

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

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000-235898-000

DEVELOPMENT AGREEMENT

THIS AGREEMENT made this 15 day of Sept, A.D. 2000.

Between:

THE TOWN OF COLD LAKE, a municipal corporation
of 5513-48 Avenue, COLD LAKE, in the Province of Alberta, T9M 1A1
(hereinafter referred to as "the Town")

PARTY OF THE FIRST PART

-AND-

VALUE MASTER HOMES

P.O. BOX 1798

COLD LAKE, in the Province of Alberta, T9M 1P4

(hereinafter referred to as "the Developer")

PARTY OF THE SECOND PART

WHEREAS the Developer is or is entitled to become owner of those parcels of land legally described as follows:

LOT 1 BLOCK 5 PLAN 942 0312

EXCEPTING THEREOUT ALL MINES AND MINERALS (hereinafter referred to as "the said Lands"), and proposes to commence a residential development on that portion of the Development Area described herein as "Hospital Point of the Condominium Development Area".

AND WHEREAS the parties hereto agree that the Developer shall construct and install local improvements (as same are defined and described in this Agreement) throughout Hospital Point of the Condominium Development Area at the Developer's sole cost and expense;

AND WHEREAS upon the satisfactory completion of the work, the said local improvement shall become the property of the Town;

AND WHEREAS the parties have agreed that the said construction and installation of local improvements and all matters and things incidental thereto, and the development on the said lands by the Developer, or the sale of the said lands by the Developer to others for such purpose, shall all be subject to the terms, covenants and conditions hereinafter set forth.

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002-285898.001

NOW THEREFORE in consideration of the premises and of the mutual terms, covenants and conditions to be observed and performed by each of the parties hereto, the Town agrees with the Developer and the Developer agrees with the Town as follows:

1) INTERPRETATION:

- a) "Board" means the Board of Managers of the Corporation.
- b) "Condominium Plan" means the Plan registered by the Developer under the Act as No. _____.
- c) "Corporation" means the corporation constituted under the Act by the registration of the Condominium Plan.
- d) "Developer" means TJB Holdings Ltd. operating as Value Master Homes.
- e) "Development Area" shall mean the lands delineated and outlined by a solid heavy line on Schedule "A" hereto;
- f) "Condominium Development Area, "Hospital Point", shall mean the lands delineated and outlined by a solid heavy line on Schedule "B" hereto;
- g) "Agreed Standards" shall mean the standards and specifications set out and contained in Schedule "C" hereto for the design, construction and installations of the local improvements in Hospital Point of the Condominium Development Area including any alterations to or amendments of such standards and specifications which may be agreed upon in writing by the Town and the Developer, such alterations or amendments shall appear in Schedule "C-1" if necessary;
- h) "Consulting Engineer" shall mean the consulting professional engineer or engineers retained by the Developer at the Developer's expense;
- i) "Town Engineer" shall mean the professional engineer or engineers retained by the Town, or the Director of Operational Services;
- j) "Plans" shall mean plans and specifications prepared by the Consulting Engineer at the Developer's expense covering the design, construction and installation of the local improvements in Hospital Point of the Condominium Development Area;
- k) "Public Properties" shall mean and include public parks, schools and other properties in Hospital Point of the Condominium Development Area owned or administered by any municipal or school authority;

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- l) **"Local Improvements"** shall mean and include the following items as per the Town's specifications where deemed necessary by the Town Engineer;
 - i) watermains (transmission and distribution mains), including all fittings, valves, and hydrants;
 - ii) storm water drainage system;
 - iii) sanitary storm water drainage system;
 - iv) concrete curb, gutter and sidewalks;
 - v) roadways, lanes and walkways;
 - vi) grading of the development area (within 0.3 metres of design grade);
 - vii) landscaping based on approved landscaping plans;
 - viii) oversize of local improvement to accommodate future developments on lands adjacent to the Condominium Development Area;
 - ix) street lighting;
 - x) all traffic signs and control devices;
 - xi) the installation of all of the following basic utility services:
 - electrical power distribution
 - natural gas distribution system
 - telephone network
 - cable television network

- m) **"Unit"** shall mean the land within the Parcel described as a Unit on the Condominium Plan including all buildings and improvements thereon and all the Units are "Residential Units" as defined in the Act.

