

LAKE COUNTRY VILLAS

DISCLOSURE STATEMENT AMENDMENT

DATE OF DISCLOSURE STATEMENT: May 20, 2022

DATE OF FIRST AMENDMENT: November 1, 2022

DATE OF THIS AMENDMENT: February 26, 2024

DEVELOPER: 1238118 B.C. Ltd.
(the “Developer”)

BUSINESS ADDRESS: 1352 Mine Hill Drive
Kelowna, British Columbia
V1P 1S5

ADDRESS FOR SERVICE: Benson Law LLP
270 Highway 33 West
Kelowna, British Columbia
V1X 1X7

MARKETING: Re/Max Kelowna
100 – 1553 Harvey Ave.
Kelowna, British Columbia
V1Y 6G1
Realtor: Scott Aaltonen

“This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent of Real Estate, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether 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.”

RIGHT OF RESCISSION

Under Section 21 of the *Real Estate Development Marketing Act*, the purchaser or lessee of a development unit may rescind (cancel) the contract of purchase and sale or to lease by serving written notice on the Developer or the Developer's brokerage, within 7 days after the later of the date of the contract was entered into or the date the purchaser or lessee received a copy of this Disclosure Statement.

A purchaser may serve a notice of rescission by delivering a signed copy of the notice in person or by registered mail:

- (a) the Developer at the address shown in the Disclosure Statement received by the purchaser,
- (b) the Developer at the address shown in the purchaser's purchase agreement,
- (c) the Developer's brokerage, if any, at the address shown in the Disclosure Statement received by the purchaser; or
- (d) the Developer's brokerage, if any, at the address shown in the purchaser's purchase agreement.

The Developer must promptly place purchasers' deposits with a brokerage, lawyer or notary public who must place the deposits in a trust account in a savings institution in British Columbia. If a purchaser rescinds their purchase agreement in accordance with the Act and regulations, the Developer or Developer's trustee must promptly return the deposit to the purchaser.

1. The Disclosure Statement dated May 20, 2022, amended on November 1, 2022, is further amended as follows:
 - a. The proposed Form P - Phased Strata Plan Declaration attached as Exhibit “C” to the Disclosure Statement is replaced with the approved Phased Strata Plan Declaration filed at the Kamloops Land Title Office as CB732307 and the proposed Amendment to the Phased Strata Plan Declaration both attached hereto as Exhibit “T”;
 - b. The proposed interim Budget for the operation of the Strata Corporation attached as Exhibit “F” to the Disclosure Statement is replaced with the Budget attached hereto as Exhibit “II”.
 - c. As of November 24, 2022, section 139 of the *Strata Property Act* has been repealed. As such, a Rental Disclosure Statement is no longer applicable. Section 3.12 and Exhibit “G” to the Disclosure Statement are deleted in their entirety.
 - d. Section 4.1 of the Disclosure Statement is replaced with the following:

“Legal Description

PID: 030-898-226, Lot 3 Section 4 Township 20 ODYD Plan EPP90312 except Phases 1 to 5 Strata Plan EPS9357”
 - e. The following is added as subparagraph (iv) to Section 4.3(a):

“Phased Strata Plan Declaration (Form P) filed CB732307 2023-07-04
 - f. The following is added as subparagraph (v) to Section 4.3(a)

“Hereto is annexed Easement CB732311 over the Common Property of Strata Plan EPS9357”
 - g. The following is added as subparagraph (vii) to Section 4.3(b):

“Statutory Right of Way CB2566326 and CB2566328 in favour of FortisBC Inc. – grants the right to access, install and maintain FortisBC Inc.’s works on the Lands.”
 - h. Section 5.1 of the Disclosure Statement is replaced with the following:

“Commencement of Construction” means the date of commencement of excavation in respect of construction of an improvement that will become part of a development unit within the development property, and where there is no excavation it means the date of commencement of construction of an improvement that will become part of a development unit within the development property”;

“Completion of Construction” means the first date that a development unit within the development property may be lawfully occupied, even if such occupancy has been authorized on a provisional or conditional basis”; and

“Estimated Date Range” means a date range, not exceeding three months, for the commencement of construction or the completion of construction”

Commencement of Construction of Phase 1 occurred on November 1, 2022. Completion of Construction of Phase 1 occurred on September 15, 2023.

Commencement of Construction of Phase 2 occurred on January 1, 2023. Completion of Construction of Phase 2 occurred on October 20, 2023.

