

10% to YG
90% to TC

COPY

**HEARTLAND CROSSING
LAND SALE AND PURCHASE AGREEMENT**

Between

YORKTON GROUP INTERNATIONAL LTD., agent to the registered land owner, 1406238 Alberta Ltd., (Operating as YORKTON GROUP - HEARTLAND CROSSING), an Alberta Corporation, wholly owned by the principal(s) of Yorkton Group International Ltd. carrying on business in the Province of Alberta, Canada (hereinafter collectively referred to as the "Vendor")

and

PURCHASER(S) NAME 1048138 ALTA LTD
(hereinafter referred to as the "Purchaser")

Joint Tenant
 Tenant in Common

The Purchaser(s) is: Alberta Corporation Canadian citizen Permanent Canadian Residence Other

WHEREAS:

- A. The Vendor is the beneficial owner of certain real property described in Schedule "A" attached hereto (the "Property"); and
- B. The Purchaser desires to acquire an interest in the Property from the Vendor for the purpose of deriving revenue therefrom by way of sale, lease or other arrangements; and
- C. The Vendor has agreed to sell and the Purchaser has agreed to purchase an interest in the Property in accordance with the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT IN CONSIDERATION of the premises and the covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. INTEREST PURCHASED AND PURCHASE PRICE

1.1 The Purchaser hereby agrees to purchase from the Vendor and the Vendor hereby agrees to sell to the Purchaser the Unit(s) or Acre(s) of Land as below. Each Unit, defined as 1 acre, is an undivided 1/288th interest in the Property (Heartland Crossing) containing 288 units or 72.12 Acres of land municipally described as 3523 259 Ave.), as described in Schedule "A" attached hereto. The Unit or Units are hereinafter collectively called the "Unit"

The Purchase Price is calculated as follows:

Quantity of Land Units:	<u>1</u>	Acre(s) / Unit(s)
Acre Unit Price \$	<u>90,380.95</u>	
Land Price: \$	<u>90,380.95</u>	
Legal fee: \$	<u>0</u>	
Total: \$	<u>90,380.95</u>	
GST at 5%: \$	<u>4,519.05</u>	(1406238 Alberta Ltd, GST No. R4406 6894 RT0001)
Total Purchase Price: \$	<u>94,900</u>	(CAD)

**POSTED
PLC-131D**

1.2 The Total Purchase Price is payable as follows:

- a) Deposit of \$ 9,490 (CAD) payable upon submission of this Offer to the Vendor for acceptance (the "Deposit");
- b) The balance of the Total Purchase price, being \$ 85,410 (CAD), payable by certified cheque or money order on or before the Closing Date (as hereinafter defined)

All funds payable under this Agreement, including but not limited to the Deposit shall be payable to the Vendor or Vendor's appointed Solicitor, Thomas Chiu Barrister and Solicitor, by way of certified cheque or money order, made payable to "Chiu and

[Signature]
YORKTON GROUP INTERNATIONAL

Company in trust" pursuant to the terms of this Agreement.

- 1.3 a) Closing means the 12 day of MAY, 20 11 (hereinafter referred to as the "Closing Date"), unless the Vendor otherwise notifies the Purchaser, in writing, in which case Closing shall mean 10 business days from the date the Purchaser is notified in writing by the Vendor of the Closing Date. The Parties hereto may otherwise agree to such earlier or later Closing Date in writing.
- b) On or before the Closing Date, the Purchaser shall deliver to the Vendor's solicitors, in accordance with the said trust conditions, the balance of the Purchase Price and any other documents required by this Agreement.
- c) On or before the Closing the Vendor shall deliver to the Purchaser a transfer of land for the Unit on trust conditions consistent with real estate practice in the City of Edmonton, Province of Alberta, Canada.
- 1.4. The Deposit shall be held by the Vendor's Solicitor in trust and shall be distributed as follows:
- a) If the Vendor, on or before the Closing Date, provide to the other party written notice that they no longer want to proceed with the sale of the Unit, then this Agreement shall be null and void and the Deposit shall be returned to the Purchaser, and the parties shall have no further claim against the other.
- b) If the sale and purchase contemplated hereby is completed, the Deposit will be applied to the credit of the Purchaser towards the Purchase Price; or
- c) If the sale and purchase contemplated hereby is not completed, within 10 business days after the closing date, as a result of a default by the Purchaser then the Deposit will be released from trust and retained by the Vendor as liquidated damages and the Vendor is also entitled to whatever other rights and remedies it may have in law or equity.
- 1.5. Any rents, taxes, local improvements, water assessment rates and other normal adjustments shall be apportioned and adjusted as of the Closing Date; and a Transfer of Land shall be prepared by Vendor on closing at the expense of Vendor.
- 1.6. In the project encompassed by this agreement, the Vendor shall retain a minimum of 7.12 acres (approximately 10%) to a maximum of 10.87 acres (approximately 15%) of the Property as its own.
- 1.7. Notwithstanding any other provision in the Agreement, the Purchaser acknowledges that the Vendor, its Agents and employees have not made and shall not make any warranty or representation with respect to the Property other than those contained in this Agreement. The Unit is being sold "as is" and the Purchaser agrees to purchase the Unit on an "as is" "where is" basis.
- 1.8. **Title to the Unit shall be free and clear of financial encumbrances.** The Unit will be subject to non-financial encumbrances (if any) now on title and listed in Schedule "B" attached hereto. The Vendor shall pay and discharge all financial encumbrances, if any, which is not by this Agreement assumed by the Purchaser upon closing.