- n) **"Off Site Levy"** for Hospital Point of the Condominium Development Area shall mean the off-site costs associated with construction of or payment for new or expanded facilities for water supply, sewage disposal and storm drainage imposed by the Town on the Developer pursuant to provided legislation of the Town, as outlined on Schedule "D" hereto.

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2) PLAN OF SUBDIVISION

- a) Before commencing the construction and installation of local improvements, the Developer, at its expense, shall cause a plan of the Condominium Development Area (Condominium plan) of Hospital Point development area to be prepared and approved by all necessary approving authorities: PROVIDED and it is a strict requirement of this Agreement, that the said Condominium plan must first have received the approval of the Town and shall have been registered in the Land Titles Office for the North Alberta Land Registration District within twelve (12) months following the date of this Agreement, failing which the Town shall be entitled to terminate this Agreement for all purposes by giving notice of termination in writing to the Developer.

3) PLANS:

- a) Prior to commencing construction and installation of the local improvement in Hospital Point of the Condominium Development Area, the Developer shall submit the plans (both in paper and AutoCad R-14) to the Town Engineer for approval, which said plans (together with any necessary specification to be attached thereto) shall give all necessary details of the local improvements to be constructed and installed by the Developer. All plans submitted for approval shall be processed as expeditiously as possible and in any event, shall be returned approved or rejected within thirty (30) days; or, if not returned within this time period, shall be deemed to be rejected.
- b) The plans shall conform strictly to the agreed standards, except as same may be changed in writing by the Town Engineer, and to proper and accepted design and engineering standards.
- c) If the Town Engineer does not approve the plans or specifications submitted by the Developer on the grounds that the plans do not conform to the agreed standards and to proper and accepted design and engineering standards, the Developer shall be entitled to refer any matter in dispute or any difference between the Developer and the Town Engineer to the Committee of the Whole or the Council of the Town, and the decision of the Committee of the Whole or of the Council shall be final and binding, and such dispute or difference shall not be subject to arbitration hereunder;

4) CONSTRUCTION AND INSTALLATION OF LOCAL IMPROVEMENTS

- a) The Developer shall, within a period of TWELVE MONTHS from the date of this Agreement, construct and install the local improvements throughout Hospital Point of the Condominium Development Area at its own cost and expense, in a good and workmanlike manner, in strict conformance with the plans and proper

and accepted engineering practices, and in accordance with any requirements of law applicable to the work.

b) At all times during the performance of the work:

i) the Town Engineer shall have free and immediate access to all records of or available to the Developer and the Consulting Engineer relating to the performance of the work including, but without limiting the generality of the foregoing, all design, inspection, material testing and "as built" records. Asbuilt Plans on AutoCAD R14 along with inspection reports and materials testing reports shall be submitted to the Town. The Developer shall also provide the Town with a video report of the sanitary sewer line inspection. All drawings to be submitted to the Town on computer diskette in AutoCad R-14 as well as standard A4 drawing sheets.

ii) the Town Engineer may:

- exercise such supervision of the Consulting Engineer and of the performance of the work as he may deem necessary and advisable to ensure to the Town the full and proper compliance by the Developer with the Developer's undertakings to the Town, and to ensure the proper performance of the work.
- reject any unsatisfactory design, material, or work not complying with approved plans.
- order that any unsatisfactory work be re-executed at the Developer's cost.
- order the re-execution of any unsatisfactory design and the replacement of any unsatisfactory material not complying with approved drawings and specifications at the Developer's cost.
- order that the performance of the work or part thereof be stopped until his said orders are obeyed.
- identify all materials or operations which will require testing at the time of plan approval.

and the Developer shall comply with the said order and requirements of the Town Engineer unless the Consulting Engineer takes issue with any such order or requirement, in which case the Consulting Engineer shall request in writing that such issue be arbitrated in accordance with the provisions of Clause 11 hereof, and PROVIDED FURTHER that the work shall stop until such arbitration has taken place.