Commencement of Construction of Phase 3 occurred on December 1, 2022. Completion of Construction of Phase 3 occurred on September 30, 2023.

Commencement of Construction of Phase 4 occurred on June 1, 2023. The Estimated Date Range for Completion of Construction of Phase 4 is between April 1, 2024, and May 30, 2024.

Commencement of Construction of Phase 5 occurred on February 1, 2023. Completion of Construction of Phase 5 occurred on December 20, 2023.

Commencement of Construction of Phase 6 occurred on November 1, 2023. The Estimated Date Range for Completion of Construction of Phase 6 is between August 1, 2024, and November 1, 2024.

Commencement of Construction of Phase 7 occurred on December 1, 2023. The Estimated Date Range for Completion of Construction of Phase 7 is between September 1, 2024, and December 1, 2024.

Commencement of Construction of Phase 8 occurred on November 1, 2023. The Estimated Date Range for Completion of Construction of Phase 8 is between November 1, 2024, and February 1, 2025.

Commencement of Construction of Phase 9 occurred on January 1, 2024. The Estimated Date Range for Completion of Construction of Phase 9 is between December 1, 2024, and March 1, 2025.

The Estimated Date Range for Commencement of Construction of Phase 10 is between June 1, 2024, and September 1, 2024. The Estimated Date Range for Completion of Construction of Phase 10 is between April 1, 2025, and July 1, 2025.

The Estimated Date Range for Commencement of Construction of Phase 11 is between July 1, 2024, and October 1, 2024. The Estimated Date Range for Completion of Construction of Phase 11 is between June 1, 2025, and September 1, 2025.

The Estimated Date Range for Commencement of Construction of Phase 12 is between August 1, 2024, and November 1, 2024. The Estimated Date Range for Completion of Construction of Phase 12 is between July 1, 2025, and October 1, 2025.

- i. The Purchase Agreement attached as Exhibit “I” to the Disclosure Statement is replaced with the Purchase Agreement attached hereto as Exhibit “III”;
- j. Section 7.2(b - h) of the Disclosure Statement replaced with the following:

“Termination of Purchase Agreement

- (b) Section 1 of Addendum “A” to the Purchase Agreement provides that the Purchase Agreement will be terminated if the Completion Date has not occurred by the Outside Date.
- (c) There is a termination provision in section 7 of the Addendum “A” to the Purchase Agreement that provides for termination of the Purchase Agreement by the Developer in the event the Purchaser does not pay any part of the purchase price when due.
- (d) There is a termination provision in section 17 of the Addendum “A” to the Purchase Agreement that provides for termination of the Purchase Agreement in the event that either the Vendor or the Purchaser does not waive any conditions precedent for their benefit as set out in Schedule “B” within the time indicated for such waiver.
- (e) Section 14 of Addendum “A” of the Purchase Agreement provides that in the event that either the Purchaser or the Vendor gives notice to the other party that they are unable to obtain insurance for the Strata Lot, and insurance remains unavailable for ten (10) months from the time notice is given, the Purchase Agreement will be terminated.

Extension of the Completion Date

- (f) The sale of the Strata Lots are to be completed on the 21st day after the Developer or Developer’s solicitors notifies the Purchaser or the Purchaser’s solicitors that the Strata Lot is ready to be occupied and that the District of Lake Country has given permission to occupy the Strata Lot. Section 1 of the Addendum “A” to the Purchase Agreement permits the developer to extend the Outside Date of the Completion Date by the period of any delay for acts of God or construction delay and in addition to the foregoing for up to a further 180 days. In addition, section 7(b) of Addendum “A” to the Purchase Agreement permits the Developer to extend the Completion Date to a date determined by the Developer if the Purchaser fails to make any payment of the Purchase Price when due. There is no provision for the Purchaser to extend the closing date contained in the Purchase Agreement so the Developer may refuse the request of a purchaser to extend the closing date.

Assignment of Purchase Agreement

- (g) Section 13 of Addendum “A” to the Purchase Agreement provides that any assignment of the Purchase Agreement without the Developer’s prior consent is prohibited.

An assignment under the Real Estate Development Marketing Act is a transfer of some or all of the rights, obligations and benefits under a purchase agreement made in respect of a strata lot in a development property, whether the transfer is made by the purchaser under the purchase agreement to another person or is a subsequent transfer.

Each proposed party to an assignment agreement must provide the Developer with the information and records required under the Real Estate Development Marketing Act.