2. OPERATION AND MANAGEMENT OF LANDS

- 2.1 The Purchaser acknowledges that the Unit constitutes an undivided interest in the Property in common with all other owners of the Property. The Purchaser agrees that the following provisions shall govern any future sale and development of the Property and such provisions shall constitute an agreement between the Purchaser, the Vendor, and all other owners of the Property from time to time.
- 2.2 The Purchaser hereby appoints the Vendor as the operator (the "Operator") of the Property, including the Unit in the "Heartland Crossing". Those owners holding, in aggregate, a 60% or greater interest in the Property from time to time shall have the right to terminate the appointment of the Operator and to appoint a new operator from time to time.
- 2.3 Any proposal to develop the Property made by a developer, including the Vendor, shall be submitted to the Operator who shall then present it to all owners of the Property, and if accepted by those owners holding, in aggregate, a 60% or greater interest in the Property, will be binding upon all owners of the Property. Such proposal shall form the basis of a development plan, which will be drawn up with the assistance of the Operator.
- 2.4 Any offer to purchase all or a portion of the Property shall be presented to the Operator and the Operator shall then present such offer to all the owners of the Property. Those owners holding, in aggregate, a 60% or greater interest in the Property shall have the right and authority to accept such offer of which acceptance shall be binding upon all owners.
- 2.5 Subject to Clause 2.6 hereof, any proceeds from the sale of the Property shall be divided amongst all Unit owners in accordance with each of their proportionate shares, after all sales commissions owing to real estate brokers and the legal costs for entering

into, negotiating and concluding the sale agreement are deducted from the total proceeds. A proportionate share is one unit divided by 288 total units. No unit holder, including the Vendor, shall have priority over any other as to profit distribution, and no distribution shall be made unless it is made equally to each unit holder at the same time in equal proportion to his or her ownership interest.

- 2.6 Any distribution to a Unit owner will be subject to the right of set-off against any amounts owed by a Unit owner to the Vendor, pursuant to the terms of this agreement, or to the Operator pursuant to the terms of any future Management Agreement that may be entered into by the Unit owners.
- 2.7 On or before the Closing Date, the Purchaser shall provide to the Vendor a Direction and Power of Attorney in the form set out in Schedule "A", attached hereto (the "Power of Attorney").
- 2.8 The Purchaser agrees that it is a condition of any agreement relating to the sale of the Unit by the Purchaser to a third party purchaser (the "Third Party Purchaser") that the Third Party Purchaser of the Unit shall agree to be bound by the provisions of this Agreement, including, without limitation, Clauses 2.1 to 2.9 hereof. No transfer of the Unit to a Third Party Purchaser is permitted unless the Third Party Purchaser provides to the Vendor and to the Operator duly executed copies of the documents required for the Transfer, including, but not limited to a Power of Attorney in the form outlined in Schedule "A" whereby the Third Party Purchaser provides its Power of Attorney to the Operator.
- 2.9 The provisions of Clauses 2.1 to 2.9 hereof (and any other applicable provisions of this Agreement, including, without limitation, Clause 4.7 hereof) shall survive the closing of the transaction of sale and purchase of the Unit by the Vendor to the Purchaser and shall not merge with the issuance to the Purchaser of title to the Unit. The Purchaser acknowledges and agrees that the provisions of Clauses 2.1 to 2.9 hereof are for the benefit of and are necessary for the orderly development of the Property of which the Unit is a part.

3. GOODS AND SERVICES TAX

- 3.1 If the Unit is subject to the Goods and Services Tax (the "GST") then, in such event, the Purchaser will be responsible for any GST payable on the transfer of the Unit. If the Purchaser is a GST registrant at the time of Closing then the Purchaser shall not be required to pay to the Vendor, nor shall the Vendor be required to collect from the Purchaser the GST in respect to the transfer of the Unit provided that the Purchaser (on or before Closing) delivers a statutory declaration evidencing its GST registration, including the registration number assigned to it and an indemnity in favor of the Vendor (in a form prepared by the Vendor's solicitor) agreeing to indemnify the Vendor for any amounts which the Vendor may become liable as a result of any failure by the Purchaser to pay GST payable in respect of the sale of the Unit under Part 9 of the *Excise Tax Act* (Canada).

