LAKESTONE WATERSIDE NEIGHBOURHOOD
OFFER TO PURCHASE and AGREEMENT OF PURCHASE AND SALE
(Future Strata Lot)

"Seller" **MACDONALD LAKESHORE PROPERTIES LTD.** SL 66
11th Floor, 938 Howe Street, Vancouver, British Columbia V6Z 1N9

"Buyer" Name(s): Jeff Keith Mills & Amanda J Mills PID: 029.589.860

Address: 3822 Sarcee Road SW, Calgary AB T3E 7W9 1610 KIMBERLITE DR. LAKE COUNTRY V4V 2T4

Telephone: (403)512-1522 /(403) 312.2280

E-Mail: amills1@shaw.ca / jeff@tipsstaffing.com.

The Buyer hereby offers to purchase, and if this offer is accepted by the Seller, agrees to purchase from the Seller, proposed bare land **Strata Lot 57** Section 4 Township 20 ODYD Strata Plan EPS1917 (the "**Strata Lot**") as shown on the Waterside Neighbourhood Plan attached as Schedule B to the July 24, 2014 Second Amendment to Disclosure Statement for the project known as Lakestone Waterside Neighbourhood, Lake Country, BC, on the terms and conditions contained herein.

The purchase price of the Strata Lot is **$280,000.00** (the "**Purchase Price**"), exclusive of GST, which the Buyer shall pay to the Seller by payment of:

of subject Removal JM AM

(a) a deposit of **$28,000.00** upon execution by the Buyer hereof (the "**Deposit**"), payable in trust to the real estate brokerage of either the Seller or the Buyer, or to the Seller's solicitors, Martin L. Thompson Law Corporation, and

(b) the balance of the Purchase Price (subject to any adjustments herein) on the Completion Date determined in accordance with Section 2 of Schedule A hereto.

Receipt for Disclosure Statement. By executing this Agreement, the Buyer acknowledges that, prior to the execution of this Agreement, the Buyer has received a copy of and has been given a reasonable opportunity to read the Seller's Disclosure Statement dated July 30, 2013, as amended by the First Amendment thereto dated April 2, 2014, the Second Amendment thereto dated July 24, 2014 and any other amendments thereto filed up to the date hereof (collectively, the "**Disclosure Statement**"), and that the execution of this Agreement by the Buyer constitutes a receipt in respect thereof.

The Buyer's offer contained herein is open for acceptance by the Seller until 5:00 pm Vancouver time on August 31, 2014, and upon acceptance by the Seller will constitute a binding agreement of purchase and sale on the terms and conditions contained herein (this "**Agreement**"), including the terms and conditions set out in Schedule A and any other schedules attached hereto, which are hereby incorporated into, and form part hereof.

This offer to purchase and Agreement may be executed and delivered in counterparts and by fax or e-mail transmission of signatures, which shall be binding upon the parties.

DATED this 29 day of August, 2014

________________ X [signature] X AMills

Witness Buyer Buyer

MACDONALD LAKESHORE PROPERTIES LTD. hereby accepts the Buyer's offer herein on ____________, 20__, and agrees to sell the Strata Lot to the Buyer in accordance with the terms hereof.

MACDONALD LAKESHORE PROPERTIES LTD.
Per: ________________

Schedule A

ADDITIONAL TERMS AND CONDITIONS

The Seller and the Buyer agree to the following additional terms and conditions, which are incorporated into and form part of this Agreement:

1. **The Deposit.** No interest on the Deposit will be credited or payable to the Buyer. Any interest on the Deposit will be credited or payable to the Seller.