Before the Developer consents to an assignment of a purchase agreement, the Developer will be required to collect information and records under the Real Estate Development Marketing Act from each proposed party to an assignment agreement, including personal information, respecting the following:

- (a) the party’s identity;
- (b) the party’s contact and business information;
- (c) the terms of the assignment agreement.

Information and records collected by the Developer must be reported by the Developer to the administrator designated under the *Property Transfer Tax Act*. The information and records may only be used or disclosed for tax purposes and other purposes authorized by section 20.5 of the *Real Estate Development Marketing Act*, which includes disclosure to the Canada Revenue Agency.

If the Developer does consent to an assignment and such consent is in compliance with the foregoing paragraph, the Developer may charge an administration fee of 1.5% of the Purchase Price for any assignment of the Purchase Agreement.

Deposit Interest

- (h) The Purchase Agreement does not contain any provisions for the Developer or Purchaser to receive interest on the deposit.”

DEEMED RELIANCE

Section 22 of the *Real Estate Development Marketing Act* provides that every Purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement, 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 Disclosure Statement are liable to compensate the Purchaser for any misrepresentation, subject to any defences available under Section 22 of the Act.

DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required the *Real Estate Development Marketing Act* of British Columbia as of February 26, 2024.

1238118 B.C. Ltd.

Per: 
Jason McCormick
Authorized Signatory

The Directors of 1238118 B.C. Ltd. in their personal capacity:


Randy Michael Sean Therrien


Jason Patrick Keeley


Jason Howard McCormick

EXHIBIT "I"

Approved Phased Strata Plan Declaration filed as CB732307 and
Proposed Amendment to Phased Strata Plan Declaration

1. Contact

Document Fees: \$31.27

**Benson Law LLP
Barristers and Solicitors
270 Highway 33 West
Kelowna BC V1X1X7
12504910206**

2. Identification of Attached Strata Property Act Form or Other Supporting Document

Application Type

LTO Document Reference

Form-P Phased Strata Plan Declaration

3. Description of Land

PID/Plan Number

Legal Description

030-898-226

LOT 3 SECTION 4 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT PLAN EPP90312

Electronic Signature

Your electronic signature is a representation that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*, RSBC 1996, c.250, that you certify this application under section 168.43(3) and that the supporting document is in your possession.

**Robert Allan
Tonsoo PJJQUC**

Digitally signed by
Robert Allan Tonsoo PJJQUC
Date: 2023-07-04
14:09:00 -07:00

Strata Property Act

FORM P

PHASED STRATA PLAN DECLARATION

(Sections 221, 222)

1238118 B.C. Ltd., a company duly incorporated under the laws of the Province of British Columbia, and having a registered and records office at 270 Highway 33 West, Kelowna, British Columbia, declares that:

1. It intends to create a Strata Plan by way of phased development of the following land which it owns, legally described as:

Parcel Identifier: 030-898-226
Lot 3 Section 4 Township 20 ODYD Plan EPP90312

2. The plan of development is as follows:

- a) the Strata Plan shall be created in twelve (12) phases and when completed shall be comprised of twenty-four (24) strata lots. Phases 1, 2 and 3 will be deposited first, Phases 4, 5, and 6 will be deposited second, Phases 7, 8, and 9 will be deposited third, and Phases 10, 11, and 12 will be deposited fourth.
- b) the proposed site plan attached as Exhibit "A" shows the following:
 - i. all the lands to be included in the phased Strata Plan,
 - ii. the present parcel boundaries,
 - iii. the approximate boundaries of each phase, and
 - iv. the approximate location of the common facilities;
- c) the estimated date for the beginning of construction and completion of construction of each phase are as follows:

Phase	Estimated Start Date	Estimated Completion Date
1	August 1, 2022	February 1, 2023
2	August 1, 2022	February 1, 2023
3	August 1, 2022	February 1, 2023
4	February 1, 2023	August 1, 2023
5	February 1, 2023	August 1, 2023
6	February 1, 2023	August 1, 2023
7	August 1, 2023	February 1, 2024
8	August 1, 2023	February 1, 2024
9	August 1, 2023	February 1, 2024
10	February 1, 2024	August 1, 2024
11	February 1, 2024	August 1, 2024
12	February 1, 2024	August 1, 2024

-
- d) the unit entitlement of each phase and the total unit entitlement of the completed development will be as follows:

Phase	Proposed Unit Entitlement
1	2
2	2
3	2
4	2
5	2
6	2
7	2
8	2
9	2
10	2
11	2
12	2
Total	24

- e) the maximum number of units and general type of residence or other structure to be built in each phase is as follows:

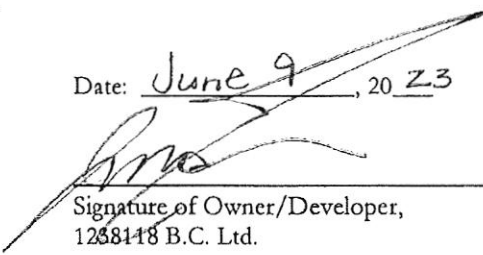
Phase	Maximum Number of Units
1	2
2	2
3	2
4	2
5	2
6	2
7	2
8	2
9	2
10	2
11	2
12	2

Each phase contains a duplex style unit containing two (2) strata lots.

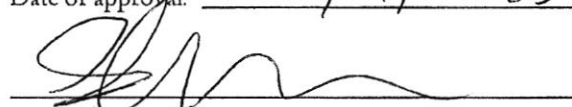
3. 1238118 B.C. Ltd. will elect to proceed with each phase on or by the following dates:

Phase	Date
1	May 1, 2023
2	May 1, 2023
3	May 1, 2023
4	November 1, 2023
5	November 1, 2023
6	November 1, 2023
7	May 1, 2024
8	May 1, 2024
9	May 1, 2024
10	November 1, 2024
11	November 1, 2024
12	November 1, 2024

Date: June 9, 2023


Signature of Owner/Developer,
1238118 B.C. Ltd.

