

THE MARQUESS OF LORNE, PHASE ONE

AGREEMENT OF PURCHASE AND SALE

PREPARED BY:	DATE:
ADDRESS:	PHONE:
PER:	
SELLER: Conquest Holdings Inc. Address: PO Box 1205 Stn Main Kamloops, BC V2C 6H3 PHONE: 250-320-7591 SELLER IS A RESIDENT OF CANADA as defined under the <i>Income Tax Act</i>	BUYER: _____ BUYER: _____ Address: _____ _____ PC: _____ PHONE: OCCUPATION:

PROPERTY:

Address: 568 Lorne St
Kamloops, BC V2C 1W3

Legal Description: Strata Lot _____, Lot A District Lots 232 and 233 KDYD Plan EPP72753
PID: 030-178-924

The Buyer(s) hereby offer to purchase from Conquest Holdings Inc. (the "Seller"), Strata Lot No. ____ (the "Strata Lot") shown on the Draft Strata Plan attached as Schedule 1 to the Disclosure Statement dated **Sept 25, 2018** and amended **July 15, 2020** which has been given Suite # _____ in Phase One of the residential development to be known as "The Marquess of Lorne" (the "Development") to be constructed by the Seller on property now legally described as: **Lot A District Lots 232 and 233 Kamloops Division Yale District Plan EPP72753** (the "Lands"), to be subdivided as contemplated in the Disclosure Statement, and on the terms and subject to the conditions set out below, and all the additional terms and conditions as set out in this Agreement.

1. **PURCHASE PRICE:** The Purchase Price will be \$ _____, _____ Canadian Dollars plus applicable Goods and Services Tax ("GST"), B.C. Property Transfer Tax and/or such other similar or replacement tax as may be in force from time to time.

2. **DEPOSITS:**
- (a) A deposit equal to \$1,000 upon the making of this Offer payable by way of cheque or bank draft (the "First Deposit") paid to Morelli Chertkow, In Trust.
 - (b) The First Deposit shall be increased so that it equals 10% of the Purchase Price (the "Second Deposit") payable by bank draft or certified cheque within seven (7) days after the acceptance of

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this Offer, unless the Purchaser delivers written notice (the "Cancellation Notice") to the Seller canceling this Agreement by the Seller. If the Cancellation Notice is so delivered, the First Deposit shall be returned to the Purchaser and this Agreement shall be null and void.

- (c) The balance of the Purchase Price, adjusted in accordance with any contracted changes agreed between Seller and Buyer, shall be paid by bank draft or certified cheque on the Completion Date. The Buyer shall deliver the bank draft, certified cheque or direct deposit to the Seller's solicitor, in trust, prior to 4:00 p.m. on the Completion Date at its own cost and expense.

The First Deposit and the Second Deposit are collectively referred to as the "Deposits".

All monies paid pursuant to this section will be delivered to "Morelli Chertkow LLP, In Trust" and held in trust. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract.

The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.

- 3. **TERMS AND CONDITIONS:** The purchase and sale of the Property includes the following terms and is subject to the specified conditions. Each condition contained in this agreement is for the sole benefit of the party indicated, where so indicated, and unless each condition is waived or declared fulfilled by written notice given by the benefiting party on or before the date specified for each condition, this contract will thereupon be terminated and any deposit paid hereunder shall be immediately returned.
- 4. **COMPLETION:** The sale will be completed on _____ (Completion Date) at the appropriate Land Title Office.
- 5. **POSSESSION:** The Buyer will have vacant possession at 12:00 pm on _____ (Possession Date)
- 6. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of _____ (Adjustment Date).
- 7. **CONSTRUCTION DELAY:** The Seller reserves the right to unilaterally extend the Completion, Possession, and Adjustment date due to unanticipated construction delays. The Seller will not be held liable for any costs incurred by the Buyer including accommodation, moving and storage, losses due to changes in mortgage interest rates, and any other expenses that the Buyer may incur. Seller will endeavor to advise Buyer as soon as possible of any delays to minimize the impacts on the Buyer.

