

SHELTER BAY

PURCHASE AGREEMENT

This Purchase Agreement (the “**Agreement**”) relates to a residential development (the “**Development**”) on lands located within the Tsinstikeptum Indian Reserve, West Kelowna, British Columbia, legally described as Lot 331 CLSR 76824 Tsinstikeptum Indian Reserve No. 10 and Lot 188 CLSR 76824 Tsinstikeptum Indian Reserve No. 10 in West Kelowna, British Columbia (the “**Lands**”), as described in the Seller’s Information Statement (the “**Information Statement**”) dated July 7, 2021, as may be amended.

The Seller: SHELTER BAY PARTNERSHIP
(Sublessor) Suite 202, 45793 Luckakuck Way
Chilliwack, British Columbia V2R 5S3
Email: ericv@vanmarengroup.com

The Buyer: _____
(Sublessee) _____
(Full Names) _____

Address: _____
Street _____

City _____	Province _____	Postal Code _____
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Occupation: _____

Telephone: Home: _____ Mobile: _____

Email Address(es): _____

Country of Residence: _____

The Buyer irrevocably offers to purchase from the Seller a sublease interest in Unit No. _____ (the “Unit”) the location of which is described on page 2 of this Agreement, and agrees to pay \$ _____ (the “**Price**”) pursuant to a sublease of the Unit (the “**Sublease**”), which the Buyer will pay as follows:

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AN INITIAL DEPOSIT of 5% of the Price is payable as provided in paragraph 1		
A SECOND DEPOSIT of 10% of the Price is payable 60 days following the date of signing this Agreement by the Seller, as provided in paragraph 1		
BALANCE of the Price (the “ Balance ”), being the Price less the Initial Deposit and the Second Deposit, subject to adjustments, payable to the Seller on the Closing Date (hereinafter defined)		
The closing date is estimated to be _____, 20__ (the “ Closing Date ”) and is subject to change as provided in paragraphs 2 and 12		

Any Addenda attached hereto form part of this Agreement.

The Buyer acknowledges that:

- (a) the location and the approximate dimensions of the Unit are as shown on the plan attached to this Agreement as Schedule A;
- (b) like a townhouse built off of an Indian reserve, the exterior walls and roof of the Unit are common property and will be maintained by the Homeowner Association (hereinafter defined);
- (c) the area between the road and the carport (front yard) and the area between the back of the Unit and the common sidewalk or fence (back yard) will be designated by the Seller as “exclusive use area” for the benefit of the Buyer;
- (d) in addition to the Price, the Buyer will also be obligated to pay monthly assessments to the Homeowner Association for common area maintenance;
- (e) the Buyer will be required to contribute \$350.00 plus GST/PST towards the Seller’s legal cost of preparing the Sublease documents;
- (f) GST will be payable on the Purchase Price if the Buyer intends to own the Unit as an investment property (see paragraph 4(b)). The Buyer acknowledges having been encouraged by the Seller to seek independent legal and accounting advice with respect to GST applicability; and
- (g) the Unit will be built in compliance with the latest edition of the BC Building Code.

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The offer herein is open for acceptance by the Seller until 5:00 p.m. Vancouver time, on _____, 20____, and upon acceptance by the Seller, the said offer and acceptance will be a binding Agreement on the terms and conditions herein contained (including without limitation the attached paragraphs 1-20, the site plan and any addendums).

DATED at _____, B.C., this ____ day of _____, 20__.

Witness

Buyer

Witness

Buyer

This Agreement is accepted by the Seller on _____, 20__.

Witness

Seller

The following terms will apply to this Agreement:

1. An initial deposit (the “**Initial Deposit**”) shall be paid not later than 48 hours following the later to occur of:

(i) the day that all Buyer’s conditions precedent are satisfied or waived; and

(ii) completion of the 7-day rescission period referred to herein;

A second deposit of 10% of the Price shall be paid 60 days following the day of signing this Agreement by the Seller (the “**Second Deposit**”). The Initial Deposit and the Second Deposit are hereinafter together called the “**Deposit**”.