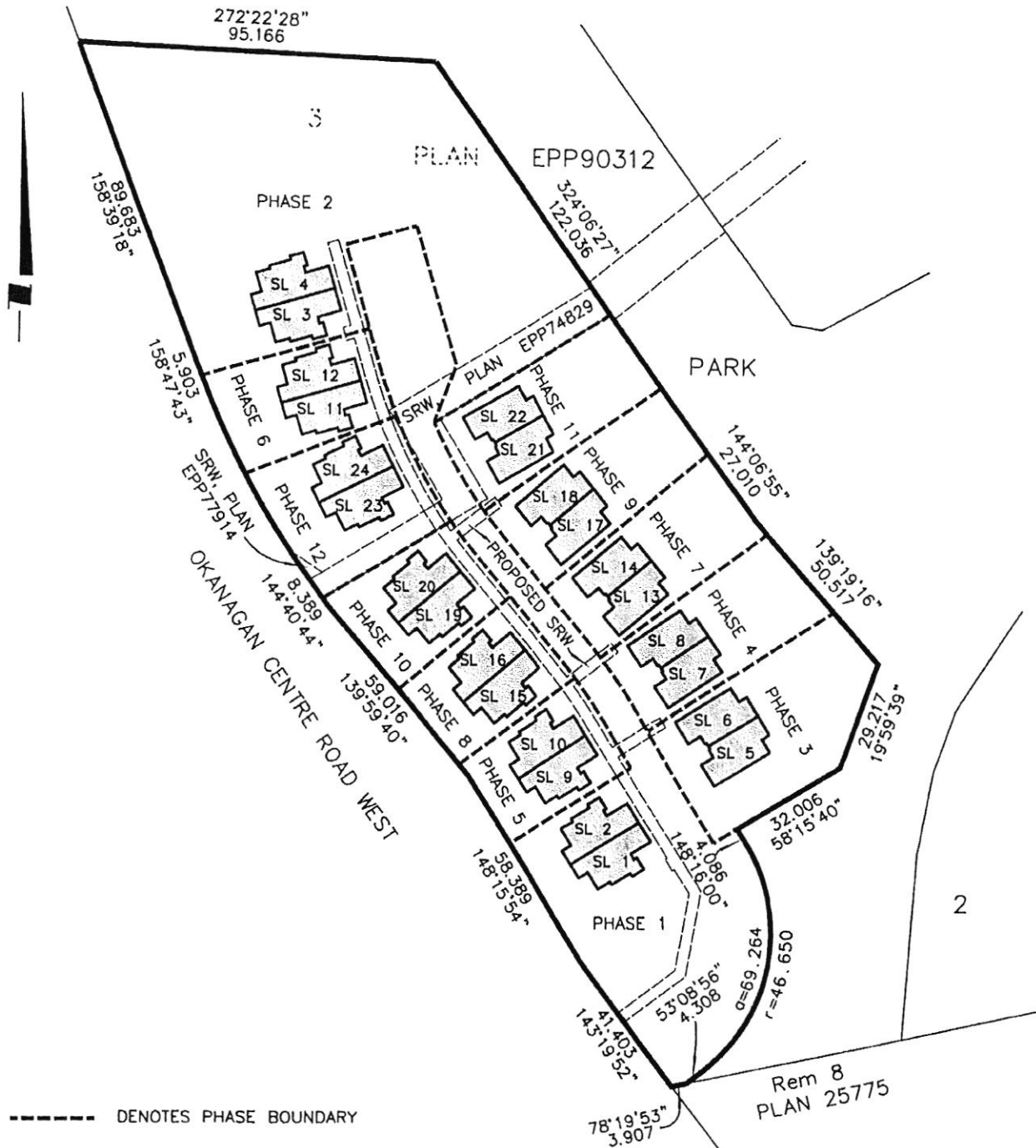
Date of approval: July 4, 2023


Approving Officer
District of Lake Country

Section 222(2) of the Act provides that approval expires after one year unless the first phase is deposited before that time.

SKETCH PLAN TO ACCOMPANY FORM P PHASED STRATA
 PLAN DECLARATION OF LOT 3 SECTION 4 TOWNSHIP 20
 ODYD PLAN EPP90312

PID: 030-898-226



----- DENOTES PHASE BOUNDARY

CLIENT: 1238118 BC LTD.		DATE: DECEMBER 8, 2021	
SCALE: 1:1500 METRES	FILE: 22763	DRAWN BY: CF	
Ferguson Land Surveying & Geomatics Ltd.			
BC AND CANADA LAND SURVEYORS 404-1630 PANDOSY STREET, KELOWNA, BC			
PHONE: (250) 763-3115 FAX: (250) 763-0321			
© Ferguson Land Surveying & Geomatics Ltd., ALL RIGHTS RESERVED.			

Strata Property Act

FORM P

PHASED STRATA PLAN DECLARATION

(Sections 221, 222)

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Parcel Identifier: 030-898-226
Lot 3 Section 4 Township 20 ODYD Plan EPP90312

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- a) the Strata Plan shall be created in twelve (12) phases and when completed shall be comprised of twenty-four (24) strata lots. Phases 1, 2 and 3 will be deposited first, Phases 4, 5, and 6 will be deposited second, Phases 7, 8, and 9 will be deposited third, and Phases 10, 11, and 12 will be deposited fourth.
- b) the proposed site plan attached as Exhibit "A" shows the following:
 - i. all the lands to be included in the phased Strata Plan,
 - ii. the present parcel boundaries,
 - iii. the approximate boundaries of each phase, and
 - iv. the approximate location of the common facilities;
- c) the estimated date for the beginning of construction and completion of construction of each phase are as follows:

Phase	Estimated Start Date	Estimated Completion Date
1	Complete	Complete
2	Complete	Complete
3	Complete	Complete
4	Complete	Complete
5	Complete	Complete
6	Commenced	August 1, 2024
7	Commenced	September 1, 2024
8	Commenced	November 1, 2024
9	Commenced	December 1, 2024
10	June 1, 2024	April 1, 2025
11	July 1, 2024	June 1, 2025
12	August 1, 2024	July 1, 2025

- d) the unit entitlement of each phase and the total unit entitlement of the completed development will be as follows:

Phase	Proposed Unit Entitlement
1	2
2	2
3	2
4	2
5	2
6	2
7	2
8	2
9	2
10	2
11	2
12	2
Total	24

- e) the maximum number of units and general type of residence or other structure to be built in each phase is as follows:

Phase	Maximum Number of Units
1	2
2	2
3	2
4	2
5	2
6	2
7	2
8	2
9	2
10	2
11	2
12	2

Each phase contains a duplex style unit containing two (2) strata lots.

3. 1238118 B.C. Ltd. will elect to proceed with each phase on or by the following dates:

Phase	Date
1	Elected to proceed
2	Elected to proceed
3	Elected to proceed
4	Elected to proceed
5	Elected to proceed
6	Elected to proceed
7	Elected to proceed
8	Elected to proceed
9	Elected to proceed
10	Elected to proceed
11	Elected to proceed
12	Elected to proceed

Date: _____, 20____

Signature of Owner/Developer,
1238118 B.C. Ltd.

