by-law, regulation, or code affecting the Lands and the Development. In this regard, nothing contained within this Agreement shall be interpreted in such a manner so as to constitute a consent or approval of, or a representation, warranty or covenant by the Vendor with respect to any proposed use, subdivision or development of the Lands, nor an obligation on the part of the Vendor to consent to or approve any proposed use, subdivision or development of the Lands.

CONSTRUCTION OF DEVELOPMENT & OPTION

11. The Purchaser acknowledges that as part of the consideration of the Vendor's agreement to sell the Lands to the Purchaser the Purchaser shall commence the construction of the Development within twelve (12) months of the Closing Date, and complete the construction of the Development to the point of reaching substantial performance, as that term is defined within the *Builders' Lien Act*, R.S.A. 2000, Chap. B-7, as amended, within twenty-four (24) months of the Closing Date, in accordance with all applicable building permits, development permits, by-laws, regulations, building and safety codes, and restrictions affecting the Lands and the Development. The Purchaser further acknowledges, covenants and agrees that if the Purchaser fails to satisfy the requirements prescribed above, the Vendor shall have the option to repurchase the Lands for the sum equal to 80% of the Purchase Price, subject to adjustments in accordance with the Option Agreement attached hereto as Schedule "B". Concurrently with this Agreement, the Purchaser shall execute and deliver the Option Agreement to the Vendor, and the Vendor shall be entitled to register the Option Agreement against title to the Lands by way of caveat.

12. In addition to the Purchaser's agreement set forth in Section 11 above, and in furtherance of that agreement, the Purchaser covenants and agrees that it shall not sell, transfer or lease the Lands to any third party without first commencing and completing the construction of the Development in accordance with all applicable building permits, development permits, development agreements, by-laws, regulations, building and safety codes, and restrictions affecting the Lands and the Development. The Purchaser further acknowledges that Vendor shall also have the option to repurchase the Lands in accordance with the Option Agreement attached hereto as Schedule "B", in the event that the Purchaser sells, transfer or lease, or purports to sell, transfer of lease, the Lands prior to commencement and completion of the Development as required within this Agreement.

13. The purchaser hereby acknowledges that he has read and understands this Sale & Development Agreement and Schedule "C" attached hereto.

The Purchaser acknowledges that it is his responsibility to determine which building permits, development permits, development agreements, by-laws, regulations, building and safety codes, and restrictions affecting the Lands and the Development are relevant and applicable for the purposes of his purchase and development and it is his responsibility to read, gain understanding of and act in full accordance with the same.

In the event that the Purchaser does not comply with all relevant and applicable building permits, development permits, development agreements, by-laws, regulations, building and safety codes, and restrictions affecting the Lands and the Development, he hereby releases and forever discharges the Vendor from any and all liability that may arise as a result of the said non-compliance.

14. Nothing in this Agreement waives and nullifies the Purchaser's requirement to comply with provisions of all federal, provincial and municipal laws, including, but not limited to, the Town of Nanton Land Use Bylaw, Water and Sewer Bylaw, Unsightly Premises Bylaw and Traffic Bylaw.

CONDITIONS

15. The Vendor and Purchaser hereby agree that the Purchaser is entitled to make this offer conditional upon all or any of the following terms:

- (a) That the Purchaser obtains, within 60 days from the date of this offer, a satisfactory Phase 1 Environmental Site Assessment of the Lands; **Initials:** Town_____ Purchaser_____
- (b) That the Purchaser obtains, within 60 days from the date of this offer, a satisfactory Geotechnical Engineering Report of the Lands; **Initials:** Town_____ Purchaser_____
- (c) That the Purchaser obtains, within 30 days from the date of this offer, financing approval sufficient to complete the purchase transaction. **Initials:** Town_____ Purchaser_____

Only those terms under which the Purchaser and the Town have placed their initials shall be considered conditions of this offer.

Should the above condition(s), undertaken with reasonable effort, not be met to the satisfaction of the parties, an administration fee of \$250.00 will be deducted from the deposit and the remainder of deposit returned to the Purchaser.