2. **Completion Date.** The Seller will give the Buyer not less than 10 days' written notice (the "**Closing Notice**") addressed to the Buyer or his/her/its solicitor or notary (the "**Buyer's Solicitors**") and:

(a) delivered to the Buyer's address as set out above, which Closing Notice will be deemed to have been received by the Buyer on the date of delivery thereof;

(b) mailed by prepaid registered mail, which Closing Notice will be deemed to have been received by the Buyer on the 4th day after the mailing thereof; or

(c) sent by facsimile or email transmission, which Closing Notice will be deemed to have been received on the date the facsimile or email transmission was sent,

specifying the date which shall be the Completion Date (the "**Completion Date**"), which:

(i) for Strata Lots 13-36 ("**Phase 2 Waterside Lots**"), will not occur prior to July 31, 2014, or later than October 31, 2015 (the "**Phase 2 Outside Date**"), or

(ii) for Strata Lots 37-50 ("**Phase 3 Waterside Lots**"), will not occur prior to October 31, 2014, or later than June 30, 2015 (the "**Phase 3 Outside Date**"),

(iii) for Strata Lots 51-61 ("**Phase 4 Waterside Lots**"), will not occur prior to March 15, 2015 ~~October 31, 2014~~, or later than June 30, 2015 (the "**Phase 4 Outside Date**"), am.

(ii) for Strata Lots 62-70 ("**Phase 5 Waterside Lots**"), will not occur prior to October 31, 2014, or later than June 30, 2015 (the "**Phase 5 Outside Date**"),

provided that the Phase 2 Outside Date, the Phase 3 Outside Date, the Phase 4 Outside Date or the Phase 5 Outside Date (as the case may be) shall be automatically extended for a period equivalent to the amount of time lost in completion of construction of the Strata Lot by reason of unforeseen circumstances including, without limitation, time lost from earthquake, strikes, lockouts, climatic conditions, act of Governmental authorities, inability to obtain or delay in obtaining labour, materials, or equipment, flood, delay or failure by carriers or contractors, delays due to offsite servicing requirements of the District of Lake Country, unavailability of supplies or materials, breakage or other casualty, fire, explosion or accident however caused, interference by the Buyer, acts of God, or any other circumstances whatsoever beyond the exclusive control of the Seller. The Seller shall not be liable for any damages due to delay in meeting the Completion Date caused by circumstances beyond its control.

3. **Title.** On the Completion Date, title to the Strata Lot shall free from all liens, charges and encumbrances except those contemplated in the Disclosure Statement, as amended from time to time, including a Statutory Building Scheme, easements and rent charges for "Common Amenities" as contemplated in the Disclosure Statement, registered or pending restrictive covenants, rights of way in favour of utilities and public authorities, and the Seller's Financial Encumbrances to be discharged as set out in Section 6 below.

am.

4. **Possession and Adjustments.** The Buyer will have vacant possession of the Strata Lot on the day following the Completion Date after payment of the Purchase Price. The Buyer will assume all taxes, strata fees, rates, assessments and other charges from and including the Completion Date and all adjustments will be made as of the Completion Date. If the amount of any such taxes, rates or assessments have been levied in respect of a parcel greater than the Strata Lot, the portion thereof which shall be allocated to the Strata Lot will be determined by pro-rating the total amount among all strata lots in that part of the Development for which the same have been levied on the basis of the Seller's projected selling prices.

5. **Strata Lot Topography / Configuration / Changes.** The Buyer understands that the topography of the Strata Lot may be different from when originally viewed, due to final grading, blasting, elevation and layout determined by the Seller in its sole discretion. The Strata Lot grade and elevation will be either:

☑ sufficient to enable the Buyer to construct a "walk-out" home located on the lower side of the road, where the main floor entrance is accessible from the road (although the Strata Lot may slope down away from the road), and the rear basement entrance is at grade with the back yard adjacent thereto, provided that any home must comply with the Design Guidelines specified in the Disclosure Statement and be approved by the designated Approving Officer thereunder; or

☐ sufficient to enable the Buyer to construct a home other than a "walk-out" home referred to above, provided that any home must comply with Design Guidelines specified in the Disclosure Statement and be approved by designated Approving Officer thereunder; or

☐ whatever lot grading and elevation that the Seller provides for the Strata Lot in its sole and absolute discretion,

provided that if none of the above boxes are checked, the Buyer will be deemed to have accepted whatever lot grading and elevation that the Seller provides for the Strata Lot in its sole and absolute discretion. The Buyer acknowledges that neither the Seller, nor its employees, agents or contractors have made any other representation or warranty in connection with the grading or elevation of the Strata Lot. The Buyer agrees that the designated lot number allocated to the Strata Lot may be changed by the Seller, and the configuration of the Strata Lot may be changed by the Seller, provided that the location and area of the Property remains substantially the same.