Each Deposit will be paid by the Buyer by certified cheque or bank draft and the Deposit will be held in a trust account (without interest) of the Seller’s Lawyers, Waterstone Law Group LLP (the “**Seller’s Lawyers**”). The parties acknowledge that the Seller’s Lawyers will **not** be holding the Deposit as a stakeholder pursuant to the *Real Estate Services Act* (British Columbia), and the Deposit will be dealt with by the Seller’s Lawyers as follows:

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- (a) except as provided in paragraphs 2, 8, 9 and 14 hereof and subject to the Buyer completing the Sublease on the Closing Date, will be credited to the Buyer on the Closing Date;
 - (b) the Deposit will be paid to the Seller on the Closing Date upon satisfactory completion of this transaction; and
 - (c) in the circumstances provided for in paragraphs 2, 8, 9 and 14, will be paid as therein provided.
2. The parties acknowledge that the Closing Date set out on page 2 hereof is an estimate only of when the Seller expects to have the Unit ready for occupation and that the estimated Closing Date has been provided by the Seller as a matter of convenience only, is not meant to be legally binding upon the Seller and that the actual Closing Date will be established as provided herein. The actual Closing Date will be that date set out in a notice to the Buyer from the Seller and will be no less than 30 days after the Seller or the Seller’s Lawyers notify the Buyer or the Buyer’s lawyer that the Unit is ready or will be ready to be occupied. Whether the Unit is ready to be occupied refers to the Unit only and not to any other unit within the Development or any common area and the Unit will be deemed ready to be occupied on the Closing Date if Westbank First Nation has given oral or written permission to occupy the Unit, whether such permission is temporary, conditional, or final. The notice of the Closing Date delivered by the Seller or the Seller’s Lawyers to the Buyer or the Buyer’s lawyer may be based on the Seller’s estimate as to when the Unit will be ready to be occupied. If the Unit is not ready to be occupied on the Closing Date so established, then the Seller may delay the Closing Date from time to time as required, by notice of such delay to the Buyer or the Buyer’s lawyer, provided that if the Closing Date has not occurred within six (6) months of the Closing Date established in the notice then, subject to paragraph 13, this Agreement will be terminated and the Deposit will be returned to the Buyer and the parties will be released from all of their obligations hereunder. On the Closing Date, the Seller will issue the Sublease to the Buyer (free and clear of all financial charges except for those encumbrances described in the Information Statement as existing encumbrances and proposed encumbrances, and those encumbrances to be discharged by the Seller from the proceeds of “sale” of the Unit) and the Buyer’s lawyer will pay the Balance in trust to the Seller’s Lawyers.
3. Buyer’s lawyers shall apply to obtain the necessary consents for the issuance of the Sublease and shall apply to register the Sublease in the Westbank Lands Registry. On receipt of written confirmation that the Sublease has been assigned a pending registration number, the Buyer’s lawyers shall advise the Seller’s Lawyers and the Price shall be released to the Seller and the Buyer shall be registered as a member of Shelter Bay Association, being the British Columbia society incorporated to manage the common property of the Development (the “**Homeowner Association**”). No builders lien holdbacks will be permitted. If the Buyer is obtaining mortgage financing, the portion of the Price which is mortgage financed may be paid in accordance with paragraph 6(d).

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4. (a) The Buyer will assume and pay all taxes, rates, local improvement assessments and other charges as and from the Closing Date; and any adjustments to be made will be made as of the Closing Date.
- (b) The Seller has been advised by its legal counsel that the sublease of the Unit will not subject to Goods and Services Tax (“GST”) in circumstances where:
 - (i) the Buyer is an individual (i.e., not a corporation) and acquires the sublease interest in the Unit with the intention of living in the Unit year-round or with the intention of using the Unit primarily as a vacation property but also renting it out occasionally on a short-term basis to earn additional income; or
 - (ii) the Buyer is an individual (i.e., not a corporation) and acquires the sublease interest in the Unit solely for use in long-term rentals (i.e., rentals of a duration of at least one month to the same individual);

but that GST will be payable in circumstances where:

- (iii) the Buyer acquires the sublease interest in the Unit and intends to hold it as an investment property with the intent of renting it out solely for short-term rentals (i.e., AirBnB) or a mixture of long-term and short-term rentals.

The Seller has also been advised that GST may become payable on the sublease of the Unit at some point following the Closing Date if the Buyer initially intends to use the Unit for the purposes described in (i) or (ii) above but then changes the use to being an investment property described in (iii). The Seller has also been advised that if Section 4(b)(iii) applies, the Buyer must pay the GST to the Seller on the Closing Date and cannot self-assess for the GST payable.