7. UTILITY EASEMENTS:

- a) The plans as approved by the Town Engineer shall designate the rights-of-way of widths adequate to the needs of the utility companies, for the supply of natural gas, power and telephone service to Hospital Point of the Condominium Development Area, and for the drainage system.
- b) Forthwith upon registration of a plan of subdivision, and prior to the sale of any unit in the Condominium Development Area, the Developer shall grant to the Town easements or grants or rights-of-way for such purposes and shall register or cause to be registered such easements or grants of rights-of-ways contemporaneously with the registration of the plan of subdivision.
- c) Such easements or grants of rights-of-way shall provide that the Town shall have the right either:
 - i) to assign all or part of the rights thereby granted to the operators of the respective utilities, or;
 - ii) to grant permits or licenses to install, repair and replace gas, power and telephone lines and the drainage system.
- d) All costs of preparing or obtaining easements or grants of rights-of way shall be borne by the Developer;
- e) All rights-of-way required for local improvements shall be in the Towns name;

8. MUNICIPAL SERVICES

- a) The Developer shall at all times after any premises are occupied within Hospital Point of the Condominium Development Area and prior to the transfer of the local improvements to the Condominium Corporation, provide and continuously maintain access to such occupied premises for garbage removal and police and fire protection.

9. OFF-SITE LEVIES

- a) Inasmuch as the development of Hospital Point of the Condominium Development Area may make it necessary for the Town to provide
 - new or expanded facilities for the storage, transmission, treatment or supplying of water,
 - new or expanded facilities for the treatment, movement or disposal of sanitary sewage,
 - new or expanded storm sewer drainage facilities, or

- any land required for or in conjunction with any facilities described above

the Town has imposed upon the Developer the off-site levy herein set forth under the terms and conditions as outlined in Schedule "D".

- b) It is mutually agreed and understood that the amounts stated in Schedule "D" attached thereto are a charge against the proposed Condominium Development Area and come due and payable prior to the Town entering into this Agreement.
- c) With respect to the payment of the off-site levies stated in Schedule "D", the Town has the right to register a caveat under the *Land Titles Act* in respect of this Agreement against the Certificate of Title for the Condominium Development Area.
- d) The Town will withdraw and discharge the caveat referred to herein upon receipt of payments referred to in Schedule "D".

10. DEFAULT BY THE DEVELOPER

- a) In the event that the Town claims that the Developer is in default in the observance and performance of the terms, covenants and conditions of this Agreement (other than the terms, covenants and conditions of Clause 7 hereof), the Town shall give the Developer thirty (30) days notice in writing of such claimed default and require the Developer to rectify same within the said period of thirty (30) days.
 - i) If the Developer denies that it is in default as claimed in such notice, the Developer shall immediately request a reference to arbitration pursuant to the provisions of Clause 11 hereof. If the arbitrator confirms the claimed default, the Developer shall, notwithstanding the provisions of subparagraph (a) hereof, have a period of thirty (30) days from the receipt of the ruling of the arbitrator within which to rectify such default. Time shall be of the essence hereof.
- b) In the event that the Town claims that the Developer is in default in the observance and performance of the terms, covenants and conditions of Clause 7 of this Agreement, the Town shall give the Developer notice in writing of such claimed default, and shall by such notice either require the Developer to rectify such default within thirty (30) days of the receipt of such notice or notify the Developer that the Town intends to rectify such default at the Developer's costs and expense.