6. **Closing Procedure.** The Buyer's solicitors will prepare and deliver to the Seller's solicitors at least five days prior to the Completion Date, the required Transfer, Statement of Adjustments, and if applicable, the Tax Certificate specified in Section 8, duly signed by the Buyer. The Seller will not be required to execute or deliver any other agreements, transfer documents, certificates or statutory declarations. Following the delivery of such documents to the Seller, the Seller will execute and deliver to the Buyer's solicitors the Transfer and the Statement of Adjustments on the condition that the Buyer's solicitors (a) provide a Tax Certificate in the form required by the Seller, if applicable, (b) hold in their trust account the balance due and owing to the Seller less the proceeds of any new institutional mortgage being granted by the Buyer, (c) undertake to register the Transfer and mortgage concurrently, and (d) undertake to pay the balance due and owing to the Seller upon receipt of the mortgage funds on the Completion Date by way of a solicitors **certified trust cheque or bank draft,** forthwith upon receipt of a post-registration index search in accordance with this Agreement or return the Transfer unregistered. The Buyer agrees that the transfer of title to the Strata Lot may be subject in various financial encumbrances (collectively the "**Sellers Financial Encumbrances**") relating to the Seller's financing provided that the Seller's solicitors undertake to cause to be registered in the Land Title Office a partial discharge of the Seller's Financial Encumbrances from the Strata Lot within a reasonable time after receiving the balance of the adjusted Purchase Price payable to the Seller on closing and to advise the Buyer's Solicitors of registration particulars of such partial discharge when available. The parties agree that the foregoing undertakings relating to the partial discharge of the Seller's Financial Encumbrances shall be the only undertakings with respect thereto.

7. **Risk.** The Strata Lot will be at the Seller's risk until 12:01 a.m. on the Completion Date and

If the Buyer's default continues beyond the extended date for completion established pursuant to Subsection (b), the Seller may thereafter elect to terminate this Agreement, or to permit a further extension pursuant to Subsection (a) or (b), as the case may be, at the Seller's sole discretion. In the event that the Buyer or the Buyer's Solicitor indicates or expresses to the Seller, on or before the Completion Date, that the Buyer is unable or unwilling to complete the sale, the Seller is relieved of any obligation to make any formal tender upon the Buyer or the Buyer's Solicitor. If the purchase and sale of the Strata Lot contemplated by this Agreement is not completed by reason of the Seller's default, the Deposit shall be repaid to the Buyer without interest as liquidated damages, and as the Buyer's sole remedy, and thereafter, neither party shall have any further obligation to the other under this Agreement.

12. **Development.** The Buyer agrees that (a) the Strata Lot forms part of a larger development site, and hereby waives any claims against the Seller relating to construction, noise, dirt and dust resulting therefrom, and (b) the Seller may use any other strata lot for a display suite and/or common property a presentation centre, including exterior signage.

13. **Bylaws.** The Buyer covenants to observe and abide by the bylaws of the Strata Corporation, as amended from time to time.

14. **Strata Lot number.** The Buyer acknowledges and agrees that the strata lot number assigned to the Strata Lot is subject to change at the discretion of the Seller.

15. **Budget estimates.** The estimated budgets and strata fees have been prepared using the best information and projected costs currently available. The Buyer acknowledges that there may be increases in both the budgets and strata maintenance fees in the event of unanticipated increases in strata corporation insurance premiums or utilities charges which are beyond the control of the Seller, and that GST will be applicable to certain components of the budgets and strata fees.

16. **Form P.** The Buyer acknowledges and agrees that the construction schedule set out in the Form P Phased Strata Plan Declaration attached as Schedule C to the Second Amendment to Disclosure Statement may be amended at the discretion of the Seller, subject to the approval of the District of Lake Country.