GENERAL

16. The Purchase Price does not include Goods and Services Tax ("G.S.T.") which shall be payable by the Purchaser to the Vendor on the Closing Date. If the Purchaser is properly registered for the purposes of the Goods and Services Tax pursuant to the *Excise Tax Act* of Canada, and prior to the Closing Date the Purchaser has provided to

the Vendor (in a form satisfactory to the Vendor) confirmation of a G.S.T. registration number, confirmation that the Purchaser is such a registrant, and a covenant by the Purchaser to indemnify the Vendor with respect to any and all costs relating to the G.S.T. payable with respect to this transaction, G.S.T. shall not be payable on the Closing Date. However, the Purchaser shall be responsible for filing all reports or documentation necessary in order to satisfy the requirements of Section 228(4) of the *Excise Tax Act*, including the remittance of any G.S.T. payable by the Purchaser.

17. The Purchase price does not include off-site levies, redevelopment levies, local improvement levies (other than adjustment as to current year levy), recreation facility contributions, or other levies applicable to or payable in respect of the Lands, which levies and contributions shall be paid by the Purchaser as and when required by the applicable statutory authority or bylaw.

18. All normal conveyancing and other closing documents shall be prepared by the Vendor at the Vendor's expense. The Purchaser shall be responsible for all of costs relating to the preparation of any new mortgage, and for all land titles registration fees with respect to the registration of the transfer of land and new mortgage, if any.

19. The Vendor represents and warrants that it is not a non-resident within the meaning of the *Income Tax Act* of Canada, nor is it an agent or a trust for any person with an interest in the Lands who is a non-resident.

20. Any notices to be given pursuant to this Agreement shall be in writing and shall be given and deemed to have been received as provided herein at the following addresses:

(a) to the Vendor at: Town of Nanton
1907-21 Avenue
Box 609
Nanton, Alberta T0L 1R0

Attention: Mary Robley, CAO

(b) to the Purchaser at: _____

or such other address as either party may designate from time to time by written notice to the other. Any notice shall be delivered to and left at the address for notice of the party to whom it is to be given during normal business hours on a business day and shall have been deemed to be received on the date of delivery.

21. The provisions of this Agreement shall survive the execution and delivery of any transfer of land and other documents, the registration of any such documents, the taking possession of the Lands by the Purchaser, and the Closing Date to benefit and be binding upon the Vendor and the Purchaser, and shall not be merged therein or therewith.

22. The Purchaser shall not be entitled to assign this Agreement, either in whole or in part, without the prior written consent of the Vendor.

23. This Agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators and permitted assigns of the individual parties and the successors and permitted assigns of corporate parties.

24. Notwithstanding anything contained herein, time shall in every respect be of the essence.

25. This Agreement shall constitute the entire agreement between the parties and the parties

acknowledge that there are no other representations, conditions, or warranties with respect to this Agreement other than those which are contained herein. The following schedules shall form a part of this Agreement:

- (a) Schedule "A" - the Lands and Permitted Encumbrances; and
- (b) Schedule "B" - the Option Agreement; and
- (c) **Schedule "C" - Purchaser Development Conditions**

26. Wherever the singular or masculine is used throughout this Agreement the same shall be construed as meaning the plural or feminine or a body corporate where the context or the parties so requires, and in the case of two or more purchasers, the covenants herein contained on their part shall be deemed to be joint and several.

27. This Agreement shall be governed by the laws of the Province of Alberta, and the courts of the Province of Alberta shall have exclusive jurisdiction over any dispute arising herefrom.

IN WITNESS WHEREOF the Vendor has executed this Agreement under the hands of its duly authorized signing officers and under its corporate seal this ____ day of _____, 2008.

TOWN OF NANTON

Per: _____
Chief Administrative Officer

(c/s)
Per: _____
Director of Corporate Services

IN WITNESS WHEREOF the Purchaser has executed this Agreement under its hands and seals, or under the hands of its duly authorized signing officers and under its corporate seal, this ___ day of _____, 2008.

