

**CONTRACT OF PURCHASE AND SALE
FOR PROPERTY IN BEAR PAW HEIGHTS SUBDIVISION**

Date: _____, 20__

Purchaser's Lawyer: _____
Vendor's Lawyer: Fairley & Scott, Solicitors, Box 989, Golden, B.C. VOA IHO

RECEIVED FROM:

Name, Occupation, and Address

Phone No. _____

Alternate Phone No. _____

Fax No. _____

email address: _____

The Sum of \$_____, payable upon the signing of this contract by the Purchaser, and being 25% of the proposed purchase price and constituting the initial deposit on account of proposed purchase of a property located in Bears Paw Heights Subdivision, Golden, B.C. more particularly described as:

Leg. Desc.: Lot _____ Section 7, Township 27, Range 21, W5M
Kootenay District Plan EPP105470 (the "property")

For: The price or sum of (the Purchase Price)	\$_____.	.00
Payable on the following terms,		
(a) 25% as an initial deposit tendered herewith	\$ _____.	.00
(b) as a second deposit payable on subject removal	\$ _____.	.00
(c) the balance by cash for clear title on Closing	\$ _____.	.00
plus Goods and Services Tax of 5%	\$ _____.	.00
TOTAL	\$ _____.	.00

The Purchaser hereby offers to purchase the above-described property for the price and on the terms and subject to the conditions herein set forth.

1.00 BUYER'S CONDITIONS

The Purchaser's obligation to complete is subject to the following conditions:

A. Subject to Financing: [stroke out if not applicable]

The Purchaser's obligation to complete is subject to the Purchaser obtaining financing in the amount of \$ _____ at current interest rates comparable to those offered by a Chartered Banks of Canada. The Purchaser covenants to use best efforts to obtain such financing. The obligation is on the Purchaser to notify the Vendor on or before _____, 20____ that the Purchaser has NOT obtained such financing. If such notice is not received by such date, this agreement shall be deemed a final and binding contract for all purposes. If the Purchaser does so notify the Vendor that the Purchaser has failed to obtain such financing after making all diligent efforts, this contract shall terminate but the Vendor shall retain the deposit in consideration of the Vendor's time and trouble in dealing with the Purchaser.

B. Other Subject Conditions:

The foregoing condition(s) are for the sole benefit of and may be waived either in whole or in part by the Purchaser at any time. However, if such conditions have not been removed by the Purchaser on or before the ____ day of _____, 20____ then this contract shall, at the option of the Vendor, terminate and all obligations of the Vendor shall be at an end.

1.01 REMOVAL OF CONDITIONS ON NOTICE

If the Vendor receives an unconditional offer for the purchase of the property, the Vendor may give the Purchaser 72 hours to remove or waive all subject conditions contained in this agreement, and if the Purchaser fails to so remove or waive all subject conditions, this contract shall, at the option of the Vendor, terminate and all obligations of the Vendor shall be at an end. In such case the Vendor will return the deposit to the Purchaser.

2.00 DEPOSITS

All deposits shall be held by the solicitors for the Vendor in trust pursuant to the provisions of the *Real Estate Development Marketing Act* of British Columbia. The Vendor shall have no obligation to pay interest to the Purchaser on any deposit. In the event that the Purchaser fails to secure financing or to complete the purchase and sale contemplated in this agreement on the completion date by

paying to the Vendor the balance of the Purchase Price due, all deposits held by the Vendor shall be absolutely forfeited to the Vendor as a genuine pre-estimate of liquidated damages.

3.00 COST OF CONVEYANCE ETC.

The Purchaser will bear all costs of the conveyance and preparation of any Mortgage, and the Vendor will bear all costs of clearing title. The Purchaser shall deliver a conveyance by way of Form A Transfer in registerable form on the terms herein set out to the Vendor in sufficient time to permit the Vendor to execute same and return it to the Purchaser's solicitor so that the Transfer can be registered in the Land Title Office on the Completion Date.

4.00 GENERAL CONDITIONS

The following terms and conditions shall apply to the purchase and sale contemplated hereunder:

*The property shall be sold free and clear of liens and encumbrances except restrictive covenants, statutory covenants, statutory building schemes, reservations and exceptions in the original grant from the Crown, easements and covenants in favour of utilities and public authorities, rent charge agreements, and except as set out above.

*The Purchaser shall pay the balance of cash due to the Vendor and sale shall complete on _____ (the "Completion Date").

*Provided that the Purchaser has paid the purchase price in full to the Vendor, the Purchaser will have possession of the property at 12 noon on _____ (the "Possession Date").