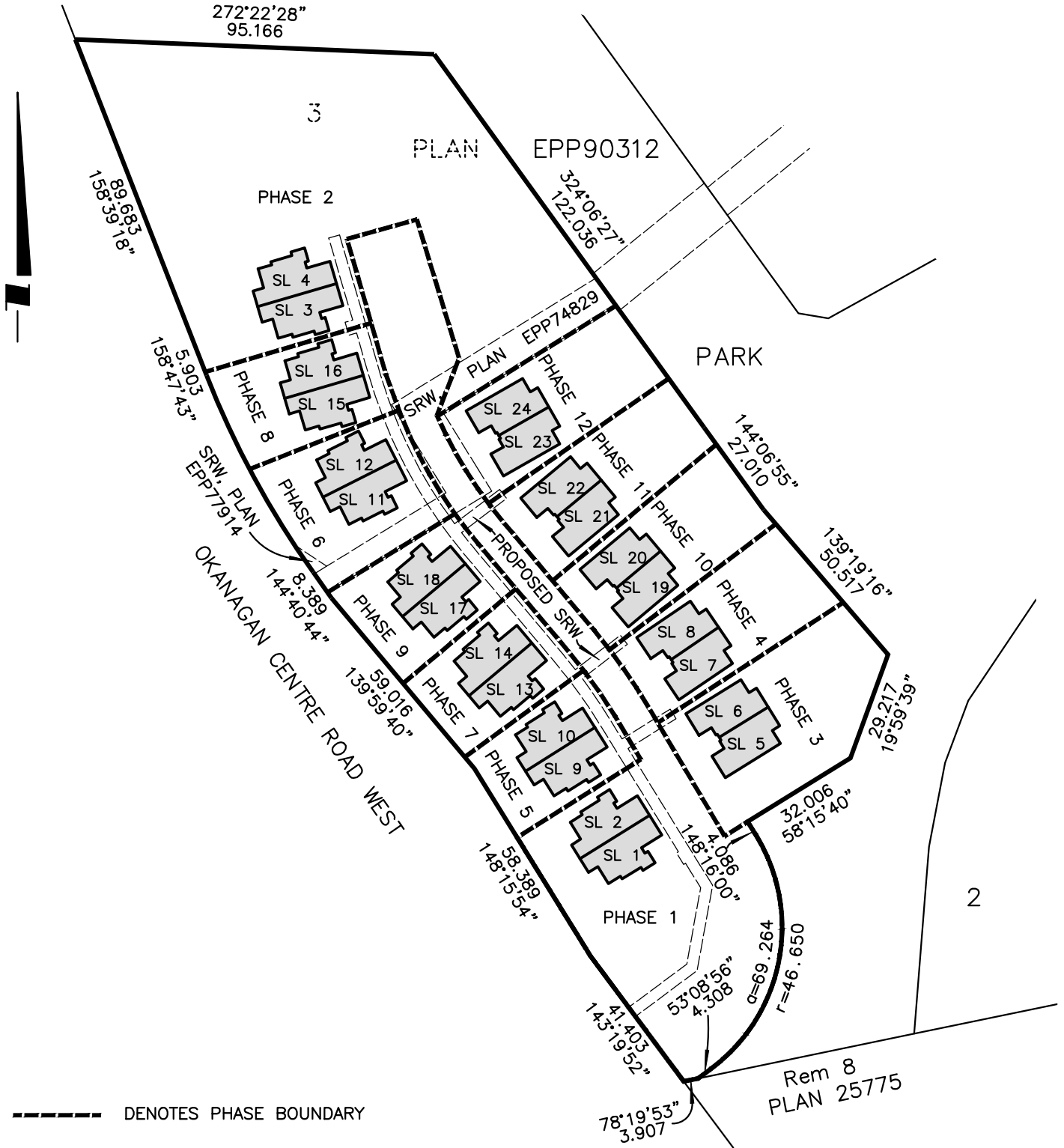
Date of approval: _____

Approving Officer
District of Lake Country

Section 222(2) of the Act provides that approval expires after one year unless the first phase is deposited before that time.