17. **Marketing materials.** The Buyer acknowledges that the Seller may include images or photographs of the Development, the Strata Lot and the improvements thereon in its promotional and marketing materials, including signage, for this Development and for other developments undertaken by entitles related to the Seller, and the Buyer acknowledges and agrees not to object to any use of such images or photographs for promotional or marketing purposes.

18. **Joint and Several Obligations.** If the Buyer is more than one person, all obligations of the Buyer will be joint and several.

19. **Personal information.** The Buyer hereby consents to the collection, use and disclosure of personal information contained in this Agreement and any Addendum hereto, and otherwise collected by or on behalf of the Seller and its agents, affiliates and service providers for the following purposes:

(a) to obtain financing for the Seller and to enable the Seller to complete the transactions contemplated herein, including providing the Seller's Solicitors all information related to this Agreement, and to carry out and complete the sale of the Strata Lot to the Buyer;

(b) to facilitate the completion of the Lakestone development including the provision of services and utilities, insurance and warranty coverage;

(c) to facilitate the management of the Lakestone development, including transferring management of the Lakestone development to a Strata Lot manager;

(d) for reporting purposes to any trade or professional associations governing the Seller or any investigative body having authority over the Seller to the extent such information is required to be reported to such association or body;

(e) to market, sell, provide, and inform the Buyer of products and services of the Seller and its affiliates and partners, including information about future projects; and

(f) to disclose such personal information to the Seller's affiliates, business partners, bankers, lawyers, accountants and other advisors and consultants in furtherance of any of the foregoing purposes, including financial statements, tax returns and GST returns.

20. Governing law. This Agreement will be governed by and construed in accordance with the laws of British Columbia.

21. No interest in land. The Buyer agrees that this Agreement creates contractual rights only, and does not create an interest in land, and no interest may be registered by the Buyer at the Land Title Office against the title to the Strata Lot prior to closing.

22. Seller's residency. The Seller is not a non-resident of Canada.

23. Notices. Any notice to be given to the Buyer, including any amendment to the Disclosure Statement, will be sufficiently given if deposited in any postal receptacle in Canada addressed to the Buyer and sent by airmail, postage prepaid, or delivered by hand or transmitted by facsimile or e-mail transmission to the Buyer at the address or numbers set out above or to the Buyer's solicitors at their office, and shall be deemed to have been received if delivered or transmitted, when delivered or transmitted and if mailed, on the third business day (exclusive of Saturdays, Sundays and statutory holidays) after such mailing.

25. Entire Agreement. This Agreement is the entire agreement between the parties and there are no representations, warranties, conditions or collateral agreements, express or implied, whether made by the Seller, any agent, employee or representative of the Seller or any other person including, without limitation, arising out of any marketing material including sales brochures, models, representative view sets, show room displays, photographs, illustrations or renderings provided to the Buyer or made available of his viewing, other than those contained herein or in the Disclosure Statement.

26. Agency Disclosure. The Seller and the Buyer acknowledge having received, read and understood the brochure published by the British Columbia Real Estate Association entitled *Working With a REALTOR ®* and acknowledge and confirm as follows:

(a) the Seller has an agency relationship with
Jason Koverchuk
DESIGNATEDAGENT/LICENSEE

who is licensed in relation to
LRE Lakestone Real Estate Ltd
BROKERAGE

(b) the Buyer has an agency relationship with
_____N/A____________________
DESIGNATEDAGENT/LICENSEE