WITNESS

PURCHASER

Per: _____

Per: _____

SCHEDULE "A"
TO THE PURCHASE AGREEMENT

THE LANDS

***[PLAN
BLOCK
LOT
EXCEPTING THEREOUT ALL MINES AND MINERALS]***

PERMITTED ENCUMBRANCES

- (a) _____ - ***[UTILITY RIGHT OF WAY/CAVEAT/ETC.]***
- (b) _____ - **CAVEAT
RE: OPTION TO PURCHASE
(TO BE REGISTERED PURSUANT TO THIS
AGREEMENT)**

SCHEDULE "B"
TO THE PURCHASE AGREEMENT

OPTION TO PURCHASE

BETWEEN:

(the "Grantor")

- and -

Town of Nanton
(the "Grantee")

WHEREAS:

A. Pursuant to an Agreement of Purchase and Sale dated _____, **2008**, between the Grantor and the Grantee (the "Purchase Agreement"), the Grantor purchased from the Grantee all those lands and premises legally described as follows:

***[PLAN
BLOCK
LOT
EXCEPTING THEREOUT ALL MINES AND MINERALS]***

(the "Lands");

B. The Grantee agreed to sell the Lands to the Grantor on the express obligation and condition that the Grantor commence, diligently and continuously pursue, and complete the construction of the following improvements:

(a) **Minimum _____sq. ft. engineered building with permanent foundation (15% of total lot area);**

and/or as may have been more particularly described within the Purchase Agreement, the Development Permit issued in favour of the Grantor respecting the Lands (the "Development Permit"), as well as any Development Agreement thereafter executed between the Grantor and the Grantee respecting the Lands (the "Development Agreement"), all of which must have been completed to the point of issuance of a Certificate of Substantial Performance under the *Builders' Lien Act*, and in accordance with the terms, covenants and conditions set forth within the Purchase Agreement, the Development Permit and, if applicable, the Development Agreement, as well as in accordance with all applicable building permits, development permits, by-laws, regulations, building and safety codes, and restrictions affecting the Lands and the above-noted improvements (the "Development");

C. The Grantor has agreed to grant the Grantee the option to re-purchase the Lands upon the terms and conditions contained herein.

NOW THEREFORE, in consideration of the Grantee agreeing to sell the Lands to the Grantor, and the payment of the sum of ONE (\$1.00) DOLLAR to the Grantor by the Grantee, the receipt and sufficiency of which is hereby wholly acknowledged, it is hereby agreed that:

1. The Grantor hereby grants the Grantee the irrevocable option to purchase the Lands at and for the sum of \$ _____, **(80% of purchase price)** less adjustments in favour of the Grantee as provided for herein, subject only to the following permitted encumbrances:

- (a) _____
- (b) *[UTILITY RIGHT OF WAY/ CAVEAT/ETC.]*
- (c) CAVEAT
RE: OPTION TO PURCHASE
**(TO BE REGISTERED PURSUANT TO THE
OPTION AGREEMENT)**

Upon closing, an adjustment shall be made in favour of the Grantee for any and all expenses incurred by the Grantee in the negotiation, preparation, execution and performance of this Agreement and the Purchase Agreement, adjustments in favour of the Grantee equal to the principal and interest outstanding under all financial encumbrances which may be accepted by the Grantee, and adjustments in favour of the Grantee for any and all costs incurred by the Vendor in restoring the Lands to the condition that existed as of the date of the Purchase Agreement (including, without restriction, all legal costs on a solicitor and his own client full indemnity basis, and all costs incurred in discharging non-permitted encumbrances).

2. This Option to Purchase may only be exercised by the Grantee:

- (a) if the Grantor fails to commence the construction of the Development on or before _____, **2009 (12 months from Closing Date)**;
- (b) if the Grantor fails to complete the construction of the Development on or before _____, **2010 (24 months from Closing Date) in accordance with the terms and obligations stated in Section B herein; and**
- (c) if the Grantor sells, leases or otherwise transfers, or purports to sell, lease or transfer, the Lands or any portion thereof prior to the completion of the Development in accordance with the terms of the Purchase Agreement and the Development Agreement.

In each such case the Grantee shall be entitled to repurchase the Lands pursuant to the exercise of the option granted within this Option to Purchase.

3. The Grantee may exercise this option to purchase by giving notice in writing to the Grantor (or to the then current owner of the Lands) which shall be sent to the address for service of the registered owner of the Lands as listed on the title to the Lands, and shall be deemed to have been received by the recipient on the third day following the sending of the said notice by single registered mail.

4. The transaction of purchase and sale shall be completed on the 30th day following the date upon which the option is exercised as aforesaid (the "Completion Date"). All normal adjustments shall be made as of the Completion Date. The Grantor shall provide the Grantee with a registrable transfer of land with respect to the Lands not less than ten (10) days prior to the Completion Date upon reasonable trust conditions. At the Grantee's option, and at any time throughout the existence of this Agreement, the Grantor may be required to provide the Grantee with a registrable transfer of land to be held in trust by the Grantee pursuant to the terms of this Agreement and utilized for the purposes of completing the purchase of the Lands in the event that the Grantee exercises its option to purchase the Lands, pursuant to the provisions stated herein.