necessary, and if the Developer fails to pay the cost and expense of such repair work within five (5) days after the receipt from the Town of an account, based on actual invoices for work done and administration costs therefore, then which for the purposes of this Agreement shall be 10 percent (%). The Town may invoke the provisions of Clause 12 hereof and make demands as obligee under any Performance Bonds or as payee under any Irrevocable Letters of Credit provided by the Developer pursuant to the requirements of this Agreement;

the Developer shall not be deemed to be in default in the performance of its obligations hereunder if any failure in performance of said obligations is due to fires, adverse weather conditions, the Queen's enemies, provided that lack of finances shall in no event be deemed a cause beyond the Developer's control.

11. ARBITRATION:

- a) All arbitration will be conducted and carried out under the Arbitration Act;
- b) All charges, fees and expenses of the arbitration shall be borne and paid by the Town or the Developer, or proportionately by both of them, depending upon their respective fault as found by the arbitrator, PROVIDED:
 - i) that the foregoing provisions shall not authorize any reference to arbitration as to any matter or question which under this Agreement is expressly or by implication required or permitted to be decided by the Town, the Town's Engineer, the Committee of the Whole or the Council of the Town, or as to the grounds upon which, or the mode in which, any opinion may have been formed or discretion exercised by the Town, the Town's Engineer, the Committee of the Whole or the Council for the Town;
 - ii) that neither party hereof shall be liable to any claim in respect of any such dispute or difference until the liability and the amount of liability in respect of same shall, if not admitted, have been referred to and determined by arbitration, the award under which shall be a condition precedent to liability of any such part or to any right of action against any such party in respect to the claim.

12. INDEMNITY AND SECURITY:

- a) The Developer or Contractor retained by Developer shall indemnify and save harmless the Town from any and all losses, costs, damages, actions, causes of action, suits, claims and demands resulting from anything done or omitted to be done by the Developer in pursuance or purported pursuance of this Agreement.

13. CONSTRUCTION OF UNITS

- a) The Developer agrees to construct as part of this Development agreement 4 units on the Condominium Development Area prior to the expiration of one year from the completion of the installation of Local Improvements.
- b) The Developer agrees to complete the construction of the balance of three units on the Condominium Development Area prior to the expiration of 5 years from the completion of the Local Improvements.

14. LAKESHORE ENVIRONMENTAL & RESERVE LAND

- a) The Developer in marketing the Condominium Development Area, requests that there be some improvements to the view of the lake through enhancements to the adjacent Environment Reserve and will apply for these enhancements in accordance with the Town of Cold Lake's Environmental Reserve Policy.
- b) The Developer through the approval process, with the Town, will seek to have some minimal cleanup of dead tree material and/or thinning of existing trees. This work will be carried out by an accredited arborist with extensive experience under the supervision and control of the Town of Cold Lake. The cleanup of dead trees will be carried out at the expense of the Town, while any professional pruning will be carried out at the expense of the Developer.
- c) In the event that cleanup of dead tree and shrub material from the Environmental Reserve Land abutting the Condominium Development Area not be allowed under the conditions presented, the Developer may consider this agreement null and void.

15. DELIVERY OF DOCUMENTS TO TOWN:

- a) Forthwith upon the completion of the construction and installation of the local improvements and the acceptance of same by the Town, the Developer will deliver to the Town all inspection and testing results and original (linen) "as built" plans and AutoCad R-14 diskettes prepared by the Developer's Engineer relating to the servicing of Hospital Point of the Condominium Development Area with the local improvements.

16. COMPLIANCE WITH LAW:

- a) The Developer shall at all times comply with all legislation, regulations and municipal Bylaws and regulations relating to the development of Hospital Point and the Condominium Development Area.

