

“CORNERSTONE”

AMENDMENT TO THE DISCLOSURE STATEMENT DATED APRIL 13, 2010

DATE: DECEMBER 15, 2010

Disclosure Statement with respect to an offering by Marcon Homes (Cornerstone) Ltd. for the sale of two hundred and thirty-six (236) residential strata lots to be constructed on property located at 5655 – 210 A Street and 21009 – 56th Avenue, Langley, British Columbia (the “Development”).

DEVELOPER

Name of Developer: Marcon Homes (Cornerstone) Ltd.
Address for Service: 300 – 1681 Chestnut Street, Vancouver, B.C. V6J 4M6
Mailing-Address: 5645 – 199th Street, Langley, B.C. V3A 1H9

MARKETING AGENTS

There be added to this paragraph on page 1 of the Disclosure Statement:

“The Developer proposes, in the event its primary agent, Cliff Armstrong, ceases to carry on business through Cliff and Gary Realty Ltd. doing business as “Sutton Group-Express Realty” to retain and utilize such other real estate brokerage company as and through which the said Cliff Armstrong elects to carry on his brokerage business.”

DISCLAIMERS

THIS DISCLOSURE STATEMENT AMENDMENT HAS BEEN FILED WITH THE SUPERINTENDENT OF REAL ESTATE BUT NEITHER THE SUPERINTENDENT, NOR ANY OTHER AUTHORITY OF THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA, HAS DETERMINED THE MERITS OF ANY STATEMENT CONTAINED IN THIS AMENDMENT, OR WHETHER THIS AMENDMENT OR THE DISCLOSURE STATEMENT CONTAINS A MISREPRESENTATION OR OTHERWISE FAILS TO COMPLY WITH THE REQUIREMENTS OF THE REAL ESTATE DEVELOPMENT MARKETING ACT. IT IS THE RESPONSIBILITY OF THE DEVELOPER TO DISCLOSE PLAINLY ALL MATERIAL FACTS, WITHOUT MISREPRESENTATION.

4.3 Existing Encumbrances and Legal Notations

The following encumbrance identified in the Disclosure Statement has been discharged:

Covenant BB115235 in favour of The Corporation of the Township of Langley;

The reference to Covenant BB1150239 in the last paragraph on page 15 of the Disclosure Statement is hereby amended to read “**Covenant** BB1150240”

The following encumbrance was registered against title to the Lands subsequent to the issuance of the Disclosure Statement:

Covenant BB1690398 in favour of the Corporation of the Township of Langley relates to the Developer's desire to construct the Development with the parkade basement floor at an elevation lower than recommended by, approved or provided for pursuant to the Township's policies, regulations and bylaws. The Covenant requires compliance with an engineer's report which indicates the Property and the Development may be safely used at the requested elevation level and which sets out the conditions of use /construction including the need for a mechanical storm and sanitary drainage pumping system. The Developer has covenanted and intends to comply with all such conditions.

4.6 Environmental Matters

After "**Covenant** BB1150240" add "and **Covenant** BB1690398."

6.1 Development Approval

Creation of the Development has been approved by the Township of Langley. A Development Permit was issued by the Township of Langley dated March 1, 2010. Building Permits for construction of a parkade and 108 residential strata lots in Phase 1 of the Development were issued August 4, 2010 under BP119989 and November 8, 2010 under number BP120679 respectively. None of the layout or size of any strata lots, the construction of a major common facility or the general layout of the Development was changed by the issuance of the said Building Permits.

6.2 Construction Financing

Existing paragraph 6.2 is hereby deleted and replaced with the following:

"The Developer has obtained a satisfactory commitment from Citizens Bank of Canada (the "Lender") for construction financing which, when combined with the Developer's own resources, will be sufficient to complete construction of Phase 1 of the Development, including the installation of all utilities and other services associated with Phase 1 of the Development. The Lender's previously conditional commitment became satisfactory when the Lender confirmed by letter dated December 10, 2010 that the Lender's presale condition has been substantially met."

7.2 Purchase Agreement

The form of purchase agreement attached as Exhibit "H" to the Disclosure Statement is hereby deleted and replaced with the form of purchase agreement attached as Exhibit "H" to this Amendment (the "New Contract"). The **Termination Provisions** of the new Contract are changed by the deletion of Section 19. The provisions relating to **Extensions of Time**, **Assignments** and **Interest on Deposits** are unchanged. In the event the Developer changes marketing agents as contemplated on page 1 hereof, Section 29 of the New Contract will be amended accordingly. For all other changes please refer to Exhibit "H" to this Amendment.

