

Eagle Ridge Multi-Family Unit Draw Rules

General

- Centron, at its sole discretion, will allocate specific Units in the Eagle Ridge Development to each of the following four (4) categories of eligible registrants:
 - 30% of the Multi-family units for “Need to Reside Residents”;
 - 20% of the Multi-family units for “Vital Services Need to Reside Residents”;
 - 40% of the Multi-family units for Canadian Natural Resources Limited Employees; and,
 - 10% of the Multi-family units for Employees of all Other Oils Sands Developers.
- Centron, at its sole discretion, will further segment Multi-family units in each draw and in each of the four categories of eligible registrants by income as follows:
 - Fifty (50%) of the Multi-family units shall be designated for families with annual gross income of less than \$85,000;
 - Thirty-three (33%) of the Multi-family units shall be designated for families with annual gross income between \$85,000 and \$115,000; and,
 - Seventeen (17%) of the Multi-family units shall be designated for families with annual gross income greater than \$115,000.
- Gross annual family income will include all income including any special allowances, housing allowances and other incentives provided by the employer.
- The Units will be allocated to each of the Draw categories in advance of the draw. This allocation will be publicized: such that the units available in each draw category will be known in advance by the public.
- Need to Reside Residents are:
 - Once whose primary employment is in the Regional Municipality of Wood Buffalo;
 - One who operates a business in the Regional Municipality of Wood Buffalo and whose presence at the place of business is necessary for the day-to-day operation of the business;
 - A retired individual who resides in the Regional Municipality of Wood Buffalo and who, for 5 consecutive years immediately prior to retirement satisfied one of the two previous requirements;
 - An individual who is a full time student in attendance at an educational institution that is located within the Regional Municipality of Wood Buffalo and registered under the income tax Act or applicable provincial legislation related to education;
 - The spouse or common law partner of an individual referred to in any of the above; and,
 - An individual who has a bona fide job offer in the Regional Municipality of Wood Buffalo but has not yet started work is considered to be employed.
- Vital Services Need to Reside Local Residents are individuals who are employed by:

- The Provincial Government of Alberta within the Urban Service Area of Fort McMurray;
- The Federal Government of Canada within the Urban Service Area of Fort McMurray;
- The Regional Municipality of Wood Buffalo;
- An educational institution within the Urban Service Area of Fort McMurray;
- A health-care service provider within the Urban Service Area of Fort McMurray.
- Employees of Canadian Natural Resources Limited are those verified by Canadian Natural Resources Limited.
- Employees of other Oil Sands Developers are:
 - Employees of other companies who are building or operating oil sands extraction facilities in the Regional Municipality of Wood Buffalo.
- A qualifying registrant must additionally meet the following criteria:
 - A current owner of any residence, lot, house, apartment, townhouse, condominium or other real property in the Regional Municipality of Wood Buffalo, and their spouses (legal or common-law) and minor dependents, shall not be eligible to participate in the unit draw process;
 - Must purchase the unit for his/her personal use; and,
 - Must intend to occupy the unit from the date of possession.
- If two individuals who are not each other's spouse register to jointly purchase a unit:
 - Both individuals must qualify as an eligible registrant;
 - The combined income of both individuals plus their spouse or common law spouse will be used to determine income segment;
 - Both individuals must complete a registration form and statutory declaration and identify the other individual as a joint purchaser in the appropriate section of the registration form; and,
 - Joint purchasers who both qualify but who are qualifying in different employment categories (Need to Reside, Special Services Need to Reside, Canadian Natural Resources Employee, Employees of Other Oil Sands Developers) must declare the category under which they will enter the draw.
- An individual, their spouse or common law partner, and any other individual who wishes to jointly register to purchase a unit with that individual, may register for each draw once. Multiple registrations for a draw will be removed from the draw.
- If selected to purchase a unit through any draw process, no individual may purchase more than one lot or multi-family unit. For greater certainty, an individual, which shall be deemed to include such individual's spouse (legal or common law) and minor dependents, shall be permitted to purchase only one lot OR multi-family unit regardless of the number of times they have entered or are successful in the draws.
- Registrants for a draw will be placed in a specific draw category based on the registration criteria: a qualified registrant will be placed in only one draw category. As an example, a health care service provider will be registered and allocated to the Vital Services Need to Reside Residents Draw.
- Grant Thornton LLP shall make a final and binding determination of:

