

AGRICULTURAL PURCHASE CONTRACT

THE SELLER

**Between
and**

THE BUYER

Name Ace In The Hole Inc.

Name _____

Name _____

Name _____

1. THE PROPERTY

1.1 The Property is:

(a) the land located in the (County or MD) Red Deer County

Municipal Address: SW 18 36 3 W5 4-0 on Hwy 54 Rural County of Red Deer

Legal description(s) as set out below or on the Land Description Schedule, selected as attached in clause 9.1.

Line Number	Title Number	W. of (Meridian)	Range	Township	Section	Quarter Section	Part	Hectares (more or less)	Acres (more or less)
0013923289	192 103 004	W5	3	36	18		NW		160

Excepting thereout all mines and minerals unless otherwise stated _____

(the "Lands");

(b) all buildings and other improvements on the Lands (the "Buildings");

(c) these unattached goods:

(d) the attached goods except for:

(e) the following tenancies where the seller is the landlord and the buyer is assuming these leases ("Accepted Tenancies"), or as described in the schedules selected as attached in clause 9.1:

2. PURCHASE PRICE AND COMPLETION DAY

2.1 The purchase price is: \$ _____ plus GST (the "Purchase Price").

2.2 With respect to GST payable if the buyer is:

(a) not a GST registrant under the *Excise Tax Act* (Canada), then the buyer shall remit the applicable GST to the seller's lawyer on or before the Completion Day. The seller shall remit the GST to the Receiver General as required by law, and will indemnify and save the buyer harmless from and against all costs and expenses (including legal fees on a solicitor/client full indemnity basis) that the buyer may incur or become subject to as a result of the seller's failure to remit GST pursuant to this clause; or

(b) a GST registrant under the *Excise Tax Act* (Canada), then the buyer will provide the seller with proof and details of the buyer's GST registration before the Completion Day. The buyer will assume the liability for all GST payable pursuant to the *Excise Tax Act*

(Canada) accruing in respect of this transaction and will indemnify and save the seller harmless from and against all costs and expenses (including legal fees on a solicitor/client full indemnity basis) that the seller may incur or become subject to as a result of the buyer failing to comply with its obligations pursuant to this clause.

- 2.3 This contract will be completed, the Purchase Price fully paid, and vacant possession given to the buyer at 12 noon on October 31, 2022 (the "Completion Day"), subject to the rights of the tenants in the Accepted Tenancies, if any. All harvested crops remain the property of the seller and will be removed by the ___ day of _____, 20___, and all unharvested crops by the ___ day of _____, 20___, after which time the crops or any part thereof not removed shall become the absolute property of the buyer.
- 2.4 After the date that acceptance of this contract is communicated, the seller shall not make any changes to any of the leases pertaining to the Accepted Tenancies without the buyer's consent in writing.
- 2.5 The seller represents and warrants that on the Completion Day, the Property will be in substantially the same condition as when this contract was accepted ~~and the attached and unattached goods will be in normal working order.~~

