



**CONTRACT OF PURCHASE AND SALE
SOL TERRA RANCH LOT**

DATED:

BETWEEN:

WATERMARK DEVELOPMENTS LTD.

Suite 110, 1690 Water Street,
Kelowna, British Columbia, V1Y 8T8

(the "Vendor")

AND:

Name:

Address:

Phone:

Email:

(the "Purchaser")

WHEREAS:

- 1.** The Vendor is the registered owner of the development known as Sol Terra Ranch a single family residential subdivision, as shown on the attached Subdivision Plan, as Schedule "A".
- 2.** The City of Kelowna passed Bylaw No. 9828, August 20, 2007 zoning the subdivision lots to RU2s – Medium Lot Housing with Secondary Suite.
- 3.** The Vendor agrees to sell and the Purchaser agrees to purchase Lot ____, Plan KAP 88257 (the "Lot"), as shown on the attached subdivision plan, free and clear of all encumbrances, except for those encumbrances and proposed encumbrances set forth in the "Permitted Encumbrances", attached hereto as Schedule "B".



NOW THEREFORE THIS AGREEMENT WITNESSES the Vendor and Purchaser agree to the following terms and conditions:

1. PURCHASE PRICE:

The purchase price to be paid by the Purchaser to the Vendor for the Lot shall be _____ DOLLARS (\$_____) plus "HST" payable by the Purchaser under the Excise Tax Act in respect of the purchase of the Lot and the HST is **not** included in the Purchase Price (the "Purchase Price") to be paid as follows:

- a) the sum of FIVE THOUSAND DOLLARS (\$5,000.00) by way of deposit within Twenty Four (24) hours of acceptance of this Contract of Purchase and Sale by the Vendor, to _____, to be held in Trust with _____, to be credited to the account of the Purchase Price, and to be paid to the Vendor on the Closing Date;
- b) the sum of TWENTY FIVE DOLLARS (\$25.00) as a non-refundable deposit, the receipt and sufficiency is acknowledged by the Vendor as consideration paid to the Vendor for the Purchaser's rights granted under this agreement and for the Vendor not revoking the Contract of Purchase and Sale during the Conditions Precedent period.
- c) the balance of _____ DOLLARS (\$_____) shall be paid, plus HST, by the Purchaser to the Vendor on the Closing Date.

2. CLOSING & POSSESSION DATE:

The Purchase and Sale shall close on _____ or such other date mutually agreed upon by the Vendor and Purchaser (the "Closing Date").
The Closing Date is the date the Vendor agrees to give vacant possession to the Purchaser, on and after which date the Lot will be at the risk of the Purchaser.

3. CONVEYANCING:

Registrable conveyance documents will be prepared by and at the expense of the Purchaser and presented to the Vendor and the Vendor will return them to the Purchaser's lawyer or notary at least two business days, before noon, prior to the Closing Date. The documents will contain the terms and conditions of this Contract of Purchase and Sale or such other terms and conditions as may be agreed upon between the parties.

All taxes will be adjusted on the Closing Date.

Registration is to be completed and all funds are to be paid out by the conveyancing office on the Closing Date. If the Purchaser is relying upon a new first mortgage to



finance the Purchase Price, the Purchaser may wait to pay the Purchase Price to the Vendor on the Closing Date until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Titles Office, but only if, before such lodging, the Purchaser has:

- a) made available for tender to the Vendor that portion of the Purchase Price not secured by the new mortgage; and
- b) fulfilled all the new mortgagee's conditions for funding.

4. MIX CONVENTIONAL & MODULAR HOME DEVELOPMENT:

The Sol Terra Ranch development is a mixed conventional and modular home, single family dwelling development and the Purchaser covenants and agrees that no dwelling shall be constructed or placed on the Lot other than new CSA certified modular type dwellings manufactured by SRI Homes Inc., or Chaparral Industries (86) Inc. or Eagle Homes Ltd. or such other supplier pre-approved by the Vendor, from time to time.

Conventionally built houses are welcomed in the development provided the structures meet the same Building & Landscape Guideline requirements and are complementary to the overall development.

All on-site construction must be carried out in compliance with current City of Kelowna zoning and building bylaws, and other laws and bylaws governing construction on a Lot in the City of Kelowna, the Vendor's Building and Landscape Guidelines, Declaration of Building Scheme registered against the title of the Lot, and the British Columbia Building Code.

The Vendor does not make any representations or warranties with respect to any improvements, including but not limited to, buildings, utility services from the Vendor supplied connection point, installed, placed, constructed, or erected on or in the Lot (the "Improvements"). Any warranty for such Improvements must be obtained by the Purchaser from the supplier or contractor of such Improvements.

5. VENDOR'S BUILDING & LANDSCAPE GUIDELINES:

The Purchaser acknowledges having read a copy of the Vendor's Building and Landscape Guidelines, attached as Schedule "C" hereto, prior to executing this agreement and the Purchaser covenants and agrees to follow without exception the provisions of the Vendor's Building and Landscaping Guidelines and to complete the Landscaping of the Lot within one year from the completion of the house construction on the Lot.

During the period prior to the installation of the landscaping the Purchaser warrants to keep the Lot free of weeds, garbage or debris of any type and to contain storm water run off on the site.



6. REAL ESTATE DEVELOPMENT MARKETING ACT:

Under Section 21 of the Real Estate Development Marketing Act, the purchaser or lessee of a development unit may rescind (cancel) the Contract of Purchase, as set out on the attached RIGHT OF RESCISSION, Disclosure Statement attached hereto as Schedule "D".