SKETCH PLAN TO ACCOMPANY FORM P PHASED STRATA PLAN DECLARATION OF LOT 3 SECTION 4 TOWNSHIP 20 ODYD PLAN EPP90312

PID: 030-898-226



----- DENOTES PHASE BOUNDARY

CLIENT: 1238118 BC LTD.		DATE: DECEMBER 8, 2021
SCALE: 1:1500 METRES	FILE: 22763	DRAWN BY: CF
Ferguson Land Surveying & Geomatics Ltd. BC AND CANADA LAND SURVEYORS 404-1630 PANDOSY STREET, KELOWNA, BC PHONE: (250) 763-3115 FAX: (250) 763-0321 © Ferguson Land Surveying & Geomatics Ltd., ALL RIGHTS RESERVED.		

**PHASE NUMBERS AND
STRATA LOT NUMBERS
REVISED DECEMBER 8, 2023

Rem 8
PLAN 25775

EXHIBIT "II"

Budget

Lake Country Villas
The Owners, Strata Plan EPS9357
Interim Budget - Estimated Expenses
[Updated per Dec 18, 2023 AGM]

	INTERIM	INTERIM	INTERIM
	PHASE 1-12	PHASE 6 ONLY	PHASE 7 ONLY
REVENUES			
Strata Fees	148,852.80	12,404.40	12,404.40
TOTAL REVENUES	148,852.80	12,404.40	12,404.40
EXPENDITURES			
General			
Repairs & Maintenance	1,200.00	100.00	100.00
Street Sweeping	800.00	66.67	66.67
Snow Removal	6,400.00	533.33	533.33
Grounds Repairs & Maintenance	6,000.00	500.00	500.00
Subtotal	14,400.00	1,200.00	1,200.00
Utilities			
Electricity	900.00	75.00	75.00
Water & Sewer	10,000.00	833.33	833.33
Waste Disposal	15,600.00	1,300.00	1,300.00
Subtotal	26,500.00	2,208.33	2,208.33
Administration			
Management Services	24,280.00	2,023.33	2,023.33
Insurance	67,780.00	5,648.33	5,648.33
Insurance Appraisal	1,680.00	140.00	140.00
Office Expense	200.00	16.67	16.67
Bank Charges	480.00	40.00	40.00
Subtotal	94,420.00	7,868.33	7,868.33
TOTAL EXPENDITURES	135,320.00	11,276.67	11,276.67
Transfer to Reserve from Fees	13,532.00	1,127.67	1,127.67

Lake Country Villas
The Owners, Strata Plan EPS9357
Interim Budget - Estimated Expenses
[Updated per Dec 18, 2023 AGM]

	INTERIM	INTERIM	INTERIM
	PHASE 8 ONLY	PHASE 9 ONLY	PHASE 10 ONLY
REVENUES			
Strata Fees	12,404.40	12,404.40	12,404.40
TOTAL REVENUES	12,404.40	12,404.40	12,404.40
EXPENDITURES			
General			
Repairs & Maintenance	100.00	100.00	100.00
Street Sweeping	66.67	66.67	66.67
Snow Removal	533.33	533.33	533.33
Grounds Repairs & Maintenance	500.00	500.00	500.00
Subtotal	1,200.00	1,200.00	1,200.00
Utilities			
Electricity	75.00	75.00	75.00
Water & Sewer	833.33	833.33	833.33
Waste Disposal	1,300.00	1,300.00	1,300.00
Subtotal	2,208.33	2,208.33	2,208.33
Administration			
Management Services	2,023.33	2,023.33	2,023.33
Insurance	5,648.33	5,648.33	5,648.33
Insurance Appraisal	140.00	140.00	140.00
Office Expense	16.67	16.67	16.67
Bank Charges	40.00	40.00	40.00
Subtotal	7,868.33	7,868.33	7,868.33
TOTAL EXPENDITURES	11,276.67	11,276.67	11,276.67
Transfer to Reserve from Fees	1,127.67	1,127.67	1,127.67

Lake Country Villas
The Owners, Strata Plan EPS9357
Interim Budget - Estimated Expenses
[Updated per Dec 18, 2023 AGM]

	INTERIM	INTERIM
	PHASE 11 ONLY	PHASE 12 ONLY
REVENUES		
Strata Fees	12,404.40	12,404.40
TOTAL REVENUES	12,404.40	12,404.40
EXPENDITURES		
General		
Repairs & Maintenance	100.00	100.00
Street Sweeping	66.67	66.67
Snow Removal	533.33	533.33
Grounds Repairs & Maintenance	500.00	500.00
Subtotal	1,200.00	1,200.00
Utilities		
Electricity	75.00	75.00
Water & Sewer	833.33	833.33
Waste Disposal	1,300.00	1,300.00
Subtotal	2,208.33	2,208.33
Administration		
Management Services	2,023.33	2,023.33
Insurance	5,648.33	5,648.33
Insurance Appraisal	140.00	140.00
Office Expense	16.67	16.67
Bank Charges	40.00	40.00
Subtotal	7,868.33	7,868.33
TOTAL EXPENDITURES	11,276.67	11,276.67
Transfer to Reserve from Fees	1,127.67	1,127.67

