

THIS AGREEMENT made effective the ___ day of _____, _____.

BETWEEN:

PURCHASER

a corporation incorporated under the laws of the Province of _____
(hereinafter called the "Purchaser")

- and -

VENDOR

a corporation incorporated under the laws of the Province of _____
(hereinafter called the "Vendor")

WHEREAS:

1. The Vendor owns certain properties listed on Schedule "A" under the description "Property Disposed of – Description" (hereinafter collectively called the "Property"), which it wants to sell the Purchaser on the terms and conditions of this Agreement.
2. The Purchaser wants to purchase the Property on the terms and conditions of this Agreement.
3. The Parties intend:
 - (a) Subsection 85(1) of the *Income Tax Act* (Canada) (hereinafter called the "Act") shall apply to the transfer of the Property, as more fully set out in this Agreement, so the transfer will occur without incidence of income tax cost to the Vendor;
 - (b) the Property shall be purchased and sold for an aggregate price equal to the Property's fair market value (hereinafter called "FMV") immediately before the Effective Date;
 - (c) the aggregate of the Shares' FMV, as at the date or dates the Purchaser issues them to the Vendor, and of the face amount of the Assumed Debt shall equal the Property's FMV, immediately before the Effective Date; and,
 - (d) the Shares' FMV, as at the date the Purchaser issues them to the Vendor, shall equal the excess of the Property's FMV, immediately before the Effective Date, over the principal or face amount of the Assumed Debt.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT THE PARTIES AGREE AS FOLLOWS:

1. In this Agreement, including this Article and the recitals, and in any instrument supplemental or ancillary hereto, unless the context otherwise requires, the following terms shall have the following meanings respectively:
 - (a) "Agreed Amount for a Class of Depreciable Properties" shall have the meaning attributed thereto in Article 3.
 - (b) "Agreed Amount for the Non-Depreciable Properties" shall have the meaning attributed thereto in Article 3.
 - (c) "Assumed Debt" shall have the meaning attributed thereto in Article 15.

- (d) The term “class”, when used to describe depreciable properties or some group of the Depreciable Properties, shall have the meaning attributed thereto in The Income Tax Regulations (Canada).
- (e) “Closing Date” means the later of _____ and such later date as the Parties mutually agree.
- (f) “Cost Amount” shall have the meaning attributed thereto in the Act.
- (g) “depreciable property” shall have the meaning attributed thereto in the Act.
- (h) “Depreciable Properties” means those properties comprised in the Property each of which is a depreciable property of the Vendor.
- (i) “Effective Date” means _____.
- (j) “eligible capital property” shall have the meaning attributed thereto in the Act.
- (k) “fair market value” shall have the meaning attributed thereto by its usage in the Act in connection with valuing property for purposes of the Act.
- (l) “Non-Depreciable Properties” means those properties, other than Depreciable Properties, comprised in the Property.
- (m) “Parties” means the Vendor and the Purchaser.
- (n) “Prime Rate” means the rate of interest per annum announced from time to time by the Purchaser's bank as being its prime rate and generally used by it for determining what interest it will charge its customers on floating interest rate loans.
- (o) “Purchaser's Articles” means the Purchaser's Articles of Incorporation, as amended or restated to the Closing Date.
- (p) “Purchase Price” shall have the meaning attributed thereto in Article 2.
- (q) “Schedule “A”” means Schedule “A” attached hereto.
- (r) “Schedule “B”” means Schedule “B” attached hereto.
- (s) “Shares” shall have the meaning attributed thereto in Article 4.

2. The Vendor agrees to sell the Purchaser the Property, and the Purchaser agrees to purchase the Property from the Vendor, at and for an amount (the “Purchase Price”) equal to the Property's FMV immediately before the Effective Date, which FMV the Parties agree is, subject to the adjustment provisions in Article 16, the total of the amounts set out in Schedule “A” under the description “Property Disposed of – Elected Amount Limits – Fair Market Value”; and, represents the Parties’ best estimate of the Property’s FMV immediately before the Effective Date.

3. The Parties agree:

- (a) they shall prepare, execute and file the election prescribed by Subsection 85(1) of the Act, in the prescribed form and within the time limits prescribed in Subsection 85(6) of the Act, that the elected amount for:

- (i) each property (other than an eligible capital property) which is one of the Non-Depreciable Properties shall be the lesser of: such property's FMV immediately before the Effective Date; and, the Cost Amount to the Vendor of such property immediately before the Effective Date;
- (ii) each property which is one of the Non-Depreciable Properties and is an eligible capital property shall be the aggregate of One (\$1.00) Dollar and four-thirds (4/3) times the Cost Amount to the Vendor of such eligible capital property immediately before the Effective Date;
- (iii) each property which is one of the Depreciable Properties shall be the amount determined pursuant to paragraphs 85(1)(c), 85(1)(e) and 85(1)(e.1) of the Act in respect of such property immediately before the Effective Date;

THIS IS AN 11-PAGE DOCUMENT.