7. PURCHASER'S CONDITIONS PRECEDENT:

The following Conditions Precedent are for the sole benefit of the Purchaser and may be waived unilaterally by the Purchaser in order to proceed with the completion of Purchase and Sale. Should the following Conditions Precedent not be removed from this Agreement by the Purchaser providing the Vendor with a notice in writing on or before _____ or such other date stipulated below then this Agreement shall be null and void and the deposit returned, (excepting for the TWENTY FIVE DOLLAR [\$25.00] non-refundable deposit) to the Purchaser, without deduction.

- a) The Purchaser reviewing and accepting the Vendor's subdivision layout as it pertains to the Lot, including but not limited to, confirmation of the lot area.
- b) The Purchaser obtaining satisfactory financing.
- c) Purchaser's lawyer reviewing and approving of this Contract of Purchase and Sale before _____.

8. AGENCY DISCLOSURE AND REAL ESTATE COMMISSION:

The Vendor and Purchaser acknowledge and agree that in accordance with the Code of Ethics of the Canadian Real Estate Association, Highline Realty Ltd. (the "Agent") has disclosed that it is representing the Vendor in this transaction.

Further, the Purchaser acknowledges it has been disclosed to the Purchaser herewith that John Hertay, the Agent Nominee of Highline Realty is also a Director of the Vendor, Watermark Developments Ltd.

9. BENEFIT:

This agreement will enure to the benefit of and be binding upon the parties to it, their respective heirs, executors, administrators, and other legal representatives and, to the extent permitted in this agreement, their respective successors and assigns.



Time is of the essence of this agreement.

Signed by the Purchaser this _____, 20__

Purchaser

Purchaser

The Purchaser hereby appoints the following lawyer or notary:

Name

Address

Phone Number

This Offer is open for acceptance by the Vendor until 5:00 pm on the _____, 2011. If the Vendor does not accept this Offer, it shall be null and void and the deposit, if any, will be returned to the Purchaser. If this Offer is accepted by the Vendor, it will become a binding contract.

The Vendor hereby accepts the above Offer on the _____ day of _____, 20__ and agrees to complete the above sale on the terms and conditions set out above.

WATERMARK DEVELOPMENTS LTD.

PER: _____

RECEIPT OF DEPOSIT:

The undersigned acknowledges receipt of the sum of \$_____ by way of _____ being the deposit referred to herein this _____ day of _____, 20__.

Name of Agency:

PER: _____



SCHEDULE "B"
PERMITTED ENCUMBRANCES

1. Any and all required easements, right-of-way or other encumbrances required by utility service providers to the complete the subdivision;
2. Section 219 Covenant by the City of Kelowna regarding Wild Fire Prevention;
3. Section 219 Covenant by the City of Kelowna regarding limiting secondary suites to be constructed within the principle residence. No carriage houses or auxiliary building suites are permitted.
4. Section 219 Covenant by the City of Kelowna regarding Lots 6 and Lot 64 and Lot 109 building envelop set backs.
5. Lot 23 Access for driveway restricted to Arab Road only.
6. Lots 1 to 15 inclusive, 95, 110 and 128 restrictions on rear yard access to possible future Bypass.
7. Statutory Right of Way along the rear of Lots 65, 66, 67, 68 and 128 allowing the City access to utility corridor.
8. Statutory Right of Way on Lots 39 and 43 for utility corridor along west property line.
9. Drainage Right of Way between Lots 115 and 116.
10. Easement Lots 65 to 91 inclusive allowing for the maintenance of concrete fence along the rear property line.
11. Fortis Statutory Right of Way for Lots 1, 2,6,7,11,12,16,17,20,22,23,67,68,72,73,76,77,80,81,84,85,88,89,99,100,106,107, 122,123,126,127,and 129 for transformer boxes.
12. Corner lot landscaping plans required by the City of Kelowna.
13. Statutory Building Scheme.
14. RU2s Building Set Back requirements.



SCHEDULE "D"
RIGHT OF RESCISSION

Under section 21 of the Real Estate Development Marketing Act, the Purchaser or Lessee of a development unit may rescind (cancel) the Contract of Purchase and Sale or Contract to Lease by serving written notice on the developer or the developer's brokerage, within 7 days after the later of the date the contract was entered into or the date the Purchaser or Lessee received a copy of this Disclosure Statement.

A Purchaser may serve a Notice of Rescission by delivering a signed copy of the Notice in person or by registered mail to:

- a) the developer at the address shown in the Disclosure Statement received by the Purchaser;
- b) the developer at the address shown in the Purchaser's Purchase Agreement;
- c) the developer's brokerage, if any, at the address shown in the Disclosure Statement received by the Purchaser, or
- d) the developer's brokerage, if any, at the address shown in the Purchaser's Purchase Agreement.

The developer must promptly place the Purchaser's deposit with a brokerage, lawyer, or notary public who must place the deposit in a trust account in a savings institution in British Columbia. If a Purchaser rescinds their Purchase Agreement in accordance with the Act and regulations, the developer and the developer's trustee must promptly return the deposit to the purchaser.

The undersigned acknowledges receiving a copy of this notice at the same time I/we received the Contract of Purchase and Sale.

Date: _____, 20_____

Signature: _____ Print Name: _____

Signature: _____ Print Name: _____