3. GENERAL TERMS

- 3.1 In fulfilling this contract, the seller and buyer agree to act reasonably and in good faith and agree that:
- (a) unless the seller, buyer or both have agreed to alternate representation, the seller and buyer are each represented by their own sole agent and those agents have no agency responsibility to the other party;
 - (b) the laws of Alberta apply to this contract;
 - (c) Alberta time applies to this contract. Time is of the essence, which means times and dates will be strictly followed and enforced;
 - (d) Business Day means every day but Saturday, Sunday, and statutory holidays, and includes all the hours of the day;
 - (e) a reference to the seller or buyer includes singular, plural, masculine, feminine or an entity like a corporation;
 - (f) ~~the seller will disclose known Material Latent Defects. Material Latent Defects means a defect in the Property that is not discoverable through a reasonable inspection and that will affect the use or value of the Property;~~
 - (g) the seller and buyer are each responsible for completing their own due diligence and will assume all risks if they do not;
 - ~~(h) the seller will ensure the seller's representations and warranties are true by:~~
 - ~~(i) reviewing documents such as land title, registrations on title, leases, and contracts;~~
 - ~~(ii) determining non-resident status for income tax purposes and determining any downer rights;~~
 - ~~(iii) determining whether or not GST is payable for the sale of the Property;~~
 - ~~(iv) conducting due diligence searches, such as litigation and personal property security registry searches; and~~
 - ~~(v) doing other needed research;~~
 - (i) the buyer will ensure the buyer's representations and warranties are true by determining its ability to purchase land under the *Foreign Ownership of Land Regulations (Alberta)*;
 - (j) the buyer may get independent inspections or advice on items such as land title, registrations on title, current and future use including agricultural use, Buildings and mechanical systems, property insurance, title insurance, applicability of GST, size of the Lands and Buildings, interior and exterior measurements, leases, estoppel certificates pertaining to Accepted Tenancies, registrations affecting the unattached goods and attached goods, the seller's representations and warranties included in the attached Agricultural Purchase Contract Property Schedule, and other items important to the buyer;
 - (k) contract changes that are agreed to in writing will supersede the pre-printed clauses;
 - (l) the seller and buyer will read this contract and seek relevant advice before signing it;
 - (m) the brokerages, real estate board and listing services may keep and disclose relevant information about this transaction for reporting, statistical, property evaluation and closing purposes; and
 - (n) the Virtual Property Inc. (seller's or buyer's) brokerage will provide this contract and related documents to the appointed lawyers for the purpose of closing this contract.

4. DEPOSITS

- 4.1 The seller and buyer agree that clauses 4.2 through 4.9 are the terms of trust for the Deposits. "Deposits" means the amounts payable under clauses 4.3 and 4.4, and "Deposit" means either of them.
- 4.2 The seller and buyer appoint Virtual Property Inc. as trustee (the "Trustee") for the Deposits.
- 4.3 The buyer will pay a deposit of \$ (10%), which will form part of the Purchase Price, to the Trustee by _____ (method of payment) on or before _____.
- 4.4 The buyer will pay an additional deposit of \$ _____, which will form part of the Purchase Price, to the Trustee by Certified Cheque (method of payment), on or before October 3, 2022.
- 4.5 If the buyer fails to pay a Deposit as required by this contract, the seller may void this contract at the seller's option by giving the buyer written notice. The seller's option expires whenever the seller accepts a deposit, even if late.
- 4.6 The Trustee will deposit the Deposits into a trust account within three Business Days of receipt.
- 4.7 Interest on the Deposits will not be paid to the seller or buyer.
- 4.8 The Deposits will be held in trust for both the seller and buyer. Provided funds are confirmed, the Deposits will be disbursed, without prior notice, as follows:
- ~~(a) to the buyer, if after this contract is accepted:~~
 - ~~(i) a condition is not satisfied or waived in accordance with clause 8.4;~~
 - ~~(ii) the buyer voids this contract for the seller's failure to provide a Downer Consent and Acknowledgement form in accordance with subclause 7.4(b);~~
 - ~~(iii) the seller voids this contract for the buyer's failure to pay an additional deposit in the case where an initial deposit has been paid by the buyer; or~~
 - ~~(iv) the seller fails to perform this contract;~~
 - (b) to the seller, if this contract is accepted and all conditions are satisfied or waived, and the buyer fails to perform this contract; or
 - (c) applied against the Fee owed by the seller by payment directly out of trust to the brokerage(s), with any excess amount paid in trust to the seller's lawyer no later than three Business Days prior to the Completion Day. "Fee" means the amount, plus GST, owed to a real estate brokerage under a written service agreement.
 - (d) If the seller or buyer fails or refuses to complete this contract, the other party may seek all remedies, such as claims for deposits and damages, and reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.
- 4.9 The disbursement of Deposits, as agreed to in this clause, will not prevent the seller or buyer from pursuing remedies in clause 12.