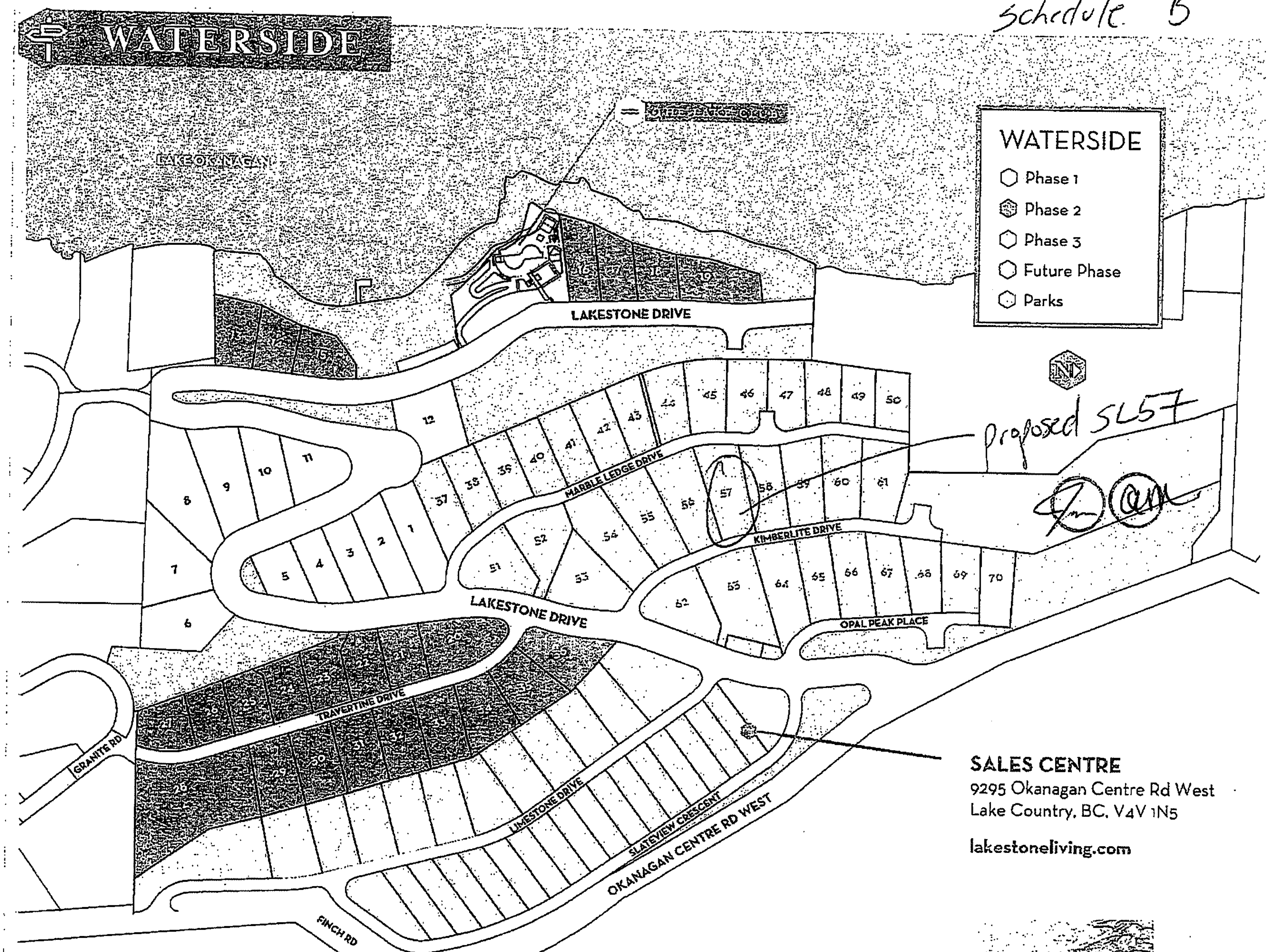
who is licensed in relation to
______N/A_____________________
BROKERAGE

27. **Conditions.**

1. Subject to acceptable financing being made available to the Buyer to design and build a home on SL57 that meets the Buyers personal requirements and complies with the Design Guidelines.

   Buyer and Seller understand that the conditions are for the sole benefit of the Buyer and it is agreed that they may be unilaterally waived/removed by the Buyer on or before September 5, 2014.