DEEMED RELIANCE

Section 22 of the Real Estate Development Marketing Act provides that every purchaser who is entitled to receive this Amendment dated December 15, 2010 to the Disclosure Statement dated April 13, 2010 is deemed to have relied on any false or misleading statement of a material fact contained in this Amendment, if any, and any omission to state a material fact. The Developer, its directors and any person who has signed or authorized the filing of this Amendment are liable to compensate the purchaser for any misrepresentation, subject to any defences available under section 22 of the Act

DECLARATION

The foregoing statements, when read with those contained in the Disclosure Statement of April 13, 2010 disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the Real Estate Development Marketing Act of the Province of British Columbia as of the 15th day of December, 2010.

Marcon Homes (Cornerstone) Ltd..

Per:

Marco Paolella (Director)

MARCO PAOLELLA

TJB: G:\firm\land\17753 Disclosure Amendment Dec 2010.doc

EXHIBIT H

Salesperson: _____

“CORNERSTONE”

CONTRACT OF PURCHASE AND SALE

Vendor : MARCON HOMES (CORNERSTONE) LTD.
5645 199th Street, Langley, BC V3A 1H9
Telephone: (604) 530-5646 Fax: (604) 539-5180

Date of Offer: _____

Purchaser: _____

Name

Name

Address

Address

Postal Code

Postal Code

Telephone:
(Res) _____

Telephone:
(Res) _____

(Bus) _____

(Bus) _____

(Cell) _____

(Cell) _____

(email) _____

(email) _____

Fax: _____

Fax: _____

Country of Residence _____

Country of Residence: _____

SIN: _____

SIN: _____

Property : Suite No. _____ / Strata Lot _____ (the “Strata Lot”)

Size of Strata Lot: _____ square feet (the “Area”)

Colour Scheme selected by Purchaser: Wenge _____ Walnut _____ Graphite _____

The Strata Lot is the residential strata lot identified above to be constructed and located on the Property (as hereinafter defined) in the proposed residential development known as “CORNERSTONE”. CORNERSTONE will be constructed on a portion of the lands situated in the Township of Langley, British Columbia, with a civic address of 21009 56th Avenue and 5655-210A Street, Langley, B.C. which lands are currently legally described as:

PID: 028-171-071

Lot 1, District Lot 306, Group 2, New Westminster District Plan BCP44069 (the “Property”)



The Strata Lot is more particularly described in the preliminary strata plans (the "Preliminary Plans") attached to the Disclosure Statement (as hereinafter defined). The Purchaser acknowledges that the strata lot number for the Strata Lot may be changed upon verification of the strata lot number by the Vendor's surveyor and the Land Title Office.

The Purchase Price shall include the exclusive right to use one (1) parking stall which will be allocated to the Purchaser as contemplated in the Disclosure Statement and located as determined by the Vendor, in its sole discretion.

- Purchase Price \$ _____ plus applicable Goods and Services Tax/HST
- Initial Deposit \$ _____ payable upon the Purchaser's execution of this Contract
- Second Deposit \$ _____ which amount, together with the Initial Deposit, equals 5% of the Purchase Price, payable within the later of 7 days after the Vendor's acceptance of this Contract and the date the Purchaser removes any subject conditions attached to any addendum to this Contract.
- Third Deposit \$ _____ which amount, equals a further 5% of the Purchase Price so that the total Deposit equals 10% of the Purchase Price, payable within 30 days after the Vendor's acceptance of this Contract.

(the Initial Deposit, the Second Deposit and the Third Deposit are collectively referred to herein as the "Deposit".)

THE PURCHASER HEREBY OFFERS to purchase the Strata Lot for the Purchase Price on the terms and conditions contained in this Contract.

1. Deposit. The Purchaser will pay each instalment of the Deposit to Beechinor Baker Hall (the "Vendor's Solicitors"), in trust, on the dates set forth above. The Vendor's Solicitors shall hold each instalment of the Deposit as a trustee for the Developer and the Purchaser and not as an agent for either of them and shall only release the Deposit from trust in accordance with section 18 of the *Real Estate Development Marketing Act* (British Columbia). The Initial Deposit may be made payable with a personal cheque. The Second Deposit and the Third Deposit will be made payable by either a bank draft, solicitor's trust cheque, or certified cheque. The Deposit may be placed by the Vendor's Solicitors in an interest bearing pooled trust account at a savings institution situate in British Columbia.