*The Purchaser will assume and pay all taxes, rates, local improvement assessments and other charges from, and all adjustments both incoming and outgoing of whatsoever nature will be made as of the Completion Date.

*Payment of the balance due on completion may be made by cash, certified cheque, banker's draft or solicitor's trust cheque. The Purchaser shall deposit the cash balance due on the Completion Date, less the amount of anticipated mortgage proceeds, in trust with the Purchaser's solicitor at least 48 hours prior to the Completion Date.

*The property shall be at the risk of the Vendor until and including the day preceding the adjustment 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 the Purchaser's option cancel this contract and shall thereupon be entitled to the return of any monies paid hereunder.

*Time shall be of the essence hereof and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the date for completion of the sale, the Vendor may at the Vendor's option cancel this agreement, and in such event the amount paid by the Purchaser shall be absolutely forfeited to the Vendor as liquidated damages.

*The purchase and sale shall be completed in accordance with the standard conveyancing practice prevailing among solicitors practicing in the Golden area. If the Vendor has a mortgage to discharge as part of the transaction, the Purchaser agrees that so long as the Mortgagee is an institutional lender known to be reputable or approved by the Purchaser, the same may be discharged following completion so long as the payout proceeds have been forwarded to the Mortgagee on an undertaking to discharge forthwith.

4.00 BUILDING SCHEME

4.01 The Purchaser acknowledges that the property is include in the Bear Paws Heights Subdivision and that the property is charged with a Statutory Building Scheme which sets out features to which all improvements, including residences, to be constructed on the property must conform. The purpose of the Statutory Building Scheme is to ensure that residential construction within the Subdivision will meet standards of construction so as to preserve the Subdivision as a superior residential community. The Statutory Building Scheme also contains other restrictions respecting the use and occupation of the Property. The Purchaser hereby acknowledges having read and understood the Statutory Building Scheme.

The Purchaser acknowledges that the development is not serviced by a propane grid.

5.00 VENDOR COVENANTS

The Vendor warrants, guarantees, promises and agrees, with the knowledge that the Purchaser is relying on the same in entering into this agreement, as follows: (all of which will survive the completion of the sale).

1. To the best of the Vendor's knowledge there is no current or pending litigation which in any manner affects the property;
2. There are no outstanding work orders against the property or any structure located thereon.
3. The Vendor is a resident of Canada within the meaning of the Income Tax Act.

6.00 RIGHT OF THE VENDOR IS ASSIGNABLE

The Vendor shall have the right at all time and without the consent of the Purchaser to assign or transfer all of the Vendor's right, title and interest in this agreement to any person. The Vendor will give notice to the Purchaser of any such assignment.

7.00 CLOSING PROCEDURE

If the Purchaser is relying upon a new Mortgage to finance the purchase price, the Purchaser, while still required to pay the purchase price on completion date, may wait to pay the purchase price to the Vendor 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 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 except lodging the mortgage for registration, and
- (c) made available to the Vendor, 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.

8.00 GOODS AND SERVICES TAX

The sale of vacant real estate attracts payment of Goods and Services Tax (GST) in an amount equal to 5% of the sale price. The payment of tax is subject to certain exemptions, particularly if a Purchaser intends to put the property to commercial use. A Purchaser who intends to purchase and develop a property primarily for commercial use as a rental property should consult with his accountant to determine the applicability of any GST exemption and to ensure that proper documentation is completed to enable any such exemption to be claimed at the time of purchase. The Vendor does not purport to advise any Purchaser as to the applicability of any potential exemption from the payment of GST. Purchasers who intend to claim an exemption from GST agree to furnish to the Vendor on the Completion date with a certificate setting out the Purchaser's GST registration number, and stating the basis for the Purchaser's exemption and containing the Purchaser's undertaking to self-assess for the GST. The Purchaser further agrees in the event that the Purchaser claims a GST exemption to indemnify and hold harmless absolutely the Vendor from the collection of GST, and to assume all liability whatsoever in respect of any GST assessment or reassessment.

9.00 ENTIRE AGREEMENT

This agreement contains the entire agreement between the parties and there are no further or other conditions, representation, warranties, undertakings or agreements, given by the Vendor, either express or implied other than those

contained in this agreement, and all negotiations between the parties are hereby merged into the terms of this agreement.

This offer shall be open for acceptance up to 5:00 o'clock p.m. on _____, 20____ and upon acceptance by the Vendor signing a copy of this offer there shall be a binding agreement of sale and purchase on the terms and conditions herein set forth.

Signature of Purchaser

Signature of Purchaser

This Offer is ACCEPTED this _____ day of _____, 20____

0699189 B.C. Ltd.

Per:_____