The Buyer shall be responsible for payment of all GST payable on the sublease of the Unit whether the GST is payable on the Closing Date or whether it is payable later on during the term of the Sublease as a result of the Buyer’s use change as described above. As part of the closing process, the Buyer will be required to swear a declaration as to its intended use of the Unit and if the intended use is as an investment property as described above then GST will be payable on the Closing Date. Further, the Sublease will contain provisions requiring the Buyer to notify the Seller if the Buyer changes uses of the Unit at any time during the Term and the Sublease will contain provisions making all GST payable the responsibility of the Buyer.

5. The Buyer will obtain possession of the Unit on the day following the Closing Date provided that the Buyer has complied with all of its obligations hereunder.
6. The Buyer acknowledges that the Seller may retain units in the Development for use as display suites, and may use certain common areas, for marketing the project. The Buyer will permit and, to the extent that the Buyer is able so to do, will cause the Homeowner Association to permit the Seller, at no cost to the Seller, to:

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- (a) install signs on and about the common property of the Development to market the unsold Units;
- (b) use any unsold units, common property and parking stalls adjacent to the unsold units, for marketing and sale purposes.

The Buyer will not revoke its consent for so long as the Seller is the owner of any Units in the Development.

- 7. (a) The Seller is responsible to create the Sublease for execution by the Buyer and Seller. The Buyer shall contribute \$350.00, plus GST/PST, towards the cost of preparation of the Sublease. It will be the Buyer's responsibility, at its cost, to prepare or cause to be prepared all other documents necessary to complete this transaction and to deliver the same to the Seller's Lawyers at least 5 business days prior to the Closing Date. The Seller will bear all costs of clearing title.
- (b) The Sublease will be executed by the Seller and the Buyer, on or prior to the Closing Date, in registrable form.
- (c) The Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Price, but in this event, the Buyer will pay the Price to the Seller's Lawyers on undertakings to pay and discharge the financial charges, and remit the balance, if any, to the Seller.
- (d) If the Buyer is relying upon a new mortgage to finance a portion of the Price, the Buyer, while still required to pay the Price on the Closing Date, may wait to pay the Price to the Seller until after the Sublease, and new mortgage documents, have been assigned pending registration numbers in the First Nations Lands Registry, but only if, on or before the Closing Date, the Buyer has made available for tender to the Seller that portion of the Price not secured by the new mortgage, and fulfilled all of the new mortgagee's conditions for funding except lodging the mortgage for registration, and the mortgage lender has advanced the mortgage funds to the Buyer's lawyer to be held in its trust account, and the Buyer's lawyer has made to the Seller's Lawyers, a written lawyer's undertaking to pay the mortgage funds to the Seller's Lawyers on pending registration of the new mortgage documents.

8. The Unit will be at the risk of the Seller until and including the day preceding the Closing Date and in the event of major loss or damage to the same occurring before such time by reason of tempest, lightning, earthquake, flood or other Act of God, fire or explosion which is not repaired prior to the Closing Date, the Buyer, at the Buyer's option, may cancel this Agreement and in such event will thereupon be entitled to the return of the Deposit, and in such event neither the Seller nor the Buyer will have any further obligations or liability whatsoever hereunder. The Unit will be at the risk of the Buyer from and including the Closing Date.