5. LAND TITLE

- 5.1 Title to the Property will be free of all encumbrances, liens and interests except for:
- (a) those implied by law;
 - (b) non-financial obligations now on title, such as easements, utility rights-of-way, covenants and conditions that are normally found registered against property of this nature; and
 - (c) the following encumbrances that the buyer agrees to accept:

6. REPRESENTATIONS AND WARRANTIES

6.1 The seller represents and warrants to the buyer that:

- (a) the seller has the legal right to sell the Property;
- (b) the seller is not now nor will it be on the Completion Day a non-resident for the purposes of the *Income Tax Act* (Canada), nor an agent or a trustee for any person with an interest in the Property who is a non-resident of Canada;
- ~~(c) no one else has a legal right to the included attached and unattached goods;~~
- ~~(c) the current use of the Lands and Buildings complies with the existing municipal land use bylaw and any restrictive covenant on title;~~
- ~~(e) the location of the Buildings and land improvements:~~
 - ~~(i) are on the Lands and not on any easement, right-of-way or neighbouring lands unless there is a registered agreement on title or, in the case of an encroachment into municipal lands or a municipal easement or right-of-way, the municipality has approved the encroachment in writing;~~
 - ~~(ii) complies with any restrictive covenant on title, and municipal bylaws, regulations and relaxations, or the Buildings and improvements are "non-conforming buildings" as defined in the *Municipal Government Act* (Alberta);~~
- ~~(f) known Material Latent Defects, if any, have been disclosed in writing in this contract;~~
- ~~(g) any government and local authority notices regarding the Property, lack of permits for any development on the Property, or notices regarding any environmental conditions or problems known to the seller have been disclosed in writing in this contract;~~
- ~~(h) there is no legal action outstanding with respect to the Property;~~
- ~~(i) the Property is in compliance with all applicable environmental laws;~~
- ~~(j) the seller is not in breach of any contract with respect to the Property which gives rise to an interest in land, including but not limited to, any leases related to Accepted Tenancies;~~
- ~~(k) any leases pertaining to the Accepted Tenancies are valid and in good standing;~~
- ~~(l) the seller is not in breach of any obligation to any third party with respect to the Property which gives rise to an interest in land;~~
- ~~(m) any on-site sewage systems serving the Property:~~
 - ~~(i) are wholly within the limits of the Property;~~
 - ~~(ii) have received the required certificates of installation and approval pursuant to the *Environmental Protection and Enhancement Act* (Alberta) (the "*EPEA*") and have been constructed according to these certificates of installation and approvals, or have the required certificates of installation and approval from the local municipality;~~
 - ~~(iii) have received all required use permits under the *EPEA* or have the required use permits under the local municipality; and~~
 - ~~(iv) have been properly used and regularly maintained and will be in good working order on the Completion Day; and~~
- ~~(n) the seller has disclosed to the buyer all knowledge and information it has regarding all wells, water sources, and water rights pertaining to the Property in writing in this contract.~~

6.2 The buyer represents and warrants to the seller that the buyer is eligible to purchase "controlled land" as defined in the *Foreign Ownership of Land Regulations* (Alberta);

6.3 The representations and warranties in this contract including any attached Schedules:

- (a) are made as of, and will be true at, the Completion Day; and
- (b) will survive completion and may be enforced after the Completion Day as long as any legal action is commenced within the time limits set by the *Limitations Act* (Alberta).

7. DOWER

7.1 The seller represents and warrants to the buyer that no spouse has dower rights in the Property. Otherwise, if dower rights do apply, the seller will:

- (a) have the non-owner spouse sign this contract; and
- (b) provide a completed Dower Consent and Acknowledgment form to be attached to and form part of this contract on or before _____, 20____. If the seller fails to provide the completed Dower Consent and Acknowledgment form by the agreed date, the buyer may void this contract at the buyer's option by giving the seller written notice. The buyer's option expires when the seller delivers the Dower Consent and Acknowledgment form, even if delivered late.

~~8. CONDITIONS~~

~~8.1 The seller and buyer will:~~

- ~~(a) act reasonably and in good faith in trying to satisfy their own conditions, including making reasonable efforts to fulfill them; and~~
- ~~(b) pay for any costs related to their own conditions;~~
- ~~(c) agree that the buyer may retain consultants to conduct inspections, reviews and tests on the Property and may enter upon the Property for the purpose of conducting its investigations about the state of the Property, subject to the following:
 - ~~(i) the rights of any tenants;~~
 - ~~(ii) the buyer shall not carry out any destructive or physically invasive testing, except with the prior written consent of the seller and shall repair all damage resulting from its investigations;~~
 - ~~(iii) the buyer shall obtain the seller's prior consent as to the timing and length of any inspections;~~
 - ~~(iv) in conducting its investigations, the buyer shall use commercially reasonable efforts to minimize disruption of the current use of the Property; and~~
 - ~~(v) the buyer shall indemnify and save the seller harmless from all claims, damages, losses or liabilities of any kind (including legal fees on a solicitor/client full indemnity basis) resulting from the buyer's investigations upon the Property; and~~~~
- ~~(d) agree that the seller will provide the buyer with such written authorizations and other assistance when reasonably required by the buyer to facilitate the buyer's inspections, reviews and tests, to satisfy its conditions;~~
- ~~(e) obtain professional advice with respect to GST applicable to the transaction.~~