5. In the event that the Lands have been subdivided since the date of the Purchase Agreement, the purchase price payable in respect of each lot or unit created out the subdivision of the Lands shall be fractionalized proportionate to the area of the lot or unit, as compared to the total area of the Lands or the Development, as the case may be. In such event, the option to purchase provided for within this Agreement may be exercised individually in respect of each such lot or unit, or in respect of the entire Lands, and in which case the provisions of this Agreement

shall not merge unless and until the entire Lands has been purchased by the Grantee or this Agreement is otherwise terminated.

6. The Grantee shall be entitled to register a caveat against the title to the Lands pursuant to this Option to Purchase. In this regard, the Grantor covenants not to take any steps whatsoever to discharge this registration including, without restriction, the service of any notice to take proceedings on such caveat. **The caveat registered pursuant to this Option to Purchase will not be discharged unless the Town is satisfied that all requirements pursuant to the Development have been met. The Town retains the sole right in its discretion to discharge the caveat.**

7. The Grantor shall indemnify and hold the Grantee harmless from and against any and all losses, liabilities, damages, costs and expenses of any kind whatsoever, including but not restricted to all legal costs on a solicitor and his own client full indemnity basis, which may be paid by, incurred by, or asserted against the Grantee as a direct or indirect result of any act or omission of the Grantor which constitutes a breach of any term, covenant or condition under this Option to Purchase and the Purchase Agreement.

8. This Agreement may not be assigned by the Grantor, either in whole or in part, without the prior written consent of the Grantee.

9. This Agreement shall enure to the benefit of and be binding against the parties hereto and their respective successors and permitted assigns. Specifically, and without limiting the generality of the foregoing, this option shall bind the Grantor and all future owners of the Lands.

IN WITNESS WHEREOF the Grantor and the Grantee have executed this Option to Purchase this _____ day of _____, 2008.

GRANTOR/

Per: _____

Per: _____

GRANTEE/TOWN OF NANTON

Per: _____
Chief Administrative Officer

Per: _____ (c/s)
Director of Corporate Services

SCHEDULE "C"
TO THE PURCHASE AGREEMENT

CONDITIONS OF DEVELOPMENT

The Purchaser hereby agrees to the following:

1. The Purchaser shall install, at his own cost, all utilities and services required to service the Lands other than water and sanitary sewer service to the property line.
2. Minimum square footage of the Development will be equal to or greater than 15% of the total area of the Lands to a maximum of 50%.
3. The Development shall have a permanent foundation and will require engineered plans to be submitted with Development Permit Application to the Town.
4. The Development shall require the installation of a sprinklered fire suppression system, based on the Town's current water distribution system capability, and have the system inspected and approved by a qualified inspector prior to occupancy. A copy of the inspection report must be filed at the Town Office.
5. The Development Permit application must contain a detailed drainage plan prepared by a certified Alberta Land Surveyor or Professional Engineer with respect to sanitary sewer elevations and stormwater drainage provisions. The Town may request as built grades to be provided prior to release of any performance security deposits to the Purchaser.
6. Vertical distance between final landscape grade and eave shall not exceed 30 feet.
7. Prior to the release of a Development Permit for construction of the foundation, a soil bearing investigation and certification by a qualified geotechnical engineer must be provided to the Town to confirm that the design bearing pressure is acceptable.
8. The Purchaser agrees to provide to the Town, prior to release of a development permit, performance security in the amount of **\$5,000**. No interest shall be paid on these deposits. The deposit will be held by the Town until such time as construction of the Development is completed in accordance with all applicable building permits, development permits, development agreements, by-laws, regulations, building and safety codes, and restrictions affecting the Lands and the Development, including those listed above.

Important:

1. Lower water usage industries will be the preferred tenants for industrial use areas.
2. Development permit applications received from the Purchaser will be subject to approval by the Town's Municipal Planning Commission or Development Officer, which may involve input from public, departmental and/or external sources and agencies. Development permit approval may be subject to further conditions being placed upon the use and Development of or on the Lands.