9. Time will be of the essence of this Agreement. Subject to paragraph 14:

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- (a) if the Deposit is not paid in accordance with this Agreement, the Seller may cancel this Agreement;
 - (b) if the Balance of the Price is not paid in full in accordance with this Agreement, the Seller, at its option, may cancel the Agreement and in such event the Deposit will be absolutely forfeited to the Seller as pre-estimated liquidated damages without prejudice to the Seller's other remedies and the Seller will not have any further obligations or liability whatsoever hereunder; and
 - (c) the Buyer hereby irrevocably directs and authorizes the Seller's Lawyers to pay the Deposit to the Seller if the Buyer defaults in paying the Balance of the Price as required in accordance with this Agreement and such default continues following 10 days written notice of such default from the Seller to the Buyer.
10. (a) The Seller confirms that the Development will be covered by a home warranty program as set out in the Information Statement which the Buyer acknowledges is the sole warranty provided in connection with the Unit.
- (b) The Buyer or its representative and the Seller or its representative will inspect the Unit at a reasonable time designated by the Seller prior to the Closing Date. At the conclusion of such inspection, a conclusive list of any defects or deficiencies will be prepared. The parties will sign the list and the Buyer will be deemed to have accepted the physical condition of the Unit subject only to the listed defects. **The Buyer acknowledges and agrees that neither the Buyer nor its representatives, agents or assigns will be allowed access to the Unit except for the purpose of this inspection prior to the completion of construction, except with the express written authorization of the Seller.** If there is any dispute as to defects or deficiencies, the Seller's Architect will settle the matter in dispute and the aforesaid list. The Seller will remedy the defects or deficiencies noted on the list, or as settled by the Architect, within 60 days after the Closing Date, and there will be no deficiency holdback. Seasonal work, such as landscaping, exterior painting, etc. will be completed as weather conditions and crew availability permit.
11. (a) Subject to paragraph 11(b) below, prior to the Closing Date the Buyer may only assign the Buyer's interest in this Agreement or direct the transfer of the Unit to any other or additional party (an "**Assignment**") on or after that date which is one (1) year after the date of this Agreement, and in any event, only if:
- (i) the Deposit has been paid;
 - (ii) the Seller's form of assignment agreement is used; and
 - (iii) the Buyer has obtained the prior written consent of the Seller which consent will not be unreasonably withheld. If the Seller's consent is not obtained, the Seller will not be required to convey the Unit to anyone other than the Buyer named herein on the Closing Date. If the Buyer assigns the Buyer's interest in the Unit or this Agreement or directs the transfer of the

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Unit to any other or additional party, as consideration for the Seller agreeing to the Assignment and for any associated legal and administrative costs (the “**Administration Fee**”) in connection with the Assignment, the Buyer will pay to the Seller an amount equal to 1% of the Price plus GST on such amount, provided that the Administration Fee will be reduced to \$400 if the assignee is the Buyer’s spouse, parent, sibling, child, grandparent or grandchild. No assignment by the Buyer of the Buyer’s interest in the Unit or this Agreement or direction of transfer to any other person will release the Buyer from any of the Buyer’s obligations or liabilities hereunder.

- (b) The Buyer will not advertise or solicit offers from the public nor list the Unit on the Multiple Listing Service with respect to the resale of the Buyer’s interest in the Unit prior to the Closing Date without the prior, express written consent of the Seller, which consent may be arbitrarily withheld by the Seller in the Seller’s sole discretion.
12. The Developer will make available for viewing on its website (www.shelterbayliving.ca), copies of relevant documents such as the Information Statement, the Head Lease, the Bylaws of the Homeowner Association and the Sublease. The Buyer acknowledges and agrees:
- (a) that the Buyer, prior to the execution of this Agreement, was given an opportunity to read the Information Statement and that the provisions of the Information Statement and the terms of this Agreement are the terms under which the Unit is sold and purchased;
 - (b) that should certain materials not be available to the Seller for installation in time for the Seller’s scheduled installation date, the Seller reserves the right to select substitute materials of equal or better grade, at the Seller’s discretion; and
 - (c) that the Buyer is aware of an initial monthly Homeowner Association assessment as set out in the Information Statement.
13. If the Seller is delayed from completing the construction of the Unit or satisfying any other conditions of closing as a result of earthquake, flood or other act of God, fire, explosion or accident, howsoever caused, act of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, supplies, materials or equipment, delay or failure by carriers or contractors, breakage or other casualty, climatic condition, interference of the Buyer, or any other event of any nature whatsoever beyond the control of the Seller, then the Seller, in its sole discretion and upon giving to the Buyer written notice delivered not later than 15 days before the Closing Date, will have a one-time right to extend the Closing Date by up to 180 days.
14. This Agreement will constitute the entire agreement between the Seller and the Buyer and there are no representations, warranties, guarantees, promises, agreements or previous statements made by any person or agent other than those contained in this

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Agreement. No modification of this Agreement will be valid unless made in writing and signed by the parties hereto.