4. MISCELLANEOUS

- 4.1 Any notice or other document required or permitted to be given hereunder shall be in writing and shall be given by personal delivery thereof, by mail or facsimile transmission to the registered office of the Vendor, in the case of the Vendor and to the above mentioned address or fax number of the Purchaser, in the case of a Purchaser. Any such notice or other document shall be deemed to have been validly and effectively given and received on the date of personal delivery. Any notice or other document, if mailed, shall be deemed to have been validly and effectively given and received on the 5th calendar day after the date of mailing. If, at the time of the notice, there is a mail strike (or other similar mail disruption) then mail will not be used as a form of notice. Any notice, or other document, if sent by facsimile transmission or electronic mail (e-mail), shall be deemed to have been validly and effectively given and received on the date of transmission and receipt of a successful transmission report or e-mail log. Any time period related to any notice given under this Agreement shall be calculated as and from the day following the date of delivery and expiring at 5:00 p.m. on the last day of the subject period. By giving to the other party at least 5 calendar days notice thereof, either party may, at any time and from time to time, change its address for delivery or communication for purposes of this section, provided that the Purchaser always provides a fax number and an e-mail address for notice purposes.
- 4.2 This Agreement may be executed in counterpart, each of which will be deemed to be an original and both of which together will constitute one and the same instrument. Evidence of execution of this Agreement and any notice of waiver or satisfaction of any conditions precedent under this agreement may be provided by one party to the other by facsimile transmission.
- 4.3 The Vendor and Purchaser agree that their respective obligations, agreements, covenants, representations and warranties contained in this Offer shall survive and shall not merge upon the Closing Date or the registration of the Unit into the name of the Purchaser. This Offer shall bind the parties hereto and their respective personal representatives, successors and permitted assigns.
- 4.4 This Agreement shall replace any previous agreements for the sale and purchase of the Unit entered into by the parties hereto and, accordingly, the parties agree that any such previous agreements are null and void.

4.5 Nothing contained or implied in this Agreement or in any other Clause of this Agreement shall constitute or be deemed to constitute a partnership, joint venture or agency between the Vendor and the Purchaser and, except as expressly provided in the Power of Attorney or in a future Management Agreement, neither the Vendor nor the Purchaser shall have any authority to act for or to commit the other.

4.6 The Purchaser will not file a caveat or any encumbrance with respect to any interest acquired pursuant to this Agreement.

4.7 If the Purchaser defaults hereunder and the Vendor or the Operator commences action for the judicial interpretation, enforcement, termination, cancellation or rescission hereof or for damages for breach hereof, the Developer or the Operator (as the case be), in the event that it is successful in such action, shall be entitled to costs on a solicitor on his own client basis, and whatever other rights and remedies it may have in law or equity.

4.8 Time is of the essence of this Agreement.

4.9 All parties requested that this agreement be drawn up in English, and this Agreement shall be governed by the laws of the Province of Alberta, Canada and the parties hereto attorn to the jurisdiction of the Courts of the Province of Alberta, Canada. If any term, covenant or condition of the Agreement of the application thereof to any party or circumstance shall be invalid or unenforceable to any extent, the remainder of the Agreement or application or such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected hereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

4.10 The Purchaser hereby acknowledges that the principal of the Vendor is a licensed Real Estate practitioner in the Province of Alberta.

I/WE hereby accept the terms of this contract and agree to be bound by the terms contained herein.

DATED at RED DEER AB. this 19 day of APRIL, 2011.

Witness
Print Name: DARRELL YUSAK

Purchaser Signature
Print Name: STEWART POGMORE

Witness
Print Name: _____

Purchaser Signature
Print Name: _____

ACCEPTANCE

YORKTON GROUP INTERNATIONAL LTD.
378 Manulife Place, 10180 101 St., Edmonton, Alberta, Canada T5J 3S4

Per: [Signature]
Vendor Signature

[Signature]
PURCHASER INITIALS

SCHEDULE "A"

HEARTLAND CROSSING

(Legal: W4; R24; T54; S36; Part N½ NE; 72.12 Acres)

DIRECTION AND POWER OF ATTORNEY

RIDER A

THE NORTH ½ OF NORTH EAST QUARTER OF SECTION THIRTY-SIX (36) TOWNSHIP FIFTY FOUR (54) RANGE TWENTY THREE (24) WEST OF THE FOURTH MERIDIAN, CONTAINING 32.4 HECTARES (80 ACRES) MORE OR LESS EXCEPTING THEREOUT:

(A) PLAN 7821551 - ROAD, 0.518 HECTARES (1.28 ACRES) MORE OR LESS

(B) PLAN 0024315 SUBDIVISION, 2.67 HECTARES (6.6 ACRES) MORE OR LESS

EXCEPTING THEREOUT ALL MINES AND MINERALS

- 1. Each of the parties hereto acknowledges that the covenants and obligations between the Vendor (whether in its capacity as "Operator" or otherwise) and the Purchaser contemplated by Clauses 2.1 to 2.9 of the Sale and Purchase Agreement to which this instrument is attached (the "Agreement"), have been made for valuable consideration. the sufficiency and receipt whereof is hereby confirmed and acknowledged.
2. Effective as at the Closing Date, the undersigned hereby irrevocably nominates, constitutes and appoints YORKTON GROUP INTERNATIONAL LTD., as the true and lawful attorney for the undersigned to do all acts with respect to the matters contemplated by Clauses 2.1 to 2.9 of the Agreement, as fully and effectually as the undersigned could do if personally performed, including without limitation, the preparation, execution and delivery, as agent and attorney for the undersigned, of all documents, instruments and agreements pertaining to the sale, development, redevelopment, financing or refinancing of the Property (subject always to obtaining the consent of those owners holding, in aggregate, a 60% or greater interest in the Property, when required, as contemplated by the Agreement), and its approval, execution and/or performance (as applicable) of each instrument or document required thereunder or in respect thereof or ancillary thereto as the Operator determines is in the best interests of the owners of the Property, and further including, without limitation, all authority required to prepare and file any and all Revenue Canada non-resident personal income tax and goods and services tax returns. The undersigned confirms that the said appointment includes the power to substitute and appoint one or more attorney or attorneys under it or them, with the same or more limited powers, and such substitute or substitutes at pleasure to remove and others to appoint, and the undersigned hereby agrees and covenants for his or her heirs, executors, and administrators, to allow, ratify and confirm whatsoever my said attorney or attorneys and its substitutes shall do or cause to be done in relation to any Units and the Property by virtue of these presents, including such confirmation whatsoever which shall be done between the time of my death or the revocation of these presents and the time of such death or revocation becoming known to said attorney, or such substitute or substitutes, and the undersigned hereby further covenants and agrees to indemnify and save harmless each of my said attorney or attorneys and its substitutes from and against any and all loss, cost, expense, claim or action whatsoever the same may incur as a result of any such act performed or not performed whatsoever on behalf of the undersigned as hereinabove contemplated.

This Deed is signed at RED DEER, on the 19 day of APRIL, 2011.

Signed in the presence of:

Witness Print Name: DARRELL YUSAK

Purchaser Print Name: STEWART POGMORE

Witness Print Name:

Purchaser Print Name:

PURCHASER INITIALS

SCHEDULE "B"

**HEARTLAND CROSSING
ACCEPTABLE ENCUMBRANCES**

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
5765NV	01/10/1964	UTILITY RIGHT OF WAY GRANTEE - ATCO GAS AND PIPELINES LTD. 10035 - 105 ST., EDMONTON, AB. T5J 2V6 AS TO PORTION OR PLAN: 1808NY (DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY 962185394 TRANSFER OF UTILITY RIGHT OF WAY 012016427)
6437OX	14/02/1967	UTILITY RIGHT OF WAY GRANTEE - PLAINS MIDSTREAM CANADA ULC. C/O BENNETT JONES LLP 4500 BANKERS HALL EAST 855 2 STREET SW, CALGARY, AB. T2P4K7
5211SF	15/04/1971	CAVEAT CAVEATOR - ATCO GAS AND PIPELINES LTD. 10035 - 105 ST., EDMONTON, AB. T5J 2V6 (DATA UPDATED BY: TRANSFER OF CAVEAT 902266375 TRANSFER OF CAVEAT 012016182)
002 324 181	01-11-2000	CAVEAT RE : DEFERRED RESERVE CAVEATOR - THE CITY OF EDMONTON, CITY HALL, OFFICE OF THE CITY CLERK 1 SIR WINSTON CHURCHILL SQUARE EDMONTON, ALBERTA T5J 2R7
052 107 019	23-03-2005	ZONING REGULATIONS BY HER MAJESTY THE QUEEN IN RIGHT OF CANADA, C/O THE MINISTER OF NATIONAL DEFENCE 101 COLONEL BY DRIVE OTTAWA, ONTARIO K1A0K2

Title to the Land shall be free and clear of all financial encumbrances, if any, upon closing as contemplated by clause 1.3 of this Sale and Purchase Agreement to which this instrument is attached.

----- Copy of deposit cheques attached below -----


 PURCHASER INITIALS