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- 8. **INCLUDED ITEMS:** The Purchase Price includes the Strata Lot along with the exclusive right to use Parking Stall(s) **per Attachment B** and storage locker(s) **per Attachment C** that will be allocated to the Buyer as contemplated in the Disclosure Statement and located as determined by the Seller in its sole discretion. The Strata Lot shall also include the following appliances and equipment: range, microwave, refrigerator, dishwasher, washer and dryer, smoke or heat detector, ventilating, heating and cooling equipment, finish flooring and window coverings on the exterior windows (excluding patio doors).
- 9. **VIEWED:** The Property and all included items will be substantially as shown in the Disclosure Statement along with any architectural drawings, with modifications as agreed between Buyer and Seller, if any, before or during construction.
- 10. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions, covenants, exceptions and reservations noted in the Disclosure Statement. Seller is responsible for clearing any financial charges registered on the title and may wait to pay such charges immediately after receipt of the Purchase Price from Buyer's Lawyer or Notary.
- 11. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, cash or Lawyer's/Notary's or Real Estate Brokerage's trust cheque.
- 12. **TERMS:** The terms set out in the Disclosure Statement are incorporated into and form part of this Offer. The Buyer acknowledges that he/she has read and understands all sections and schedules to this Agreement and the Disclosure Statement.
- 13. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.

The Seller has delivered to the Buyer a copy of the Disclosure Statement. The Buyer hereby acknowledges receipt of the Disclosure Statement and confirms that he/she has been afforded reasonable opportunity to read the Disclosure Statement before entering into this Agreement. The Buyer agrees that the provisions of the Disclosure Statement and the terms of this Agreement are the terms under which the Strata Lot is being sold and purchased. Execution of this Agreement by the Buyer constitutes a written statement from the Buyer acknowledging that the Buyer has had an opportunity to read the Disclosure Statement prior to entering into this Agreement. Furthermore, the Buyer acknowledges that the Disclosure Statement relates to a development property that is not yet completed and the Buyer confirms having read and reviewed the Disclosure Statement with respect to the details of this Agreement prior to executing this Agreement.

- 14. **BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured

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by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch)

- 15. **ASSIGNMENT:** The Buyer acknowledges there shall be no assignment of the Purchase Agreement without express written permission from the Seller.

- 16. **REPRESENTATIONS:** The Buyer further acknowledges and confirms that other than the warranties, representations, terms and conditions contained herein and in the Disclosure Statement, no representations, warranties, terms or conditions or other agreements made by any person or agent, or contained within any marketing materials, shall be binding upon the Seller.

- 17. **CANCELLATION:** Any purchase agreement used by the Developer, with respect to any development unit offered for sale or lease before the Buyer's receipt of an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment, contains the following terms:
 - i. The amount of the deposit to be paid by a Buyer who has not yet received an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment is no more than 10% of the purchase price; and
 - ii. All deposits paid by a Buyer, including interest earned if applicable, will be returned promptly to the buyer upon notice of cancellation from the Buyer.
 - iii. The Buyer may cancel the purchase agreement for a period of seven days after receipt of an amendment to the Disclosure Statement that sets out particulars of the issued building permit if the payout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the building permit.
 - iv. If any amendment to the Disclosure Statement that sets out particulars of an issued building permit is not received by the Buyer within 12 months after the initial disclosure statement was filed, the Buyer may at his or her option cancel the purchase agreement at any time after the end of that 12 month period until the required amendment is received by the Buyer, at which time the Buyer may cancel the purchase agreement for a period of seven days after receipt of that amendment only if the layout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or club house or the general layout of the development, is materially changed by the issuance of the building permit.
 - v. The amount of the deposit to be paid by a Buyer who has not yet received an amendment to the Disclosure Statement that sets out particulars of an issued building permit is no more than 10% of the purchase price.

- 18. **ACCEPTANCE IRREVOCABLE (Buyer and Seller):** The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale is executed under seal. It is agreed and understood that the Seller's acceptance is irrevocable until after the date specified for the Buyer to either:
 - a. Fulfill or waive the terms and conditions herein contained; and/or
 - b. Exercise any option(s) herein contained.

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B. The Buyer acknowledges having received, read and understood RECBC form entitled “*Disclosure of Representation in Trading Services*” and hereby confirms that the Buyer has an agency relationship with _____ (Designated Agent(s)/Licensee(s)) who is/are licensed in relation to _____ (Brokerage).

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C. The Seller and the Buyer each acknowledge having received, read and understood RECBC form entitled “*Disclosure of Representation in Trading Services*” and hereby confirms that each consent to a dual agency relationship with _____ (Designated Agent(s)/Licensee(s)) who is/are licensed in relation to _____ (Brokerage).

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D. If only (A) has been completed, the Buyer acknowledges having received, read and understood RECBC form entitled “*Disclosure of Risks to Unrepresented Parties*” from the Seller's agent listed in (A) and hereby confirms that the Buyer has no agency relationship.

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E. If Only (B) has been completed, the Seller acknowledges having received, read and understood RECBC form “*Disclosure of Risks to Unrepresented Parties*” from the Buyer’s agent listed in (B) and hereby confirms that the Seller has no agency relationship.

CONQUEST HOLDINGS. INC.