~~8.2 Buyer's Conditions~~

~~The buyer's conditions are for the benefit of the buyer and are:~~

~~(a) Financing~~

~~This contract is subject to the buyer securing new financing from a lender of the buyer's choice and with terms satisfactory to the buyer, before _____, on _____, 20____. The seller will cooperate by providing access to the Property on reasonable terms.~~

~~(b) Property Inspection~~

~~This contract is subject to the buyer's satisfaction with an inspection of the improvements on the Property, conducted by a licensed inspector, before _____, on _____, 20____. The seller will cooperate by providing access to the Property on reasonable terms.~~

~~(c) Sale of Buyer's Property~~

~~This contract is subject to the sale of the buyer's property before _____, on _____, 20____, on the terms in the attached Sale of Buyer's Property Schedule.~~

~~(d) Water~~

~~This contract is subject to the buyer's satisfaction with the source and the flow rate of the water supply and a review of well and water reports prepared by an inspector of the buyer's choice, before _____, on _____, 20____. The seller will cooperate by providing access to the Property on reasonable terms.~~

~~(c) On-site Sewage System~~

~~This contract is subject to the buyer's satisfaction with a review of the on-site sewage system inspection, prepared by an inspector of the buyer's choice, before _____, m. on _____, 20____. The seller will cooperate by providing access to the Property on reasonable terms.~~

~~(f) Agricultural Purchase Contract Property Schedule~~

~~This contract is subject to the buyer's satisfaction with the information provided by the seller in the attached Agricultural Purchase Contract Property Schedule, before _____, m. on _____, 20____.~~

~~(g) Subdivision Plan~~

~~This contract is subject to the buyer's satisfaction with a review of a subdivision plan for the Property before _____, m. on _____, 20____. The seller will cooperate by providing a true copy of the subdivision plan.~~

~~(h) Due Diligence~~

~~(i) Within _____ Business Days after the date that acceptance of this contract is communicated, the seller will provide to the buyer true copies of all agreements, documents, reports and other materials respecting the Property that are in the possession or control of the seller (the "Disclosure Documents"), including but not limited to: copies of Permitted Encumbrances, copies of leases for the Accepted Tenancies, environmental reports, operating information, surveyors plans and reports, real property reports, permits, verification of GST, etc., and _____.~~

~~(ii) The buyer will keep all Disclosure Documents and information obtained from the seller in strict confidence and will only make such information available to the buyer's employees, agents and professional advisors on a need to know basis. Should this transaction not be completed, the buyer will return the Disclosure Documents including all copies to the seller immediately.~~

~~(iii) This contract is subject to the buyer's satisfaction with the results of its review of the Disclosure Documents and its inspections of the Property, before _____, m. on _____, 20____.~~

~~(j) Additional Buyer's Conditions~~

~~before _____, m. on _____, 20____.~~

~~8.5 Seller's Conditions~~

~~The seller's conditions are for the benefit of the seller and are:~~

~~before _____, m. on _____, 20____.~~

~~8.4 Each party will give the other written notice that:~~

~~(a) a condition is unilaterally waived or satisfied on or before the date upon which it expires. If not, this contract will end after the time indicated for that condition; or~~

~~(b) a condition will not be waived or satisfied prior to the date upon which it expires. This contract will end upon that notice being given.~~

9. ATTACHMENTS AND ADDITIONAL TERMS

9.1 The selected documents are attached to and form part of this contract:

- Land Description Schedule;
- Certificate(s) of Title for the Lands;
- Financing Schedule (Seller Financing, Mortgage Assumption, Other Value);
- Sale of Buyer's Property Schedule;
- Surface Leases and Income Schedule;
- Grazing Leases and Permits Schedule;
- Property Leases Schedule;
- Residential Leases Schedule;
- Water and Irrigation Rights Schedule;
- Agricultural Purchase Contract Property Schedule;
- Manufactured Home Schedule;
- Addendum;
- Other Schedule A forms part of this Contract

