

OFFER TO PURCHASEDate: February 2, 2004

BETWEEN: BC BUILDINGS CORPORATION
of 3350 Douglas Street,
Victoria, British Columbia V8Z 3L1
(hereinafter called "the Vendor")

AND: TOWN OF SMITHERS
Box 879
3836 Fourth Avenue
Smithers, British Columbia V0J 2N0
(hereinafter called "the Purchaser")

hereby offers to purchase, upon the terms and conditions herein set forth, those Lands and Improvements situate, lying and being in the Town of Smithers in the Province of British Columbia, and being more particularly known and described in Schedule "A" attached hereto and forming part hereof (hereinafter called "the Lands and Improvements") for the sum of **SIXTY FIVE THOUSAND and ONE DOLLAR (\$65,001.00)** plus or minus the adjustments specified in paragraph 2.01 of the Terms and Conditions (hereinafter called "the Purchase Price") payable as follows:

- A. The sum of **ONE DOLLAR (\$1.00)** of the lawful money of Canada now by the Purchaser to the Vendor, the receipt and sufficiency of which each party acknowledges and forming part of the Purchase Price (hereinafter called "the Deposit").
- B. The balance of the Purchase Price, namely **SIXTY FIVE THOUSAND DOLLARS (\$65,000.00)** (plus or minus the adjustments specified in paragraph 2.01 of the Terms and Conditions) shall be paid by the Purchaser to the Vendor on the Completion Date (hereinafter defined).

TERMS AND CONDITIONS**1. Completion and Possession**

- 1.01 The balance of the Purchase Price specified in paragraph B above shall be paid and the purchase and sale of the Lands and Improvements shall be completed on or before **July 30, 2004** (hereinafter called the "Completion Date").
- 1.02 The Purchaser shall have possession of the Lands and Improvements at 12:00 o'clock noon on **July 30, 2004**.

2. Adjustments

2.01 The Purchaser will assume and pay all taxes, rates, local improvements, assessments and other charges from AND all adjustments both incoming and outgoing of whatsoever nature with respect to the Lands and Improvements shall be made as of the Completion Date. The Vendor's GST Registration Number is R107864738.

3. Encumbrances

3.01 The Lands and Improvements shall, on or before the Completion Date, be free of all encumbrances, claims, charges, liens and chattel mortgages save and except for the reservations and exceptions in the original grant from the Crown AND the encumbrances (if any) set forth in Schedule "A" attached hereto and forming part hereof.

4. Subject Clauses

4.01 This Offer to Purchase is subject to the subject clauses set forth in Schedule "B" attached hereto.

5. General

5.01 The Deposit paid by the Purchaser to the Vendor shall form part of the Purchase Price.

5.02 "Contaminants" means any explosives, radioactive materials, asbestos materials, urea formaldehyde, underground or aboveground tanks, pollutants, contaminants, deleterious substances, dangerous goods or substances, hazardous, corrosive or toxic substances, special waste or waste of any kind or any other substance the storage, manufacture, disposal, handling, treatment, generation, use, transport, remediation or release into the environment of which is prohibited, controlled or regulated under Environmental Laws.

"Environmental Laws" means any and all statutes, laws, regulations, orders, bylaws, permits and other lawful requirements of any federal, provincial, municipal or other governmental authority having jurisdiction over the Lands now or hereafter in force relating to the environment, health, occupational health and safety, product liability or transportation of dangerous goods, including all applicable guidelines and standards with respect to the foregoing as adopted by any of those governmental authorities from time to time and the principles of common law and equity.

5.03 The Purchaser acknowledges that the Vendor has not made any warranties or representations whatsoever as to the status of or compliance with applicable health or safety standards or the availability of zoning, on-site/off-site services which, without limitation, shall include sewer, storm drainage, water or electricity with respect to the Lands and Improvements. The Purchaser acknowledges that any information obtained by the Purchaser with respect to zoning, off-site or on-site services has been obtained from the Municipality and/or Regional District in which the Lands and Improvements are located.

5.04 The Purchaser acknowledges and agrees:

- a) that it is acquiring the Lands and Improvements on an "as is" basis without any representations or warranties from the Vendor regarding the environmental condition of the Lands and Improvements;
- b) to waive any requirement for the Vendor to provide to the Purchaser a site profile for the Lands and Improvements under the Waste Management Act, R.S.B.C. 1996, Chapter 482 and amendments and regulations made thereto from time to time;
- c) to satisfy itself, and to rely on its own investigations to verify, that there are no Contaminants in, on or migrating to or from the Lands and Improvements ((a), (b) and (c) are collectively referred to as the "Environmental Condition of the Lands and Improvements")
- d) to satisfy itself that the Environmental Condition of the Lands and Improvements are satisfactory;
- e) that the Vendor will provide a copy of the Environmental Closure Report to the Purchaser as a courtesy only and the Vendor shall have no liability for any errors or inaccuracies in the reports;
- f) excepting only claims relating to contamination proven to have been actually caused by the Vendor:
 - i) to assume, effective on the Closing Date and at its own cost, full and complete responsibility for the Environmental Condition of the Lands and Improvements, including, without limitation, remediation work, if any, in respect thereof; and,
 - ii) to release, indemnify and save harmless, the Vendor, its shareholders, officers, directors, employees and agents from any actions, liabilities, demands, claims, remediation cost recovery claims, losses, damages, orders, fines, penalties, costs and expenses (including

without limitation, legal costs on a solicitor-client basis) whenever occurring or caused which the Purchaser or any other person has, may have or will have arising from or in any way relating to the Environmental Condition of the Lands and Improvements.