- eligibility of registrants
- allocation to the appropriate draw
- the interpretation of these rules.
- A registrant entry deadline will be established for a particular release of Units. Applications for entry into that release will not be accepted after that particular date.
- Registration forms will be received by Grant Thornton LLP via mail, registered mail or courier at the Grant Thornton LLP Calgary offices or a drop off location in Fort McMurray where Registration forms will be time stamped. The mailing address for receipt of the registration forms shall be:

Grant Thornton LLP
Chartered Accountants
Sun Life Plaza, East Tower
Suite 1000, 112 – 4th Avenue SW
Calgary, AB T2P 0H3

Attention: Eagle Ridge Draw

Or you may drop off the form during office hours to:

Brosseau & Associates
 202A-8706 Franklin Avenue
 Fort McMurray, AB T9H 2J6

Attention: Eagle Ridge Draw

(the Brossueau Office is open between the hours of 9am and 12noon, and between 1pm and 5pm Monday through Friday excluding statutory holidays)

- All decisions of Grant Thornton LLP relating to the eligibility for draws, the completeness of any application, any aspect of the draw process and allocations and selection of units are final and binding. Grant Thornton LLP, JRM Realty Advisors Ltd. and Centron Residential Corporation and their present, future and former partners, principals and employees, contractors and agents shall not be liable for any claims, damages, fees, expenses or costs associated with any claim arising from or relating to the structure, organization, management, administration or performance of the registration process, the draw process or the unit selection process.

Draw Procedures

- On the designated Draw Date for any draw Grant Thornton LLP, Chartered Accountants will perform a random selection of registrations for that draw. The draw may be observed by a representative from Alberta Social Housing Corporation and Centron Residential Corporation/Centron Multi Corporation. The draw will not be public.

