

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

112174495

ORDER NUMBER: 35510334

ADVISORY

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PROVINCE OF ALBERTA, CANADA

THE LAND TITLES ACT

CAVEAT FORBIDDING REGISTRATION

TO: THE REGISTRAR - NORTH ALBERTA LAND REGISTRATION DISTRICT

TAKE NOTICE that TOWN OF INNISFAIL claim(s) an estate and interest in the following lands:

PLAN 4067TR
BLOCK 6
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 4.72 HECTARES (11.66 ACRES) MORE OR LESS

as more particularly described in Certificate of Title No. 992 013 349 standing in the register in the name of **KANA INCORPORATED**. The nature of the said interest and the grounds upon which the same is founded, are as follows:

The Caveator, Town of Innisfail, claims an interest in the land pursuant to a Land Development/Acquisition Agreement, a copy of which is attached hereto as Schedule "A".

And the Caveator forbids the registration of any person as transferee or owner of, or of any instrument affecting his said estate or interest, unless the instrument or Certificate of Title, as the case may be, is expressed to be subject to his claim.

The said Caveator APPOINTS the office of Town of Innisfail, 4943 - 53 Street, Innisfail, Alberta, T4G 1A1, as the place at which notice and proceedings relating thereto may be served.

DATED at the Town of Innisfail, in the Province of Alberta, this 9th day of June, 2011.

TOWN OF INNISFAIL

Per: _____

Agent for the Caveator
Helen Dietz

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CANADA)
PROVINCE OF ALBERTA)
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I, Helen Dietz, of the Town of Innisfail, in the Province of Alberta,

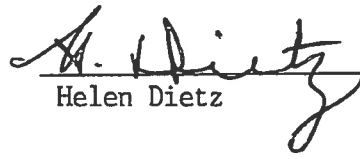
MAKE OATH AND SAY:

1. THAT I am the Agent of the within named Caveator;
2. THAT I believe the said Caveator has a good and valid claim upon the said land, and I say that this Caveat is not filed for the purpose of delaying or embarrassing any person's interest in or proposing to deal therewith.

SWORN BEFORE ME at the Town
of Innisfail, in the Province of Alberta,
this 9 day of June, 2011


A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA

J. Grant Miller
Barrister, Solicitor
& Notary Public


Helen Dietz

PURCHASE AGREEMENT

THIS AGREEMENT DATED this 28 day of April, 2011.

BETWEEN:

KANA INCORPORATED
of Penhold, Alberta

(hereinafter referred to as "the Vendor")

- and -

TOWN OF INNISFAIL
of Innisfail, Alberta

(hereinafter referred to as "the Purchaser")

WHEREAS the Vendor is the registered owner of a certain parcel of land in the Town of Innisfail, legally described as:

PLAN 4067TR
BLOCK 6
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 4.72 HECTARES (11.66 ACRES) MORE OR LESS

(hereinafter called "the Lands");

AND WHEREAS the Purchaser requires a portion of the Lands ("the Parcel") for construction of a utility corridor and roadway as shown on Schedule "A" attached hereto.

AND WHEREAS the said roadway and utility corridor will be for the mutual benefit of the Vendor and the Purchaser.

AND WHEREAS the Vendor has agreed to sell the Parcel to the Purchaser on certain terms hereinafter set out.

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NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. PURCHASE AND SALE

- 1.1 The Vendor hereby agrees to sell and transfer to the Purchaser and the Purchaser hereby agrees to purchase and accept from the Vendor the Parcel as shown on Schedule "A" attached hereto and comprising 1.04 acres, more or less, on the terms and conditions herein set forth.

2. PURCHASE PRICE, PAYMENT AND G.S.T.

- 2.1 Costs for the water and sewer utility extension and road construction are estimated at \$450,000.00, and will be paid in full, initially, by the Town.
- 2.2 Because these improvements are equally for the benefit of the Vendor, the Vendor agrees to pay half the construction costs, to a maximum of \$225,000.00, in the following manner:
- a) \$112,500.00 by contribution of the Parcel and transfer of the title to the Parcel to the Town;
 - b) The remaining \$112,500.00 (or portion thereof) shall be paid by the Vendor at the time that the Vendor, or any successor or successors in title, apply for a Development Permit affecting the Lands or any portion of the Lands;
 - c) Should the Lands be subdivided prior to development, each new subdivided parcel will bear the costs of the remaining \$112,500.00 pro rata, based on its percentage of the initial 10.62 acres;
 - d) The remaining \$112,500.00 (or portion thereof) will not bear interest; and
 - e) Vendor may request a cost accounting for the project cost to determine if the Vendor's contribution is the maximum of \$225,000.
- 2.3 The Purchaser hereby represent and warrants to the Vendor that the Purchaser is registered under Subdivision "d" of the Excise Tax Act of Canada ("the Act") and that its G.S.T. registration number is 108127275. By virtue of this representation and the corresponding provisions of the Act, the Purchaser covenants to assume the liability for G.S.T., if any, accruing in respect of this transaction. The Purchaser further covenants that it shall complete and execute such forms, make such filings and reports, and do all other things that are necessary or required pursuant to the Act, all within the time limits prescribed in the Act.