All interest earned, if any, on the Deposit will be for the benefit of the Developer unless refunded pursuant to paragraph 4 hereof. All such interest, less the Vendor's Solicitors reasonable administration fees (such fees not to exceed \$100), shall be paid directly to the Vendor after the Completion Date or at such other time as permitted by the *Real Estate Development Marketing Act* (British Columbia).

If the Purchaser does not pay when due any one or more of the instalments of the Deposit required to be made hereunder, or defaults in any of the Purchaser's obligations hereunder, then the Vendor shall have the right, at its option, by written notice to the Purchaser, to terminate this Contract and in such event all instalments of the Deposit paid by the Purchaser and all interest thereon, if any, shall be absolutely forfeited to the Vendor without prejudice to any other right or remedy of the Vendor at law or in equity as liquidated damages and not as a penalty.

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2. Developer's Use of Deposits. The Vendor's Solicitors may release the Deposit, or any portion thereof, to the Developer if the Developer desires to use such funds for the "developer's own purposes", as that term is defined in the *Real Estate Development Marketing Act* (British Columbia) without any further authorization or consent of the Purchaser but only if, prior to releasing such funds to the Developer the Vendor's Solicitors have received from an insurer an original or true copy of the Developer's deposit protection contract and certification from the Developer that the Purchaser has no right of rescission pursuant to section 21 of the *Real Estate Development Marketing Act* (British Columbia). If the Developer intends to use the Deposit, or any portion thereof, for its own purposes it covenants that it will have entered into a deposit protection contract with an insurer and shall, in due course, provide notice of the deposit protection contract to the Purchaser in accordance with the regulations of the *Real Estate Development Marketing Act* (British Columbia).

3. Completion Date. The Purchaser will pay the balance of the Purchase Price by delivering a certified cheque, solicitor's trust cheque or bank draft to the Vendor's Solicitors on the date that the Strata Lot is ready to be occupied and the title to the Strata Lot has been issued by the Land Title Office as notified by the Vendor or the Vendor's Solicitors to the Purchaser or the Purchaser's solicitors (the "Completion Date"), provided that the Vendor or the Vendor's Solicitors will give not less than ten (10) business days notice thereof by delivering, sending by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy, or sending by prepaid registered mail posted in Canada, the notice at the address set out on page 1 of this Contract to the Purchaser or the Purchaser's solicitors and provided further that if the Land Title Office is not open for business on such day, then the Completion Date shall be the next business day. "Business day" shall mean any day except Saturdays, Sundays and statutory holidays in the Province of British Columbia. "Ready to be occupied" refers to the Strata Lot only and not to any other strata lot or the common property within the Development and the Strata Lot will be deemed to be ready to be occupied on the Completion Date if the Township of Langley (the "Township") has given oral or written permission to occupy the Strata Lot, whether such permission is conditional or unconditional. In the event the occupancy permit is a conditional permit issued by the Township, the Vendor will provide the Purchaser with an unconditional occupancy permit for the Strata Lot or the Development as soon as is reasonably practical.

The notice of the Completion Date delivered to the Purchaser or the Purchaser's solicitors may be based on the Vendor's estimate as to when the Strata Lot will be ready to be occupied and when the said title to the Strata Lot will be issued by the Land Title Office, and if the Strata Lot is not ready to be occupied or if the said title is not issued by the Land Title Office on or before the Completion Date so established, then the Vendor may delay the Completion Date from time to time as required by the Vendor until the Strata Lot is ready to be occupied and the said title is to be issued in the Land Title Office by the notice of such delay to the Purchaser or the Purchaser's solicitors, provided that the Vendor gives the Purchaser or the Purchaser's solicitors not less than one day's notice of such extended Completion Date. The Vendor estimates the Completion Date to be on or about May 31, 2012.