The provisions of this section shall not merge on, but shall survive, the Completion Date.

- 5.05 The Purchaser shall be responsible for relocating remediated soils off-site or to another location on-site, and filling the holes on site.
- 5.06 The Purchase Price shall include any buildings, improvements, fixtures, appurtenances and attachments located on or forming part of the Lands and Improvements except as noted in Schedule "A".
- 5.07 The Lands and Improvements as set forth in Schedule "A" shall be at the risk of the Vendor up to and including 12:00 o'clock noon of the Completion Date, and in the event of loss or damage to the same occurring before such time by reason of tempest, lightning, earthquake, flood or other act of God, fire, explosion, riot, civil commotion, insurrection or war, the Purchaser may, at its option, cancel this agreement, and shall thereupon be entitled to the return of any monies paid hereunder. The Lands and Improvements shall be at the risk of the Purchaser from and including 12:00 o'clock noon of the Completion Date.
- 5.08 All appropriate documents to effect the sale and purchase of the Lands and Improvements shall be prepared by the Purchaser, in registrable form on the terms and conditions herein set forth, and shall be delivered for execution by the Purchaser to the Vendor on or before the Completion Date. The Purchaser shall bear all costs of transferring the Lands and Improvements to the Purchaser, including registration costs. The Vendor shall bear all costs of ensuring that the Lands and Improvements are only encumbered as specified in paragraph 3.01 hereof.
- 5.09 Tender of any monies to be made by certified cheque. The certified cheque shall be payable to the party of whom tender is made, and drawn on a Canadian chartered bank, trust company or credit union, and tender may be made to an officer of the party, or a solicitor known to the tendering party to be acting for the other in this matter.
- 5.10 Time shall be of the essence hereof, and unless the balance of the Purchase Price is paid on or before the Completion Date the Vendor may, at the Vendor's option, cancel this agreement and in such event, the Deposit paid by the Purchaser to the Vendor

shall be absolutely forfeited to the Vendor as liquidated damages.

- 5.11 There are no representations, warranties, guarantees, promises or agreements other than those contained herein, all of which shall survive the completion of the sale, and shall not merge therewith.
- 5.12 The Purchaser may not assign its interest in this Agreement in whole or in part to any other person (including a corporation or partnership formed for such purpose) without the prior written approval in writing from the Vendor, such approval in the Vendor's sole discretion. Notwithstanding the foregoing, the Purchaser will be entitled to assign its interest in this Agreement to an affiliate (as that term is defined in the Company Act of British Columbia) of the Purchaser without the approval of the Vendor, provided that such assignee has first assumed the obligations of the Purchaser under this Agreement by an agreement in writing in favour of the Vendor. Notwithstanding any assignment of this Agreement, the Purchaser will not be released from its obligations under this Agreement or pursuant to any agreement, instrument and other document entered into or to be entered into pursuant to this Agreement. For the purposes of this section, any change of control of the Purchaser shall constitute an assignment by the Purchaser of its interest in this Agreement requiring the prior written approval of the Vendor.
- 5.13 This Offer to Purchase shall be open for acceptance by the Vendor up to 12:00 o'clock noon, on **February 16, 2004** and upon acceptance by the Vendor shall be a binding agreement for the sale/purchase of the Lands and Improvements, on the terms and conditions herein set forth, and if not accepted by the Vendor on or before such date, shall be null and void. The agreement resulting from this Offer to Purchase shall enure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.
- 5.14 Execution of this Offer to Purchase by the Purchaser and the Vendor may be done by fax.

SIGNED, SEALED AND DELIVERED by

in the presence of:

[Signature]
Witness

[Signature]
Witness

[Signature]
PURCHASER
[Signature]
PURCHASER

(For use by Corporate Purchaser)

THE CORPORATE SEAL OF

Town of Smithers
was hereunto affixed in the
presence of:

Wallace Klab, CAO
Title


Sim Davidson, Mayor
Title

ACCEPTANCE

The Vendor hereby accepts the above Offer to Purchase and covenants and agrees to and with the Purchaser to carry out the sale/purchase of the Lands and Improvements on the terms and conditions set forth above.

ACCEPTED by the Vendor this 10th day of February, 2004.

THE CORPORATE SEAL OF BRITISH
COLUMBIA BUILDINGS CORPORATION
was hereunto affixed in the ..
presence of:


Title A. DYNE FORGESON
MANAGER REAL ESTATE

Title

SCHEDULE "A"

LOCATION: 1621 Main Street, Smithers, B.C.

LEGAL DESCRIPTION: Lots 1 to 36, Block 140, District Lot 865,
Range 5, Coast District, Plan 1054

subject to the following legal notations which will remain registered against
title to the Property (the "Permitted Encumbrances"):

Zoning Regulation and Plan under the Aeronautics Act (Canada) filed
05/03/1982 under number L2920 Plan 10358

See titles attached

IMPROVEMENT DESCRIPTION: Former Highways Yard including several
buildings and chain-link fencing

Except as otherwise noted, this offer does not include chattels located on or
within the subject lands and buildings.