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3. SERVICE LINE

- 3.1 In conjunction with the utility extension and road construction, the Town shall install a single water and sewer connection to the property line of the Lands at a location to be agreed upon by the Vendor and the Purchaser. That location is shown as Point B on Schedule "A" to this Agreement.

4. OFFSITE LEVIES

- 4.1 As additional consideration payable hereunder, the Town agrees to reduce the offsite levy, and transportation levy if any, on all or any portion of the Lands to \$500.00 per hectare, payable at the time that a Development Permit is issued.

5. CO-OP DRAINAGE

- 5.1 The Town further covenants and agrees that drainage from the neighboring property owned by Central Alberta Co-op shall be diverted away from the Lands on the south side of the future 51st Street road allowance.

6. CULVERT

- 6.1 The Town further covenants and agrees to provide and install a used 5 metre by 300 m.m. diameter culvert at a location selected by the Vendor to facilitate the Vendor's access to the Lands.

This installation will be done as soon as reasonably possible after this Agreement is signed. The Town shall retain ownership of the said culvert and will reclaim it at the Town's cost when and if the Vendor no longer requires it.

7. ACCESS

- 7.1 The Town will permit the Vendor to construct two (2) access roads along 42nd Avenue and three (3) access roads along 51st Street. All accesses shall be constructed in locations to be mutually agreed upon by the Town and the Vendor, and each shall be constructed at the Vendor's sole cost and to construction standards set by the Town.

8. OTHER COSTS

- 8.1 The Town will not require the Vendor to pay any additional costs for street lights, traffic studies, standard Town street signs, or traffic lights on or near the Lands. **Costs for sidewalk, curb and gutter are part of the "(c)osts...of road construction..." referred to in Clause 2.1 of this Agreement.**

9. DEVELOPMENT AGREEMENT

- 9.1 Prior to any development of the Lands, the Vendor and any successors in title will be required to enter into a full Development Agreement with the Town, which Development Agreement shall incorporate the terms of this Agreement.

Handwritten signature and initials in the bottom right corner of the page.

10. SEVERABILITY

- 10.1 Should any provision of this Agreement be determined to be illegal, void or otherwise unenforceable such provision shall be severable from the rest of this Agreement and the rest of this Agreement shall remain in full force and effect and be binding upon the Parties as though the said provision or provisions had never been included.

11. RECITALS, SCHEDULES AND HEADINGS

- 11.1 The recitals of this Agreement and the Schedules attached hereto shall be incorporated into and form part of this Agreement. The headings preceding the clauses of this Agreement have been inserted for convenient reference only, and shall not be construed so as to affect the interpretation of this Agreement.

12. ALTERATIONS AND AMENDMENTS

- 12.1 The Parties hereto may amend or alter the provisions of this Agreement, but such modifications shall not be effective unless reduced to writing and executed by all of the Parties to this Agreement.

13. GOVERNING LAWS

- 13.1 This Agreement shall be governed by and construed in accordance with the Laws of the Province of Alberta or the Dominion of Canada. Any provision of this Agreement that is contrary to, or rendered unenforceable, by any applicable law shall be deemed to be modified to the extent necessary to comply with such law without invalidating the remaining provisions of this Agreement.

14. HEIRS AND ASSIGNS

- 14.1 This Agreement is binding upon and enures to the benefit of the Parties hereto, their receivers, trustees-in-bankruptcy, successors and assigns, provided however, that neither this Agreement nor the benefit of any portion thereof shall be assignable without the prior written consent of both Parties hereto.

15. NUMBER AND GENDER

- 15.1 It is agreed that wherever the singular or the masculine pronoun are used throughout this mortgage, the same shall be construed as meaning the plural or the feminine or neuter where the context or the parties hereto so require.

16. DISPUTE RESOLUTION

- 16.1 If there is any dispute between the Vendor and the Purchaser as to the interpretation of this Agreement or the rights or responsibilities of each of the

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parties, the Vendor and the Purchaser agree that any disputes or disagreements shall be resolved in the following manner:

- a) first by the parties meeting in a genuine attempt to work out any disputes or disagreements;
- b) failing agreement, the parties shall agree to and attend with a mediator;
- c) any dispute or disagreement shall be resolved by a single arbitrator chosen by agreement of the parties or if the parties cannot agree then by a Justice of the Court of Queen's Bench and except as herein provided, the arbitration shall proceed on the basis of the *Arbitration Act* of Alberta.

16.2 The decision of the arbitrator shall be binding upon the parties.

16.3 The cost of the mediator or arbitrator shall be borne equally by the parties.

17. TIME

17.1 Time shall be of the essence of this Agreement.

18. PURCHASER'S COSTS

18.1 The Purchaser shall be responsible for preparation of all transfers, surveys and other documents needed to transfer title.