4. Extension of Completion Date. If the Completion Date has not occurred by December 31, 2012 then the Purchaser may cancel this Contract and the Deposit and all accrued interest, less any non-resident withholding tax and the Vendor's Solicitors reasonable administration fee not to exceed \$100, will be returned to the Purchaser, unless the parties agree in writing to extend the Completion Date or unless the Vendor, at its option, notifies the Purchaser on or prior to December 31, 2012 that the Vendor desires to extend such outside date for completion to a date no later than June 30, 2013, in which event such outside date for completion shall be extended to no later than June 30, 2013. In the event the Vendor is delayed from completing construction of the Strata Lot as a result of any event or circumstance whatsoever beyond the reasonable control of the Vendor, including, without limitation, acts or omissions by third parties not related to the Vendor, strike, lockout, labour dispute, unusual geotechnical conditions, climatic condition, act of God, inability to obtain labour or materials, laws, ordinances, rules, regulations or orders of governmental authorities, enemy or hostile action, civil

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commotion, fire or other casualty, then such outside date(s) for completion and such option exercise date will be extended for a period equivalent to such period of delay as determined by the Vendor, acting reasonably. If this Contract is cancelled as provided above, the Vendor shall have no further liabilities or obligations whatsoever to the Purchaser by reason or in respect thereof, including any costs or expenses incurred by the Purchaser in obtaining alternate premises.

5. Possession. The Purchaser will have vacant possession of the Strata Lot on the day following the Completion Date provided the Vendor has received payment of the Purchase Price adjusted as provided herein, free from all encumbrances except instruments, easements, rights of way, covenants or agreements with or in favour of the City or other public or government authority, or utility company, or adjacent property owner, those encumbrances set out in or contemplated by the Disclosure Statement, as amended from time to time, reservations contained in the original Crown Grant and the Vendor's financial encumbrances to be discharged by the Vendor's Solicitors as provided herein. Actual move-in times may be coordinated and scheduled by the Vendor.
6. Adjustments. The Purchaser will assume and pay all taxes, rates, assessments (collectively the "Property Taxes"), utilities, strata fees, and other charges from and including the Completion Date and all adjustments, both incoming and outgoing of whatsoever nature in respect of the Strata Lot, will be made as of the Completion Date and the balance of the Purchase Price due on completion will be adjusted accordingly. If, as of the Completion Date, the amount of any Property Taxes have been levied in respect of a parcel greater than the Strata Lot, or the parcel of land on which the Development is constructed, the Vendor reserves the right, acting reasonably, to allocate the Property Taxes among the various components of the Development or the Property, as the case may be. The Purchaser is aware of the monthly Strata Corporation assessment or maintenance fee for the Strata Lot as set out in the Disclosure Statement.
7. Construction. The Vendor will cause the Development and the Strata Lot to be constructed substantially in accordance with the plans and specifications approved for the building permit for the Development by the Township of Langley, together with any changes approved by the Township of Langley from time to time. The Purchaser acknowledges that the Vendor may, in its discretion, or as required by any governmental authority, make modifications in the size, features, design, layout and window area of the Development or the Strata Lot and may use materials other than as described in the plans and specifications, sales brochures, videos, promotional materials, models in the sales office or otherwise, as they existed at the time the Purchaser entered into this Contract, if they are reasonably similar to or of better quality than that which is described or, if in the opinion of the Vendor, acting reasonably, they will improve or will not materially change the Development or the Strata Lot. The Purchaser shall have no claim or cause of action against the Vendor for any such changes, variances, reconfiguration or modifications nor shall the Purchaser be entitled to notice thereof.
8. Appliances. The Purchase Price for the Strata Lot includes a refrigerator, range, microwave hood fan combo, dishwasher, electric fireplace, in-sink disposal, clothes washer and dryer and window blinds on exterior windows. Any manufacturer's warranty will be passed on to the Purchaser if permitted by such warranty.
9. Common Property. The Vendor shall complete the common property as soon as reasonably practicable, but the delay of the Vendor in completing the common property shall in no event entitle the Purchaser to refuse to take possession of the Strata Lot and/or to close the within transaction on the Completion Date or to fail to remit to the Vendor the Purchase Price required to be paid by the Purchaser hereunder, or to maintain any holdback of any part of the Purchase Price.
10. Warranty. The Purchaser acknowledges and agrees that the only warranty given with respect to any aspect of the construction of the Strata Lot or the common property of the Development is the warranty set out in the

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Disclosure Statement. It is agreed and understood that there is no representation, warranty, collateral term or condition affecting this Contract or the Strata Lot, or for which the Vendor can be held responsible in any way, whether they be contained in any sales material, brochures, models or videos or alleged against any sales representative or agent, other than as expressly set out in the Disclosure Statement.