- b) This Agreement does not constitute approval of any development and is not a development permit or other permit granted by the Town.
- c) Where anything provided for herein can not lawfully be done without the approval or permission of any authority, person or board, the obligation to do it does not come into force until such approval or permission is obtained, PROVIDED the parties will do all things necessary by way of application to otherwise in an effort to obtain such approval or permission.
- d) If any provisions hereof are contrary to law, the same shall be severed and the remainder of this Agreement shall be of full force and effect.

17. LAW OF ALBERTA APPLICABLE:

- a) The validity and interpretation of this Agreement and of each clause and part thereof, shall be governed by the laws of the Province of Alberta and the "Condominium Property Act".
- b) For the purpose of complying with the Condominium Property Act, the Developer agrees that the Developers Management Agreement and Condominium Corporation Bylaws shall be contained in Schedule " E " of the Agreement.

18. FURTHER ASSURANCES:

- a) Both parties shall execute and deliver all further documents and assurances necessary to give effect to this Agreement and to discharge the respective obligations of the parties.

19. WAIVER:

- a) A waiver by either party hereto of the strict performance by the other of any covenant or provisions of this Agreement shall not itself constitute a waiver of any subsequent breach of such covenant or provisions or of any other covenant or provisions of this Agreement.

20. NOTICES:

- a) Any notice to be given to the Developer hereunder shall be addressed to:

VALUE MASTER HOMES
BOX 1798
COLD LAKE, ALBERTA
T9M 1P4

2000-01-20 10:00 AM

- b) Any notice to be given to the Town hereunder shall be delivered to the Town Office, or addressed to:

TOWN OF COLD LAKE
5513 - 48 AVENUE
COLD LAKE, AB
T9M 1A1

- c) Either party may by notice in writing change its address for notices hereunder;

21. NON-ASSIGNABILITY OF AGREEMENT:

- a) This Agreement shall not be assignable by the Developer without the prior written approval of the Town.
- b) This Agreement shall consist of this document including all attached and initialed schedules. It is agreed that there are no representations, warranties, collateral agreements, or conditions affecting this said Agreement except as incorporated herein.
- c) Verbal amendments to this Agreement shall not be provided by or accepted by either party.

002-285898-014

IN WITNESS WHEREOF the parties have hereto have caused their corporate seals to be affixed
the day and the year above written.

SIGNED, SEALED, AND
DELIVERED BY:

) TOWN OF COLD LAKE

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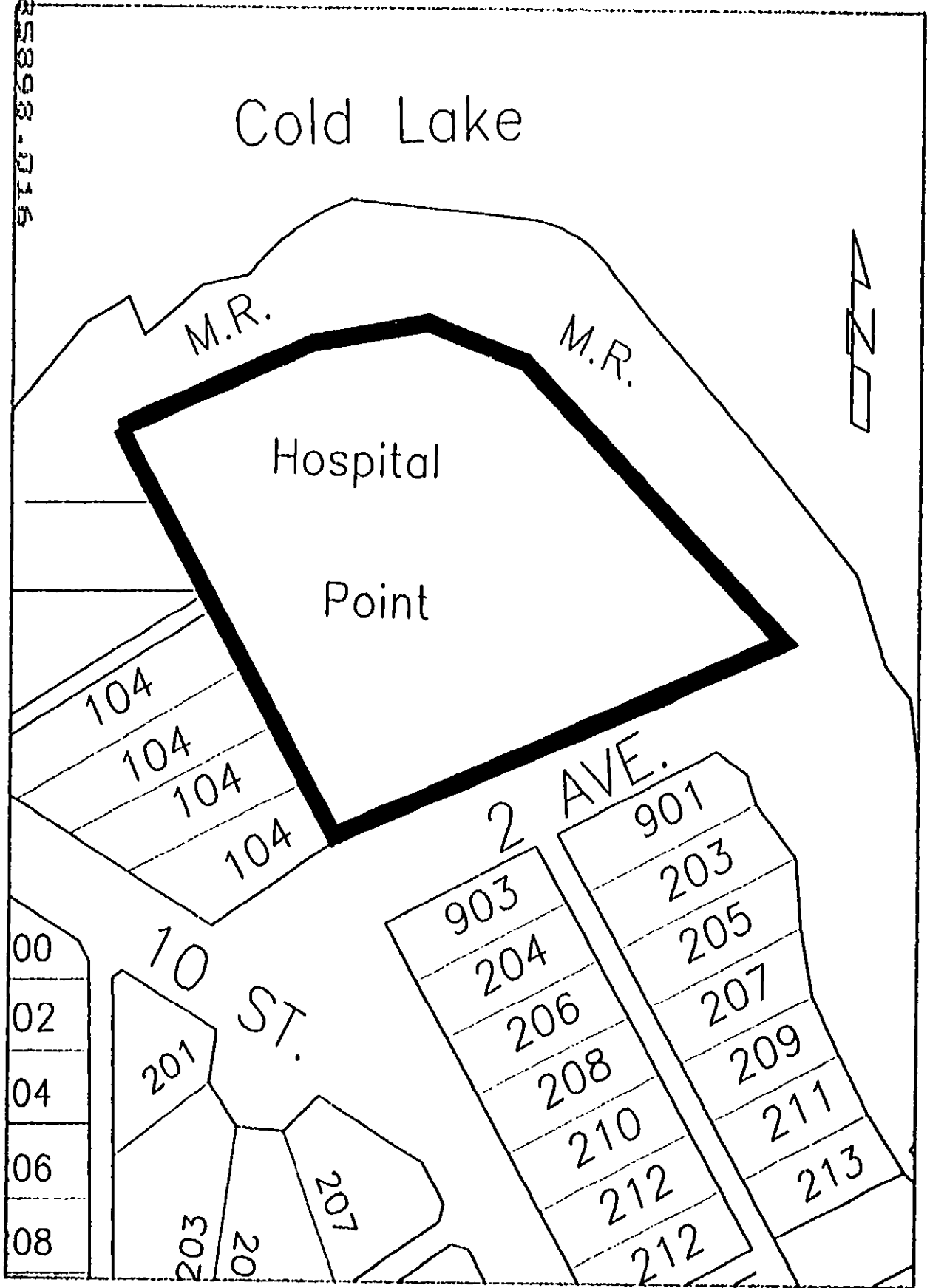
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SCHEDULE "A"
(Development Area)