9.2 The parties agree that the following additional terms shall form a binding part of this contract:

10. CLOSING PROCESS

Closing Documents

10.1 As applicable, the closing documents will be:

- (a) transfer of land (the "Transfer") in registerable form;
- (b) statement of adjustments;
- (c) bill of sale for any unattached goods;
- (d) estoppel certificates for each of the Accepted Tenancies along with assignment of leases;
- (e) GST indemnity certificate; and
- (f) such other closing documents reasonably requested by the seller's lawyer or the buyer's lawyer (the "Closing Documents").

Closing Procedure

- 10.2 The seller or the seller's lawyer will deliver the Closing Documents to the buyer or buyer's lawyer upon reasonable trust conditions consistent with the terms of this contract, including delivery within a reasonable time before the Completion Day to allow for confirmation of registration of documents at the Land Titles Office, obtain the advance of mortgage proceeds, and verify of the transfer of other value items.
- 10.3 If a new mortgage is a condition of this contract, the seller agrees to trust conditions that allow the buyer's lawyer to register the Transfer so as to obtain the advance of mortgage funds on the new mortgage, provided however that the buyer's lawyer undertakes, accepts, and complies with reasonable trust conditions imposed by the seller's lawyer until the seller has been paid the total Purchase Price.

Payments and Costs

- 10.4 The Purchase Price (other than Deposits) shall be paid by certified cheque, bank draft or solicitor's trust cheque.
- 10.5 All normal adjustments for the Property including but not limited to taxes, local improvement levies and assessments, municipal charges, rents, utilities, tenant deposits including interest, prepaid rent, and mortgage principal and interest that are applicable with respect to the Property will be the seller's responsibility for the entire Completion Day and thereafter assumed by the buyer.
- 10.6 The seller's lawyer may use the Purchase Price to pay and discharge all of the seller's financial obligations related to the Property. The seller's lawyer will provide the buyer's lawyer with evidence of all discharges including, where required, a certified copy of the certificate of title, within a reasonable time after the Completion Day.
- 10.7 If the seller has entered into a written service agreement with a real estate brokerage, the seller instructs the seller's lawyer to honour the terms of that agreement, including the Fee and other costs payable to the seller's brokerage.
- 10.8 The seller will have the right to register a seller's caveat against the title to the Property and the buyer shall have the right to register a buyer's caveat against the title to the Property, upon the date that acceptance of this contract is communicated.
- 10.9 The seller will pay the costs to prepare the Closing Documents, costs to end any existing tenancies that are not Accepted Tenancies and provide vacant possession to the buyer and costs to prepare, register and discharge any seller's caveat based on this contract.
- 10.10 The buyer will pay the costs to prepare, register and discharge any buyer's caveat based on this contract and to register the Transfer and mortgage, if applicable.

Completion Day Delays

- 10.11 If the seller fails to deliver the Closing Documents in accordance with clause 10.2, then:
- (a) the buyer's payment of the Purchase Price and late interest will be delayed until the buyer or buyer's lawyer has received the Closing Documents and has a reasonable time to review and register them, obtain the advance of mortgage financing, and verify the transfer of other value items, as applicable; and
 - (b) if the buyer is willing and able to close in accordance with this contract and wants to take possession of the Property, then the seller will give the buyer possession upon reasonable terms which will include the payment of late interest only on the amount of mortgage being obtained by the buyer at the interest rate of that mortgage.

- 10.12 If the seller has complied with clause 10.2, but the buyer is not able to close in accordance with this contract, then:
- (a) the seller may, but is not obligated to, accept late payment of the Purchase Price and give the buyer possession upon reasonable terms; and
 - (b) if the seller agrees to accept late payment of the Purchase Price and, whether or not possession is granted, the buyer will pay late interest at the prime lending rate of the ATB Financial at the Completion Day plus 3% calculated daily from and including the Completion Day to (but excluding) the day the seller is paid in full. Payment received after 12 noon on any day will be payment as of the next Business Day.