Per: _____ (AUTHORIZED SIGNATORY) _____ (WITNESS)

<p><u>Seller's Solicitor</u> Morelli Chertkow LLP 300 - 180 Seymour Street Kamloops, BC V2C 2G2 Tel: 250-374-3344 ext. 201 Fax: 250-374-1144 Email: shuyghebaert@morellichertkow.com</p>	<p><u>Buyer's solicitor or notary (if known)</u> _____ _____ Tel: _____ Fax: _____ Email: _____</p>
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SUPPLEMENTAL INFORMATION ABOUT THE CONTRACT

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS.

1. **CONTRACT:** This document, when signed by both parties, is a legally binding contract. **READ IT CAREFULLY.** The parties should ensure that everything that is agreed to is in writing.
2. **DEPOSIT(S):** The deposit money is held for the transaction and not on behalf of one of the parties. If a party does not remove a subject clause, the signatures of both the buyer and the seller are required in order to release the deposit. If both parties do not sign the deposit release, then the parties will have to apply to court for a determination of the deposit issue.
3. **COMPLETION:** Unless the parties are prepared to actually meet at the Land Title Office and exchange title documents for the Purchase Price, it is, in every case, advisable for the completion of the sale to take place in the following sequence:
 - (a) The Buyer pays the Purchase price or down payment in trust to the Buyer’s Lawyer or Notary (who should advise the Buyer of the exact amount required) several days before the Completion Date, and the Buyer signs the documents.
 - (b) The Buyer’s Lawyer or Notary prepares the documents and forwards them for signature to the Seller’s Lawyer or Notary who returns the documents to the Buyer’s Lawyer or Notary.
 - (c) The Buyer’s Lawyer or Notary then attends to the deposit of the signed title documents (and any mortgages) in the appropriate Land Title Office.
 - (d) The Buyer’s Lawyer or Notary releases the sale proceeds at the Buyer’s Lawyer’s or Notary’s office.

Since the Seller is entitled to the Seller’s proceeds on the Completion Date, and since the sequence described above takes a day or more, it is strongly recommended that the Buyer deposits the money and the signed documents **AT LEAST TWO DAYS** before the Completion Date, or at the request of the Conveyancer, and that the Seller delivers the signed transfer documents no later than the morning of the day before the Completion Date.

4. **POSSESSION:** The Buyer should make arrangements through the real estate agents for obtaining possession. The Seller will not let the Buyer move in before the Seller has actually received the sale proceeds.
5. **TITLE:** It is up to the Buyer to satisfy the Buyer on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the Property and any encumbrances which are staying on title before becoming legally bound. It is up to the Seller to specify in the Contract if there are any encumbrances, other than those listed in the Disclosure Statement, which are staying on title before becoming legally bound. If you as the Buyer are taking out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. In certain circumstances, the mortgage company could refuse to advance funds. If you as the Seller are allowing the Buyer to assume your mortgage, you may still be responsible for payment of the mortgage, unless arrangements are made with your mortgage company.

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6. **CUSTOMARY COSTS:** In particular circumstances there may be additional costs, but the following costs are applicable in most circumstances:

<p>Costs to be Borne by the Seller</p> <p>Lawyer or Notary Fees and Expenses: - attending to execution of documents</p> <p>Costs of clearing title, including: - discharge fees charged by encumbrance holders - prepayment penalties</p> <p>Real Estate Commission Goods and Services Tax</p>	<p>Costs to be Borne by the Buyer</p> <p>Lawyer or Notary fees and Expenses - searching title, - investigating title, - drafting documents, - Land Title Registration fees.</p> <p>Survey Certificate (if required).</p> <p>Costs of Mortgage, including: - mortgage company's Lawyer/Notary, - appraisal (if applicable), - Land Title Registration Fees.</p> <p>Fire Insurance Premium. Sales Tax (if applicable). Property Transfer Tax, if applicable. Goods and Services Tax.</p>
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7. **RISK:** The Buyer should arrange for insurance to be effective on the earlier of the Completion Date or the date the Buyer pays the balance of the funds into trust. The Seller should maintain the Seller's insurance in effect until the later of the date the Seller receives the proceeds of sale, or the date the Seller vacates the property.
8. **FORM OF CONTRACT:** This Contract of Purchase and Sale is intended to be used in conjunction with the Seller's Disclosure Statement for the purchase and sale of freehold property of new construction.
9. **ALTERNATE DISPUTE RESOLUTION:** Parties to this contract may pursue alternate dispute resolution if a dispute arises after completion of the transaction. It is recommended that the parties first mediate the dispute. Failing agreement to mediate, or if the mediation fails, then disputes can be submitted to an Arbitration under the *Commercial Arbitration Act*.

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