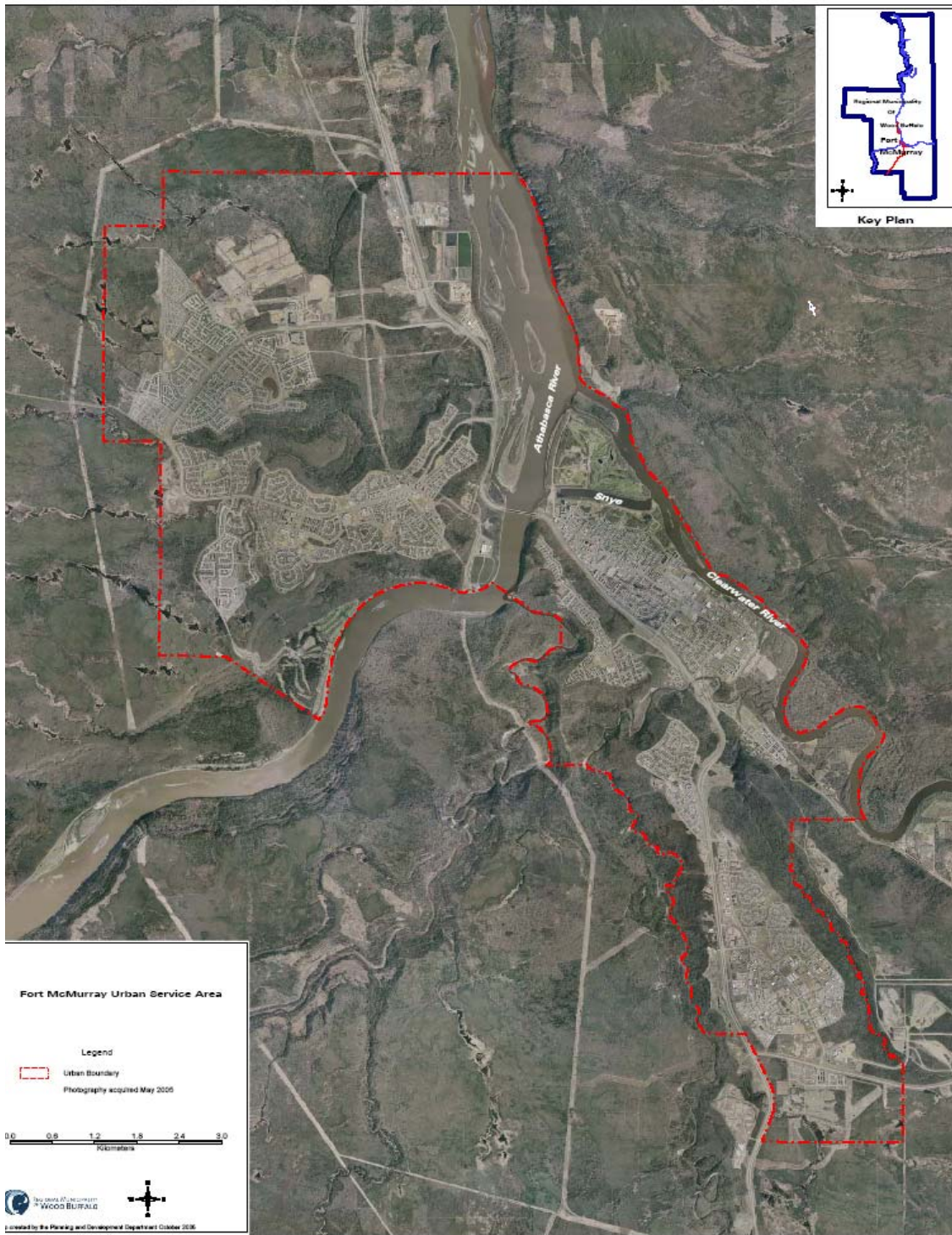
- The random selection of registrations in each Draw will continue until all of the entries in the Draw have been selected.
- As the draw proceeds, registrations selected by the random draw will be allocated to the appropriate category of eligible registrant (Need to Reside, Special Services Need to Reside, Canadian Natural Resources Limited Employee, Employees of Other Oil Sands Developers) and by income segmentation within each category (Less than \$85,000, \$85,000 to \$115,000, over \$115,000), maintaining the order drawn.
- The number of registrations for a draw may exceed the number of units available. Since all registrations for the draw will be drawn, some registrations may be drawn after that point when the number of drawn registrations equals or exceeds the units available in any category and income segmentation. These will be placed on a waiting list, maintaining the order drawn.
- If there are not sufficient registrations to purchase all units in any category or income segmentation, registrations on the waiting list will be eligible, maintaining order drawn, subject to the following income segmentation considerations:
 - In the first income segment (less than \$85,000) in any employment category except Employee's of Canadian Natural Resources Limited, if there are not sufficient registrations to purchase all units allocated, registrants in the first income category in other employment categories on the waiting list will be selected, maintaining the order drawn;
 - If there are not sufficient registrations to purchase all units allocated in this income segment after exhausting the waiting list at this income level, then registrants in the second income segment (between \$85,000 and \$115,000) in this employment category will be selected from the waiting list, maintaining the order drawn;
 - The process of selecting registrants from the waiting list by income segmentation across employment categories and then moving to the next highest income segment within an employment category will continue until all units are allocated or the waiting list is exhausted.
- If there are fewer registrations in a draw than there are units available the unallocated unites will be made available in a future draw.
- Grant Thornton LLP will provide a listing of the registrations as drawn for each for each category and income segmentation to JRM Realty Advisors Ltd. (who are agents of Centron Residential Construction). JRM Realty Advisors Ltd. will then contact the applicants.
- Grant Thornton LLP. will also advise those individuals that Grant Thornton LLP has determined to be ineligible to enter a draw.
- Registrations are valid only for a single draw.
- Each subsequent draw will require a new application.
- These draw rules may be amended after each draw.