15. If the Buyer terminates this Agreement pursuant to the rights of termination contained herein or if the Seller fails to complete this transaction through no fault of the Buyer, the Deposit will be returned by the Seller to the Buyer forthwith upon notice of termination, without deduction.
16. The Seller represents and warrants that each party comprising the Seller is a resident of Canada.
17. Any notice, document or communication required or permitted to be given hereunder will be in writing and will be considered to have been duly given if delivered by hand, mailed by prepaid registered mail or sent by facsimile or email to the party to which it is to be given at the address or to the facsimile number or the email address shown on the first page hereof. Any notice to the Buyer may be given to his lawyer. Either party may at any time change the address, numbers or email address set out above by giving written notice to the other party in accordance with this paragraph 16.
18. All representations, covenants, agreements and consents contained herein will survive the completion of the transactions contemplated herein and will not be merged in any document delivered pursuant to this Agreement.
19. All words in this Agreement may be read and construed in the singular, plural, masculine, feminine or body corporate, as the context requires. Where there is more than one Buyer, the obligations of the Buyer will be joint and several obligations. The phrase “**business day**” will mean a day that the Westbank First Nation Lands Registry office in Kelowna, British Columbia is open and accepting documents for registration.
20. This Agreement will be governed and construed in accordance with the applicable laws of British Columbia and Canada. This Agreement creates contractual rights only between the Seller and Buyer and does not create an interest in the land.
21. The Buyer hereby consents to the collection, use and disclosure by the Seller and any real estate agent involved in this transaction, the real estate boards of which those agents are members and, if the Unit is listed on a Multiple Listing Service (“**MLS**”), the real estate board that operates such MLS, of personal information about the Buyer:
 - (a) for all purposes relating to completing this transaction;

if the Unit is listed on an MLS, for the purpose of the compilation, retention and publication by the real estate board that operates the MLS and other real estate boards of any statistics including historical MLS data for use by persons authorized to use the MLS of that real estate board and other real estate boards;
 - (b) for enforcing codes of professional conduct and ethics for members of real estate boards;

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- (c) for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled *Working With A Real Estate Agent*; and
- (d) for the purpose of the Seller or its affiliated companies or partnerships providing the Buyer with information about other homes any one of them may offer for sale in future.

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**SCHEDULE A
SHELTER BAY**

(PLANS SHOWING UNIT LOCATION AND APPROXIMATE DIMENSIONS)

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SHELTER BAY

ACKNOWLEDGMENT OF RECEIPT OF DOCUMENTS

ADDENDUM (including schedules, if any) to the Agreement made between SHELTER BAY PARTNERSHIP (the “**Seller**”), and _____ (the “**Buyer**”) the _____ day of _____, 20____.

The Buyer hereby acknowledges having access to the following documents posted on the Seller’s website at (www.shelterbayliving.ca)

- (a) the Head Lease;
- (b) the form of Sublease;
- (c) the Information Statement;
- (d) the Bylaws and Rules and Regulations of the Homeowner Association.

If the Buyer, in its sole discretion, is not satisfied with the foregoing documents, the Seller agrees that the Buyer may terminate this Agreement by written notice given to the Seller on or before the date that is 7 days after the date of this Addendum.

DATED this _____ day of _____, 20____.

Witness

Buyer

Witness

Buyer

SHELTER BAY PARTNERSHIP, by a
Co-Managing Partner **EVM (SHELTER
BAY) DEVELOPMENT LTD.**

By: _____
Authorized Signatory

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SHELTER BAY

FINANCING – ADDENDUM

ADDENDUM (including schedules, if any) to the Agreement made between SHELTER BAY PARTNERSHIP (the “Seller”), and _____ (the “Buyer”) the _____ day of _____, 20__.

- 1. This Agreement is subject to the following condition(s) which is (are) for the sole benefit of the Buyer, and if not waived or declared fulfilled by written notice to the Seller on or before _____, 20__:

The Buyer obtaining financing on commercially reasonable terms, for the purchase of the Unit by no later than _____.

DATED this _____ day of _____, 20__.

Witness

Buyer

Witness

Buyer

SHELTER BAY PARTNERSHIP, by a
Co-Managing Partner **EVM (SHELTER
BAY) DEVELOPMENT LTD.**

By: _____
Authorized Signatory

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SHELTER BAY

ADDENDUM

ADDENDUM (including schedules, if any) to the Agreement made between SHELTER BAY PARTNERSHIP (the “**Seller**”), and _____ (the “**Buyer**”) the _____ day of _____, 20____.

DATED this _____ day of _____, 20____.

Witness

Buyer

Witness

Buyer

SHELTER BAY PARTNERSHIP, by a
Co-Managing Partner **EVM (SHELTER
BAY) DEVELOPMENT LTD.**

By: _____
Authorized Signatory

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