11. Strata Lot Area. The Purchase Price set forth herein for the Strata Lot is based on the Area as set out herein. In the event the actual area of the Strata Lot is more than 4% smaller or 4% larger than the Area (the "Variance"), the Purchase Price will be decreased or increased, as the case may be, by the Adjustment Factor (as hereinafter defined) times the number of square feet equal to that part of the Variance which is more than 4% smaller or 4% larger than the Area. In this section 11, Adjustment Factor means the price per square foot determined by dividing the Purchase Price by the Area. In the event the actual square footage of the Strata Lot increases or decreases by no more than 4% of the Area, there shall be no adjustment to the Purchase Price. The actual area of the Strata Lot shall be conclusively determined by the final strata plan filed in the Land Title Office.
12. Strata Lot Inspection. The Purchaser will be offered the opportunity to inspect the Strata Lot with a representative of the Vendor at a reasonable time prior to the Completion Date, as determined by the Vendor. At such time, the parties will prepare and sign a conclusive list of any defects and deficiencies (the "Deficiencies"). As soon as is reasonably practical following the Completion Date the Vendor will repair or remedy the Deficiencies and the Purchaser will not be entitled to hold back any portion of the Purchase Price in respect of the Deficiencies. In the event of any dispute, a decision by the Vendor's architect will be final and binding on the parties. In all other respects, the Purchaser will be deemed to have accepted the physical condition of the Strata Lot. The Purchaser acknowledges that except for this one inspection, the Purchaser will not be allowed access to the Strata Lot or the Development prior to the Possession Date, without the prior written authorization of the Vendor.
13. Builders' Lien Holdback. That portion, if any, of the Purchase Price required by law to be held back by the Purchaser in respect of potential builders' lien claims (the "Lien Holdback") will be paid to the Vendor's Solicitors on the Completion Date. The Lien Holdback will be held by the Vendor's Solicitors in trust pursuant to the Strata Property Act and the Builders Lien Act with interest for the benefit of the Vendor, solely in respect of builders' lien claims registered in the Land Title Office in connection with work done at the request of the Vendor. The Vendor's Solicitors are authorized to pay to the Vendor (or as directed by the Vendor), on the earlier of (i) the date on which the time for filing a claim of lien under the Builders Lien Act expires and (ii) the date that is 56 days after the Completion Date, the Lien Holdback plus interest earned less the amount representing any builders' lien claims filed against the Strata Lot of which the Purchaser or the Purchaser's solicitor notifies the Vendor's Solicitors in writing by 1:00 p.m. that day. The Lien Holdback shall be used solely for the purpose of clearing builders' lien claims and not for satisfying the rectification of any building deficiencies in respect of the Strata Lot.
14. Marketing. The Purchaser shall not impede or interfere with the Vendor's completion of construction of other strata lots, the common property and the Development. The Purchaser acknowledges that the Vendor may retain strata lots in the Development for use as sales and administration offices and display suites for marketing or otherwise. The Purchaser will permit and, to the extent that the Purchaser is able so to do, will cause the Strata Corporation for the Development to permit the Vendor to install signs on the common property, including the exterior of the Development, to market the strata lots and to carry out promotions and tours on the common property. The Purchaser consents to the use of the common property and the sales and administration offices and display suites for marketing the strata lots as well as the Vendor's exclusive use of up to 12 parking stalls while marketing the strata lots and shall not revoke the Purchaser's consent for so long as the Vendor is the owner of any strata lots in the Development.