The Unit Selection Process

- JRM Realty Advisors Ltd. will notify successful registrants by telephone (or telephone message) and if an email is given, by email that they have been chosen by random draw and that they are eligible to select a unit.
- All other registrants will be notified by telephone (or telephone message) and by email that they were not selected in the random draw but that they are on a waiting list. They will not be further contacted unless successful registrants subsequently decline to purchase a selected unit.
- As part of their Registration Form and Statutory Declaration successful registrants must have provided a list of unit preferences in priority order. All registrants other than the first drawn registrant in each Draw may not be able to select their first choice of unit.
- Allocation of units will be based on the actual order drawn. That is the first registrant chosen gets allocated their first choice. The second person chosen gets allocated their first available choice. The third person chosen gets allocated their first available choice etc, until all units are selected.
- As part of the Registration Form and Statutory Declaration successful registrants may:
 - Provide a list of preferences in order from 1 to n (where n is the total number of specific units allocated to that draw; and
 - May indicate “any unit” after their list of preferences is acceptable.
- If a successful registrant provides a list of unit preferences in order that does not include all the units allocated to that draw, and, none of their preferences are available when their turn comes, and has not indicated “any unit” is acceptable, that registrant will not be eligible to purchase a unit arising from that draw but they will be able to enter a future draw.
- In the event a successful registrant declines to select or purchase a unit then JRM Realty Advisors Ltd. will contact the next eligible registrant using the waiting list order for that draw as described above.
- If any units allocated to the draw remain available, after all successful registrants have been matched with a unit, then, registrants on the waiting list will be eligible to select a unit as described above.
- Registrants on the waiting list will be contacted in order as contemplated above until all of the units have been selected. The registrants on the waiting list will be notified as to the units available in the draw and the selection process will continue for the remaining units.
- In this event, the unit selections will continue, by registrants on the waiting list, until all units allocated to the draw have been selected so long as the right to select is based on the respective order in the draw as contemplated above, or until there is no further interest in the remaining units.

Appendix A

Air photo of the Urban Service Area of Fort McMurray.



Appendix B

Extract Regarding Limits on Resale Price and Option to Repurchase.

4. **Restrictions on Re-Sale and Assignment**

(a) **Restriction on Re-sale:** The Purchaser, and any subsequent owner of the Single Family Home or Multi-family Unit, as the case may be, shall only be permitted to re-sell such Single Family Home or Multi-family Unit for a selling price equal to or less than the sum of:

- (i) the price paid by such Purchaser or subsequent owner, as the case may be, for such Single Family Home or Multi-family Unit;
- (ii) the reasonable actual out-of-pocket costs of any improvements made by such Purchaser or subsequent owner, as the case may be, to such Single Family Home or Multi-family Unit;
- (iii) an amount for inflation equal to the amounts set forth in subparagraphs (i) and (ii) above multiplied by a percentage equal to the total sum of the following:

(A) the sum of:

- (I) one-half (1/2) of the percentage change in the consumer price index for all-items for the City of Edmonton, Alberta; and
- (II) one-half (1/2) of the percentage change in the consumer price index for all-items for the City of Calgary, Alberta;

between the latest calendar month for which data is available at such time and the calendar month of the date of the purchase of such lands by the Purchaser or subsequent owner, as the case may be, as set forth in Table 326-0001 as published by Statistics Canada from time to time, and

- (v) an amount equal to the amounts set forth in subparagraphs (i) and (ii) above multiplied by five (5%) percent per annum or part thereof.

(b) **Expiry of Restrictions on Re-sale:** The restriction set forth in subparagraph (a) above shall expire upon the earlier of:

- (i) five years (5) years after the date of the original purchase and sale agreement between Centron and the Purchaser; and
- (ii) the date upon which Centron and ASHC agree, acting reasonably, that the written opinion provided to them by a qualified third party evidences that the housing market in Fort McMurray has normalized compared to the housing markets in other cities in the Province of Alberta.

- (c) Restrictions on Assignment: A Purchaser shall not assign his right, pursuant to a purchase and sale agreement between Centron and the Purchaser, to purchase the Residential Lot or Multi-family Unit, as the case may be.