11. INSURANCE

- 11.1 The seller bears the risk of loss or damage to the Property until the Purchase Price is paid. If such loss or damage occurs before the Purchase Price is paid, any insurance proceeds will be held in trust for the seller and buyer based on their interests.

12. REMEDIES

- 12.1 If the seller or buyer fails or refuses to complete this contract, the other party may seek all remedies, such as claims for Deposits and damages, and reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.
- 12.2 On buyer default, if the seller must restore the Property title, enforce a lien against the Property or regain possession of the Property, the seller may seek all remedies, such as claims for damages, and all reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.
- 12.3 The seller and the buyer agree that the Property is unique. On seller default, the buyer may make a claim for specific performance and other remedies.

13. NOTICE AND DOCUMENTS

- 13.1 A notice under this contract means a written document, including notices required by this contract, and this contract when accepted.
- 13.2 A notice is effective at the time the document is delivered in person or sent by fax or email.
- 13.3 Giving notice means the document is transmitted by one of these methods, and regardless of the method, the notice document is recognized as an original document.
- 13.4 For documents that require a signature, an electronic signature, as defined in the Electronic Transactions Act (Alberta), or a digitized signature will have the same function as an ink signature.

14. AUTHORIZATION

14.1 The seller and buyer may each authorize a representative to send and receive notices as described above. Once authorized, notices will be effective upon being delivered in person, or sent by fax or email to the authorized representative.

The seller authorizes:

Seller's Brokerage:

Name: Virtual Property Inc.

Address: Bay 6, 7459 49 Avenue

Red Deer, Alberta T4P 1N2

Brokerage Representative:

Name: Dennis Roszell

Phone: 403-350-1914 Fax: _____

Email: DR@virtualpropertyinc.com

The buyer authorizes:

Buyer's Brokerage:

Name: _____

Address: _____

Brokerage Representative:

Name: _____

Phone: _____ Fax: _____

Email: _____

14.2 If the seller or the buyer does not authorize a brokerage, then:

The seller authorizes:

Name: _____

Address: _____

Phone: _____ Fax: _____

Email: _____

The buyer authorizes:

Name: _____

Address: _____

Phone: _____ Fax: _____

Email: _____

14.3 If the authorization information changes, the seller and buyer agree to give written notice to the other party as soon as the change is known so that future notices may be sent to the proper person and place.

18. ACCEPTANCE

The seller agrees to sell the Property according to the terms of this contract.

SIGNED AND DATED at _____, Alberta at _____ : _____ .m. on _____, 20____.

COPY

Signature of Seller or Authorized Signatory of Seller _____ Signature of Witness _____

Print Name of Seller or Authorized Signatory of Seller _____ Print Name of Witness _____

COPY

Signature of Seller or Authorized Signatory of Seller _____ Signature of Witness _____

Print Name of Seller or Authorized Signatory of Seller _____ Print Name of Witness _____

Seller's GST # _____

Non-registered owner spouse's signature (when dower rights apply):

SIGNED AND DATED at _____, Alberta at _____ : _____ .m. on _____, 20____.

Signature of non-registered owner spouse _____ Signature of Witness _____

Print Name of non-registered owner spouse _____ Print Name of Witness _____

INFORMATION

The following is for information purposes and has no effect on the contract's terms:

REJECTION

I/we do not accept this offer/counter offer. No counter offer is being made.

SIGNED AND DATED at _____, Alberta at _____ : _____ .m. on _____, 20____.

Signature of Seller or Authorized Signatory of Seller _____ Signature of Buyer or Authorized Signatory of Buyer _____

Signature of Seller or Authorized Signatory of Seller _____ Signature of Buyer or Authorized Signatory of Buyer _____



CONVEYANCING INFORMATION

Seller's Information:

Address: _____

Phone: _____ Fax: _____

Lawyer's Name: Darrell Moore

Firm: 4943 50 Street 3rd & 4th Floor

Address: Red Deer, Alberta T4N 1Y1

Phone: 403.346.5591 Fax: 403.346.5599

Email: DR@VirtualPropertyInc.com

Buyer's Information:

Address: _____

Phone: _____ Fax: _____

Lawyer's Name: _____

Firm: _____

Address: _____

Phone: _____ Fax: _____

Email: _____