Schedule "B"



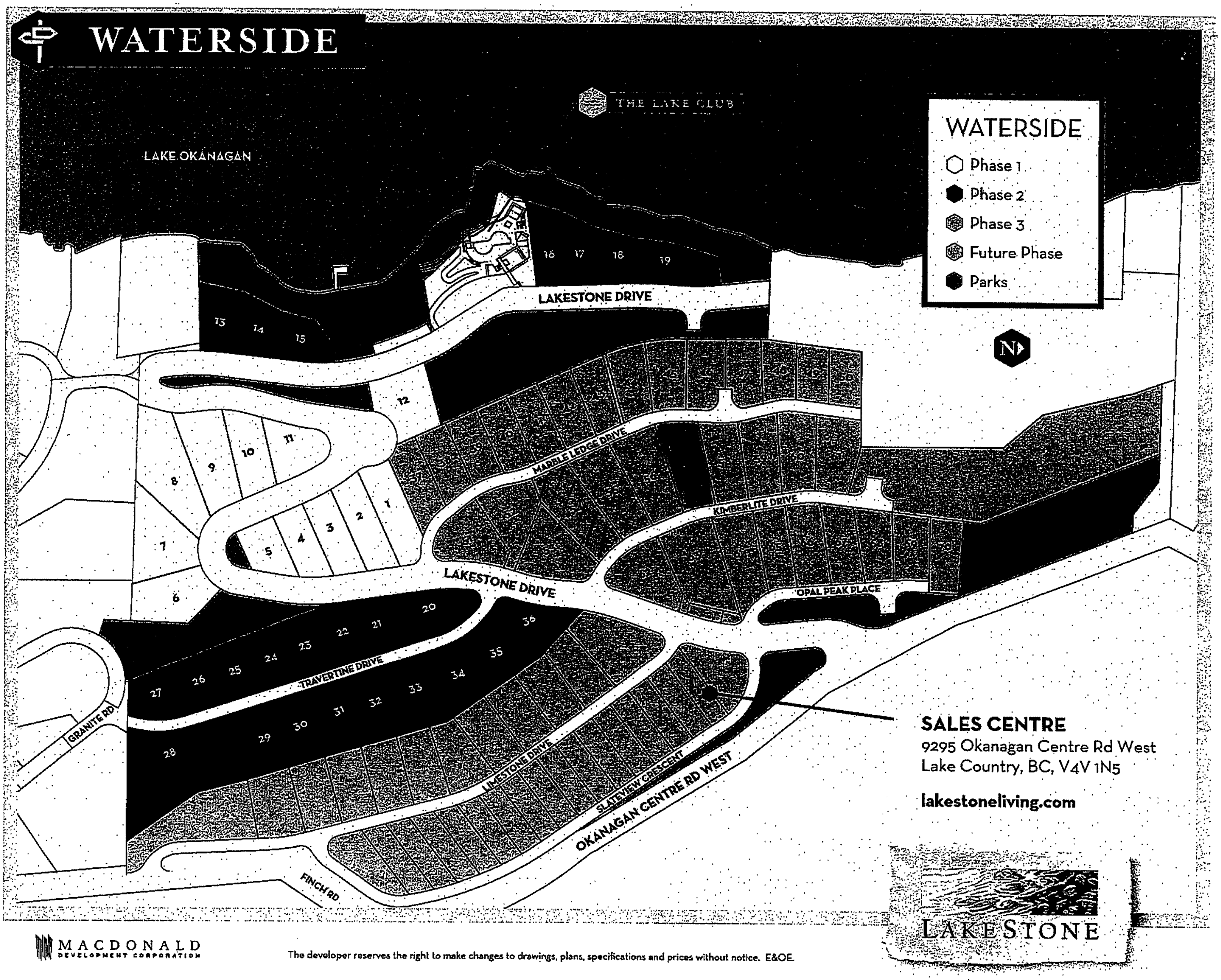
SALES CENTRE
9295 Okanagan Centre Rd West
Lake Country, BC, V4V 1N5

lakestoneliving.com

LAKESTONE

MACDONALD DEVELOPMENT CORPORATION

The developer reserves the right to make changes to drawings, plans, specifications and prices without notice. E&OE



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