5. **Option to Repurchase in Event of Default**

- (a) Grant of Option: An option to repurchase shall be granted to Centron by the Purchaser upon the terms and conditions set forth in this paragraph 5.
- (b) Exercise of Option: If the Purchaser, or any subsequent owner of the Single Family Home or Multi-family Unit, as the case may be, is in breach of any term or condition of the applicable purchase and sale agreement with respect to such lands, and fails to remedy such breach within thirty (30) days after receipt of written notice from Centron, or if it is not reasonably possible to remedy such breach within such period, (but it is reasonably possible to remedy such breach within a reasonable period of time thereafter), the Purchaser or subsequent owner, as the case may be, fails to take all steps as reasonably required to remedy such breach within such thirty (30) days and thereafter fails to diligently pursue such steps or any other required steps, Centron may exercise its option to repurchase such lands within ninety (90) days upon becoming aware of such failure by the Purchaser or subsequent owner, as the case may be, by providing written notice to the Purchaser or subsequent owner, as the case may be.
- (c) Repurchase Price: Upon the exercise of the option to repurchase by Centron the purchase price for the Single Family Home or Multi-family Unit subject to such option shall be no greater than:
 - (i) the original purchase price paid by the original Purchaser for such lands;
 - (ii) with respect only to a Single Family Home, in the event that construction of a single family residence has commenced but has not been completed on such lands and:
 - (A) in the event that any improvements constructed on such lands can be used to complete construction of the single family residence, as determined in the sole discretion of Centron, acting reasonably, the reasonable actual out-of-pocket costs of any such improvements shall be added to the purchase price; and
 - (B) in the event that any improvements constructed on such lot cannot be used to complete construction of a single family residence, as determined in the sole discretion of Centron, acting reasonably, the reasonable costs incurred by Centron to remove or otherwise demolish such improvements shall be deducted from the purchase price; and
 - (iii) with respect only to a Single Family Home, in the event that construction of a single family residence has been completed on such lands, the reasonable actual out-of-pocket costs of the improvements on such lands shall be added to the purchase price;

provided, however, that Centron shall be entitled to deduct from the purchase price an additional amount as a genuine pre-estimate of damages suffered by Centron arising from the breach of the applicable purchase and sale agreement by the Purchaser or any subsequent owner of such lands, as the case may be.

- (d) Closing: The transaction of repurchase by Centron shall close on the thirtieth (30th) Business Day following the date of exercise of the option to repurchase by Centron.
- (e) Expiry of Option: The option to repurchase as set forth in this paragraph 5 shall expire upon the earlier of:
 - (i) five years (5) years after the date of the original purchase and sale agreement between Centron and the Purchaser; and
 - (ii) the date upon which Centron and ASHC agree, acting reasonably, that the written opinion provided to them by a qualified third party evidences that the housing market in Fort McMurray has normalized compared to the housing markets in other cities in the Province of Alberta.
- (f) Registration of Caveat: Centron shall register a caveat against title to such lands to give notice of its option to repurchase such lands.
- (g) Postponement: Centron shall have the right to grant a postponement of any option to repurchase to enable the Purchaser or subsequent owner, as the case may be, to obtain financing to purchase the lands or construct upon the lands, as the case may be; provided, however, that the amount of such financing shall not exceed the purchase price of such lands paid by the Purchaser or subsequent owner, as the case may be, plus the reasonable cost of any improvements thereon.

6. **Enurement and Non-Merger**

The terms and conditions set forth in paragraphs 1 through 5 above shall enure to the benefit of and be binding upon all subsequent purchasers of the Single Family Home or Multi-family Unit, as the case may be, from the Purchaser, and such terms and conditions shall survive the closing of any subsequent purchase and sale transaction with respect to such lands and shall remain in full force and effect and shall not be merged by the closing thereof. Notwithstanding the foregoing sentence, the terms and conditions set forth in paragraphs 1 through 5 shall be of no force or effect upon the expiry of the option to purchase as set forth in paragraph 5 above.