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15. Completion. The Purchaser's solicitors will prepare and deliver to the Vendor's Solicitors the required Form "A" Freehold Transfer (the "Transfer"), Statement of Adjustments and GST Certificate (or HST, if, as and when applicable) at least five (5) days prior to the Completion Date. The Vendor will not be required to execute or deliver any other agreements, transfer documents, certificates, resolutions, statutory declarations, notes to the Statements of Adjustments, or assurances whatsoever. Following the delivery of such documents to the Vendor, the Vendor will execute and deliver to the Purchaser's solicitors the Transfer, the Statement of Adjustments and GST/HST Certificate on the undertaking of the Purchaser's solicitors to pay and deliver (at the Purchaser's cost) to the Vendor's Solicitors the balance of the adjusted Purchase Price by way of a certified cheque, bank draft or solicitor's trust cheque prior to 4:00 p.m. (PST) on the Completion Date upon receipt of a satisfactory post-registration Land Title Office index search in accordance with this Contract or to return such documents unregistered. If required by the Vendor or the Vendor's Solicitors, payment of the adjusted Purchase Price will be made by more than one certified cheque, bank draft or solicitor's trust cheque payable and delivered to such person(s) as directed by the Vendor or the Vendor's Solicitors.
16. Vendor's Financing. The Purchaser acknowledges and agrees that the transfer of title to the Purchaser on the Completion Date may be subject to the Vendor's financing for the Development and any claims of builders' liens, provided that the Vendor's Solicitors undertake to clear title to the Strata Lot of encumbrances relating to such financing and such claims of builders' lien within a reasonable time after receiving the balance of the adjusted Purchase Price payable to the Vendor on closing, and the Purchaser agrees that the Vendor may use the Purchase Price proceeds for discharging such encumbrances and claims of builders' lien. The Purchaser further agrees that the Vendor's financing may remain as a charge or encumbrance against the common property of the Development until the Vendor has completed the sale of the remaining strata lots in the Development and that certain Personal Property Security Act ("PPSA") registrations against the Vendor may remain registered until all of the strata lots in the Development have been sold, whereupon the Vendor agrees to cause such financing to be discharged entirely from such common property and the PPSA registrations will be released.
17. Purchaser's Financing. 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 the Completion Date, may wait to pay the Purchase Price to the Vendor until after the transfer and the 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;
 - (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.
18. Bylaws. The Purchaser acknowledges that the Bylaws of the Strata Corporation may contain certain restrictions on the use of the Strata Lot as well as the number and kinds of pets which can be kept in a strata lot. Owners of pets and owners, occupants and tenants of strata lots in which pets are kept will be fully responsible for the behaviour of said pets. The Purchaser acknowledges that such use restrictions are essential to the successful operation of the Development. The Purchaser further acknowledges that the Bylaws of the Strata Corporation will be as set out in the Disclosure Statement and the Purchaser agrees to observe and comply with such Bylaws. The Purchaser also agrees to cause any tenant of the Strata Lot to execute and deliver to the Strata Corporation a Form K – Notice of Tenant's Responsibilities as set forth in the Strata Property Act prior to the tenant taking possession of the Strata Lot.

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19. Costs/GST/HST. The Purchaser will pay all taxes (including the full amount of any property transfer tax and taxes payable under the Excise Tax Act (Canada) ("GST/HST"), costs and expenses in connection with the completion of the sale and purchase of the Strata Lot other than the costs of the Vendor incurred in clearing the title to the Strata Lot of financial encumbrances. If the sale of the Strata Lot is exempt from the payment of GST/HST, the Purchaser shall deliver to the Vendor at least five (5) days prior to the Completion Date proof satisfactory to the Vendor that the sale of the Strata Lot is exempt from the payment of GST/HST, including a certificate or a statutory declaration that the Purchaser is a GST/HST registrant under the Excise Tax Act (Canada). If the Purchaser is eligible for a rebate of a portion of the GST/HST the Vendor may, at the Vendor's sole discretion, credit the Purchaser with the amount of the rebate on the Statements of Adjustments. The Purchaser hereby agrees to indemnify and save harmless the Vendor from and against all claims which may be made by the Canada Revenue Agency by reason of the Vendor not collecting full GST/HST from the Purchaser in respect of the sale of the Strata Lot to the Purchaser.

The Purchaser acknowledges that the HST legislation, including any transitional and/or rebate provisions, will apply to the Strata Lot and will replace the GST provision of this Contract as and when HST legislation is in effect.

20. Risk. The Strata Lot will be at the Vendor's risk until 12:01 a.m. on the Completion Date and thereafter at the Purchaser's risk.

21. Time of the Essence. Time will be of the essence of this Contract, and unless all payments on account of the Purchase Price, together with adjustments thereto as provided in this Contract and all other amounts payable hereunder are paid when due, then the Vendor may at its option:

- (a) cancel this Contract by written notice to the Purchaser and in such event all deposits paid by the Purchaser and all interest therein, if any, shall be absolutely forfeited to the Vendor and the Vendor shall be entitled to be paid such amount upon written demand as liquidated damages and not as a penalty and without prejudice to any other right or remedy of the Vendor at law or in equity, or
- (b) elect to complete the transaction contemplated by this Contract, in which event the Purchaser will pay to the Vendor, in addition to the Purchase Price, interest on the full Purchase Price at the prime rate of the Royal Bank of Canada for commercial loans in Canada in effect at the Completion Date plus 10% per annum, calculated daily, from the Completion Date until the actual date on which the transaction completes.

The Vendor may cancel this Contract at any time after such default by the Purchaser, even if the Vendor previously elected to complete the transaction, so long as the Purchaser continues in default.