IN WITNESS WHEREOF the Parties hereto have hereunto set their hands and seals on the day and year first above written.

KANA INCORPORATED

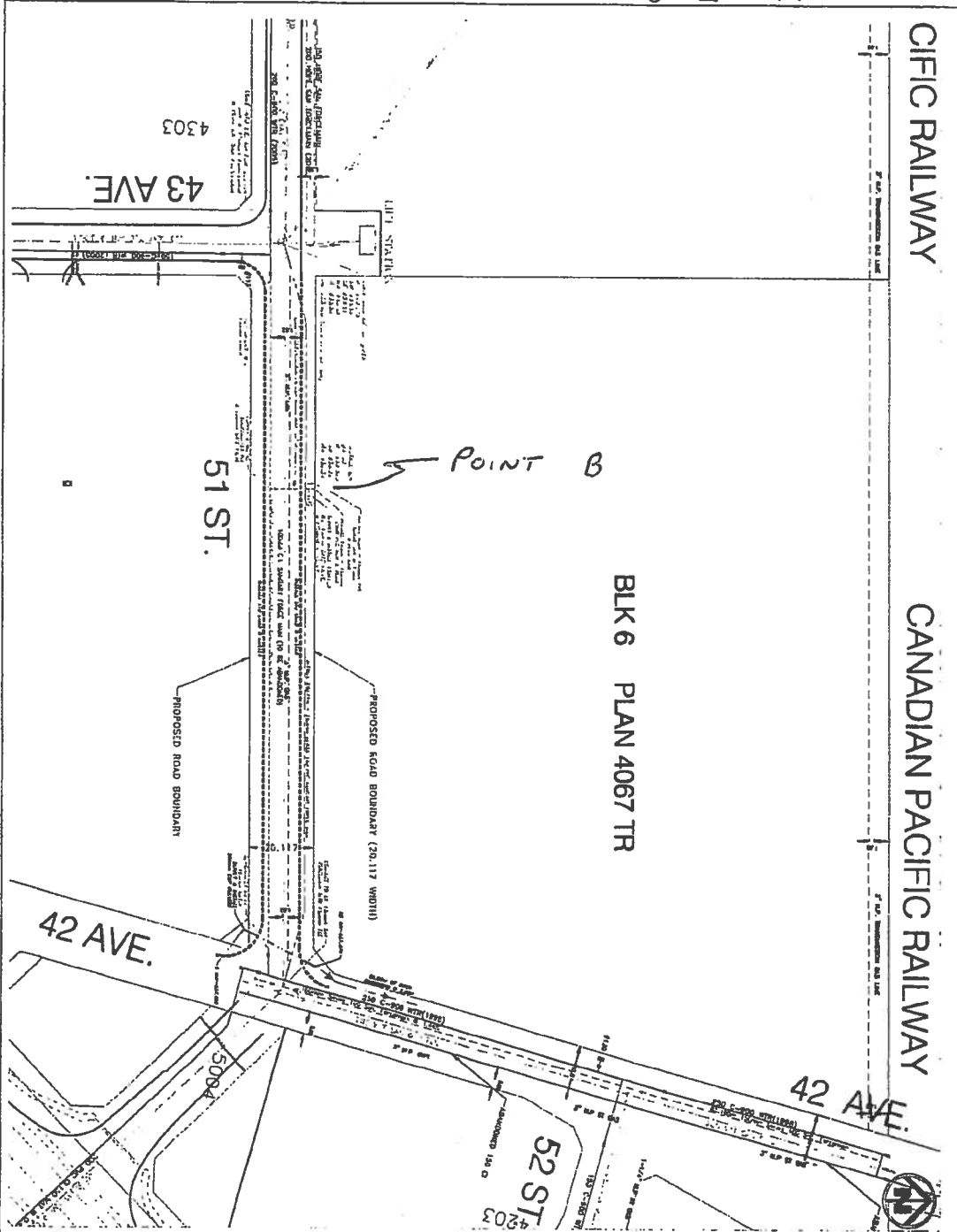
Per: David Kana

TOWN OF INNISFAIL

Per: A. Whitty

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SCHEDULE "A"



Town of Innisfail

TYGISH ENGINEERING

Dr. S. S. Tygish, P. Eng., 1000-10th St. N., Innisfail, AB T4A 1L1

Project: 51 STREET UTILITY & DRAINAGE UPGRADE

Scale: 1" = 100'

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Checked: []

Date: []

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PURCHASE AGREEMENT

MILLER LEHANE & WILD
Barristers & Solicitors
5035 49 Street
Innisfail AB T4G 1V3
Attention: J. Grant Miller
Telephone: (403) 227-3361
Fax: (403) 227-2929

File: RE-19956-M



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112174495 REGISTERED 2011 06 10

CAVE - CAVEAT

DOC 1 OF 1 DRR#: E0375DB ADR/AMUSTARD

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CAVEAT

MILLER, LEHANE & WILD
Barristers & Solicitors
5035 49 Street
Innisfail AB T4G 1V3

File: RE-19956-M