

**MELCOR DEVELOPMENTS LTD./LEWIS ESTATES COMMUNITIES
LOT HOLD/CHALLENGE POLICY**

Effective January 15, 2006

LOT HOLDS - TIMING WILL OPERATE ON A 7 DAY WEEK, INCLUDING SAT., SUN., AND STATUTORY HOLIDAYS (ie. A verbal hold confirmed on Saturday will expire on Monday.)

1. Holds will be accepted by phone or fax for all lots 24 hours a day on a first come basis using the date and time noted on the Voice Mail Messages, fax messages or real people messages.
2. The hold is effective for 48 hours, including weekends. The 48 hour count will begin when the hold is received. This hold will be **automatically removed with no notice given by Melcor** unless the hold is renewed as stated in 3. below.
3. To renew a hold Melcor must receive, prior to the expiry of the verbal hold, a copy of a deposit cheque and/or sales agreement between the builder and the third party customer. This renewed hold is effective for an additional 19 days. This hold will be **automatically removed with no notice given by Melcor** unless the builder requests an Offer to Purchase and Interim Agreement from Melcor prior to the expiry of the 19 days.
4. **IT IS THE RESPONSIBILITY OF THE BUILDER TO INSURE THE HOLD IS SECURE. HOLDS PLACED BY A BUILDER ARE ON HOLD FOR THE BUILDER - NOT THE CUSTOMER.**
5. Lot holds for individuals and builder spec holds will be valid for 14 days.

LOT CHALLENGES

All lot holds are subject to a lot challenge. A challenge requires that where Builder/Individual A is holding a lot and Builder/Individual B wants to buy the same lot.

1. To challenge a lot hold Builder/Individual B must provide Melcor with a cheque for 20% against the purchase price of the subject lot.
2. Upon receipt of cheque from Builder/Individual B, Melcor will contact Builder/Individual A and inform them that their hold has been challenged and the 48 hour challenge will begin. If Melcor is unable to contact Builder/Individual A by phone before the end of the business day the challenge was received, AN URGENT FAX will be sent to the office of Builder/Individual A informing them of the challenge and the 48 hours will begin.
3. If Builder/Individual A has not responded during the 48 hour period, the lot in question will be sold to Builder/Individual B without further notice to Builder/Individual A. An Offer to Purchase and Interim Agreement will be prepared and forwarded to Builder/Individual B which must be signed and returned within 2 working days.
4. If Builder/Individual A decides to purchase the subject lot within the required 48 hour period, Melcor will prepare and forward an Offer to Purchase and Interim Agreement and Builder/Individual A must return the Agreement within 2 working days together with a cheque for 20% of the purchase price. Upon receipt of the Agreement and deposit from Builder/Individual A, the deposit cheque from Builder/Individual B will be returned to Builder/Individual B.

The 48 hour notice for challenges excludes weekends and statutory holidays, (ie. A challenge received on Friday noon will have until Tuesday noon the following week.)