In the event that the Purchaser or Purchaser's Solicitor indicates or expresses to the Vendor or its solicitor, on or before the Completion Date, that the Purchaser is unable or unwilling to complete the sale, the Vendor is relieved of any obligation to make any formal tender upon the Purchaser or the Purchaser's Solicitor.

22. Assignment. A Purchaser may not directly or indirectly assign his, her or its interest in the Strata Lot or direct the Vendor to transfer title to the such Strata Lot to any third party without the prior written consent of the Vendor and until such time that the Vendor has entered into Firm Contracts for the sale of ALL of the strata lots in the Development. Until such time as the Vendor's consent is obtained the Purchaser may not: (i) sell, transfer, or assign his, her or its interest or any part of his, her or its interest in the Strata Lot, or enter into any agreement to do so and (ii) market or advertise the Strata Lot or any contract for its sale, transfer, or assignment. If the aforementioned conditions have been satisfied, the Purchaser must give the Vendor and the Vendor's Solicitors not

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less than ten (10) days' written notice of any assignment. Such assignment will not release or discharge the Purchaser from any of the Purchaser's duties or obligations under this Contract, or any subsequent amendment thereto. In the event of any assignment of this Contract, and any subsequent amendments thereto, the Purchaser will pay to the Vendor an assignment fee equal to 1% of the assigned Purchase Price plus GST/HST by way of certified cheque, solicitor's trust cheque or bank draft concurrently upon execution of the assignment agreement by the Purchaser, unless such assignment is to a spouse, child, grandchild, parent, grandparent or sibling of the Purchaser or a company owned or controlled by the Purchaser on closing provided the Purchaser provides the Vendor with evidence of such relationship or share ownership satisfactory to the Vendor.

"Firm Contract" means a contract of purchase and sale for a strata lot in the Development that is not subject to any condition precedent for the benefit of the purchaser.

23. Representations of the Vendor. The Vendor hereby represents and warrants that:

(a) the Vendor is not a non-resident of Canada for the purposes of the Income Tax Act (Canada) and Excise Tax Act (Canada); and

(b) on the Completion Date, the Vendor will cause good and marketable title to the Strata Lot to be transferred to the Purchaser, subject only to those encumbrances set out in section 5 hereof and in the Disclosure Statement, as amended from time to time.

The representations and warranties contained herein will survive completion and the conveyance of the Strata Lot to the Purchaser.

24. Entire Agreement. This Contract is the entire agreement between the parties and there are no other representations, warranties, conditions or collateral agreements, express or implied, written or oral, whether made by the Vendor, any sales representative or agent, employee or representative of the Vendor or any other person including, without limitation, arising out of any marketing material including sales brochures, models, representative view sets, show room displays, photographs, videos, illustrations, renderings, revenue projections or pro-forma statements provided to the Purchaser or made available for his viewing, other than those contained herein or in the Disclosure Statement and upon acceptance by the Vendor, this Contract shall form a binding agreement subject only to the terms and conditions contained in this Contract and the Disclosure Statement. No amendment of this contract will be effective unless it is in writing and signed by the Vendor and Purchaser.

25. Interpretation. This Contract will be governed by and construed in accordance with the laws of British Columbia, Canada. The Purchaser hereby attorns to the jurisdiction of the Courts of British Columbia, Canada with respect to all matters relating to and arising out of this Contract. All money or funds referred to herein shall be in Canadian funds. If the Purchaser is comprised of more than one person, the covenants and obligations of all persons comprising the Purchaser are joint and several. If any provision of this Contract is found to be not binding or unenforceable, such provision shall be severed from this Contract and the remaining provisions of this Contract shall survive and shall remain binding and enforceable against the parties hereto. This Contract creates contractual rights only and not any interest in land and accordingly, the Purchaser acknowledges and agrees that the Purchaser shall not be entitled to file and shall not file in the Land Title Office any certificate of pending litigation, caveat or any similar notice, claim or encumbrance against the Strata Lot or to any of the land comprising the Development or any part thereof.

26. Notices. Any notice to be given to the Purchaser will be well and sufficiently given if deposited in any postal receptacle in Canada or the Purchaser's country of residence addressed to the Purchaser and sent postage prepaid or delivered by hand or transmitted by fax or email addressed to the Purchaser at the address, email address or fax number set out above or to the Purchaser's solicitors at their office and shall be deemed to have been received if

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delivered or transmitted by fax or email, when delivered or transmitted, which may be proved by a print-out showing the fax or email notice was properly addressed and sent, even if the sender's fax machine or email indicates the notice was not actually received by the fax machine or email address to which it was sent, and if mailed, on the second business day after such mailing.