2025 85893-016

Schedule A

Cold Lake

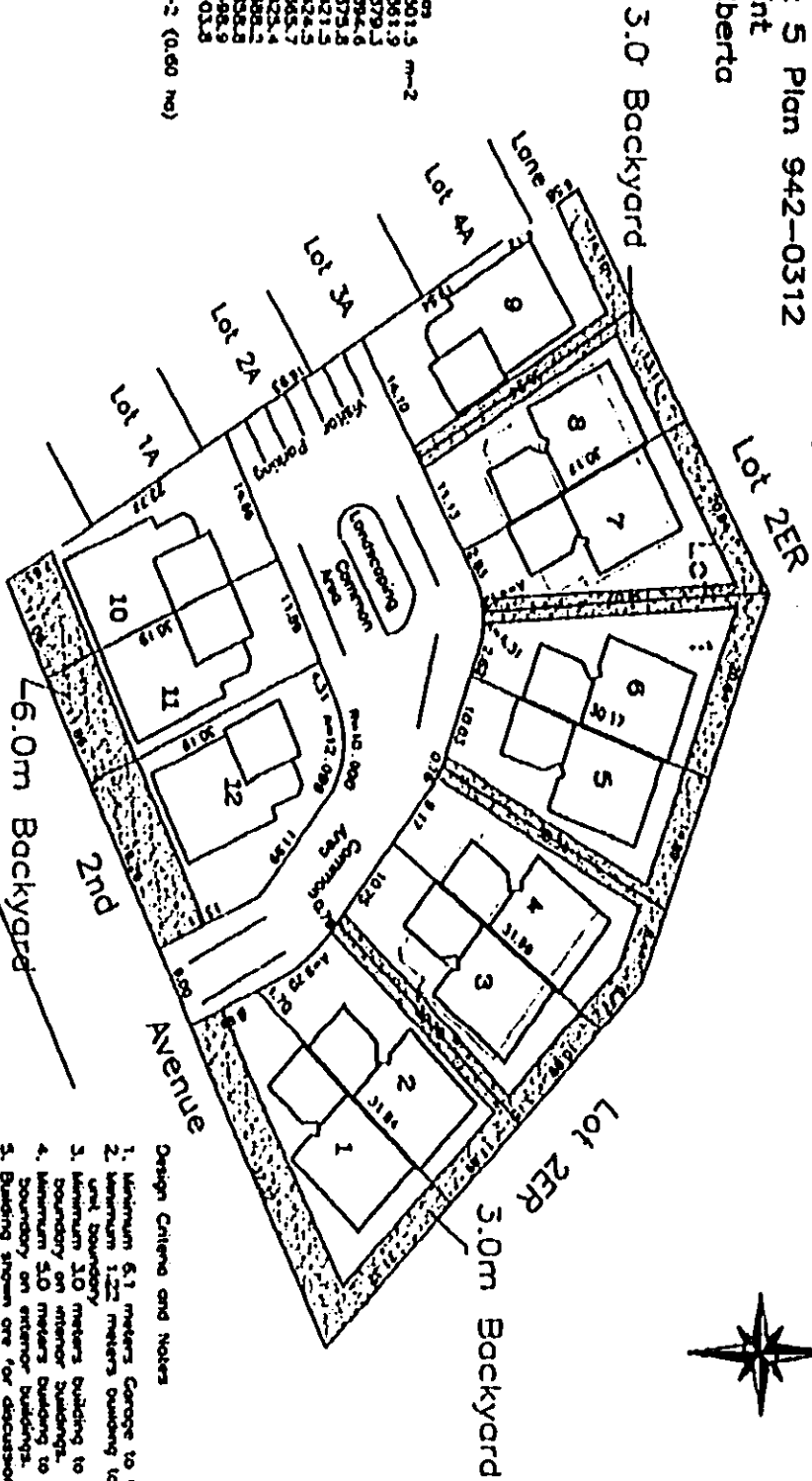


002-285898-017

SCHEDULE "B"


Hospital Point Development Area

TENTATIVE PLAN
 Showing Proposed Barkland Condominium Development
 Lot 1 Block 5 Plan 942-0312
 Hospital Point
 Cold Lake, Alberta



SCHEDULE "B"

Proposed Unit	Area
Unit 1	301.5 m ²
Unit 2	301.9
Unit 3	379.1
Unit 4	379.6
Unit 5	375.8
Unit 6	421.5
Unit 7	424.5
Unit 8	365.7
Unit 9	423.4
Unit 10	382.1
Unit 11	382.9
Unit 12	498.9
Common Area	1503.8
Total Area	5000m² (1160 ha)


 B.L. DRAKE
 ALBERTA LAND SURVEYOR

- Design Criteria and Notes**
1. Minimum 6.1 meters Garage to Common Area
 2. Minimum 1.22 meters Building to adjacent unit boundary
 3. Minimum 3.0 meters Building to rear unit boundary on interior buildings.
 4. Minimum 5.0 meters Building to rear unit boundary on exterior buildings.
 5. Building shown on this discussion purposes only, actual layout may vary.

DATE: January 21st, 2000 SCALE: 1:500
 DISTANCES IN METRES. JOB NO: M112

SCHEDULE "C"
ENGINEERING SERVICING STANDARDS

002-285696-019

Town of Cold Lake Municipal Engineering Servicing Standards



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