27. Construction Noise and Disruption. The Purchaser acknowledges and agrees that the Vendor may continue to carry out construction work on the Property after completion of the sale of the Strata Lot to the Purchaser. The Purchaser acknowledges and accepts that such work may cause inconvenience and diminution to the use and enjoyment of the Strata Lot as and when other strata lots in the development are being completed or occupied. Excessive levels of construction noise, vibration, dust and debris are possible. The Purchase will not impede or interfere with the Vendor's completion of construction of other strata lots, the common property or the development. The Purchaser further acknowledges and agrees that the construction schedule set out in the Form P Phased Strata Plan Declaration attached as Exhibit "B" to the Disclosure Statement may be amended at the discretion of the Vendor, subject to the approval of the Township of Langley.
28. Receipt of Disclosure Statement. The Vendor has delivered to the Purchaser a copy of the disclosure statement dated April 13, 2010 and the amendment thereto dated December 15, 2010 (together the "Disclosure Statement"). The Purchaser hereby acknowledges receipt of the Disclosure Statement and confirms that he/she/it has been afforded a reasonable opportunity to read the Disclosure Statement before entering into this Contract. The Purchaser agrees that the provisions of the Disclosure Statement and the terms of this Contract are the only terms under which the Strata Lot is being sold and purchased. Execution of this Contract by the Purchaser constitutes a receipt for the Disclosure Statement and a written statement from the Purchaser acknowledging that the Purchaser has had an opportunity to read the Disclosure Statement prior to entering into this Agreement.

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29. Agency Disclosure. The Vendor and the Purchaser acknowledge having received, read and understood the brochure published by the British Columbia Real Estate Association entitled "Working with a Real Estate Agent" and acknowledge and confirm as follows:

- (i) The Vendor has an agency relationship with Cliff and Gary Realty Ltd. dba Sutton Group-Express Realty; and/or
- (ii) The Purchaser has an agency relationship with _____ (Agent) and _____ (salesperson);

N.B. If only (i) has been completed, the Purchaser is acknowledging no agency relationship. If only (ii) has been completed, the Vendor is acknowledging no agency relationship.

30. Solicitors: The Vendor's Solicitors are the law firm of Beechinor Baker Hall, located at 300 – 1681 Chestnut Street, Vancouver, British Columbia, V6J 4M6, attention: Thomas Beechinor, Telephone: (604) 714-5150, Fax (604) 714-5151, Email: beech@bbh.bc.ca.

If known, the Purchaser's Solicitors are:

Name:

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Contact Information:

- 31. Enurement. This Contract shall enure to the benefit of and be binding upon the parties hereto and their respective personal representatives, successors, assigns and permitted assigns of the Purchaser.
- 32. Personal Information. The Purchaser hereby consents to the collection, use and disclosure by the Vendor and its mortgage brokers, agents and salespersons of personal information about the Purchaser for all purposes consistent with the transaction contemplated herein, and/or for the Vendor's and or affiliated companies of the Vendor's present or future marketing purposes. The Purchaser hereby waives any requirement by the Vendor to obtain its consent or provide notice prior to disclosure of any such personal information pursuant to the Personal Information Protection Act (B.C.), or the Personal Information Protection and Electronic Documents Act (Canada), as amended, or any such successor or similar legislation.
- 33. Counterparts. This Contract may be executed by the parties hereto in counterparts and/or by facsimile transmission or other means of electronic communication and such counterparts and/or facsimile or other means of electronic transmission together will form one and the same instrument
- 34. Any addendum and attachments signed by the Purchaser and the Vendor shall form part of this Contract.
- 35. The Purchaser's offer herein is open for acceptance until _____, 201__ and upon acceptance will form a binding Contract.

PURCHASER(S):

Print Name

Signature

Print Name

Signature

WITNESS AS TO ALL SIGNATURES ABOVE:

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Print Name

Signature

Occupation

36. Acceptance. The Vendor hereby accepts the Purchaser's offer herein and agrees to sell the Strata Lot to the Purchaser in accordance with this Contract.

DATED: _____, 201__ (the "Acceptance Date")

MARCON HOMES (CORNERSTONE) LTD.:

Per:

Authorized Signatory

TJB: G:\firm\land\17753 Contract of Purchase and Sale Dec 14 10.rtf

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