Lake Country Villas
The Owners, Strata Plan EPS9357
Proposed Interim Budget – Estimated Strata Fees
[Updated per Dec 18, 2023 AGM]

Strata Lot	Unit	Phase	Unit Entitlement	Contribution to Operating	Contribution to Contingency	Interim Strata Fee
5	24	3	1	\$469.86	\$46.99	\$516.85
7	22	4	1	\$469.86	\$46.99	\$516.85
8	21	4	1	\$469.86	\$46.99	\$516.85
11	9	6	1	\$469.86	\$46.99	\$516.85
12	10	6	1	\$469.86	\$46.99	\$516.85
13	5	7	1	\$469.86	\$46.99	\$516.85
14	6	7	1	\$469.86	\$46.99	\$516.85
15	11	8	1	\$469.86	\$46.99	\$516.85
16	12	8	1	\$469.86	\$46.99	\$516.85
17	7	9	1	\$469.86	\$46.99	\$516.85
18	8	9	1	\$469.86	\$46.99	\$516.85
19	20	10	1	\$469.86	\$46.99	\$516.85
20	19	10	1	\$469.86	\$46.99	\$516.85
21	18	11	1	\$469.86	\$46.99	\$516.85
22	17	11	1	\$469.86	\$46.99	\$516.85
23	16	12	1	\$469.86	\$46.99	\$516.85
24	15	12	1	\$469.86	\$46.99	\$516.85

EXHIBIT "III"

Purchase Agreement

Salesperson: _____

Offer to Purchase and Agreement of Purchase and Sale
("Purchase Agreement")

VENDOR:
1238118 B.C. Ltd.
c/o 270 Highway 33 West
Kelowna, BC, V1X 1X7

VENDOR'S SOLICITORS:
Benson Law LLP
270 Highway 33 West
Kelowna, BC, V1X 1X7
Attention: Robert Tonsoo

PURCHASER(S):
Full Name: _____
(Mr. Miss Ms. Mrs.)

Full Name: _____
(Mr. Miss Ms. Mrs.)

Occupation: _____

Occupation: _____

Address: _____

Address: _____

_____ **City:** _____

_____ **City:** _____

Province: _____ **Postal Code:** _____

Province: _____ **Postal Code:** _____

Tel: _____ **Bus:** _____

Tel: _____ **Bus:** _____

Fax: _____ **Sin :** _____

Fax: _____ **Sin :** _____

Email: _____

Email: _____

I/WE THE ABOVE PURCHASER(S) HEREBY OFFER to purchase Strata Lot _____ (the "Strata Lot") as more specifically described in the proposed strata plan (the "Strata Plan") attached as an exhibit to the Disclosure Statement (hereinafter defined) and also described as Unit _____, _____, Lake Country, BC at the price and on the terms and conditions contained herein.

1.01 PURCHASE PRICE AND DEPOSITS

The purchase price (the "Purchase Price") for the Strata Lot is the sum of:

\$ _____, and additionally, the Purchaser must pay GST upon completion, over and above the Purchase Price

The Purchase Price is payable in lawful money of Canada as follows:

- a) a deposit (the "Deposit") of 10% of the Purchase Price payable within 48 hours of waiver of all conditions set out in Addendum "B" hereto; \$ _____
- b) the balance of the Purchase Price, subject to adjustments described herein (the "Balance") shall be paid on the Completion Date (as hereinafter defined) \$ _____

All deposits shall be made payable to BENSON LAW LLP "in trust".

1.02 The Purchase Price includes the following equipment, appliances and furnishings:

- [a] one refrigerator
- [b] one stove
- [c] one dishwasher
- [d] one washer/dryer pair
- [e] built-in vacuum
- [f] air conditioning

INITIALS

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- 1.03 Completion, Possession and Adjustment Dates: See Paragraph 4 of Addendum "A" attached hereto.
- 1.04 The Purchaser acknowledges having received and having had sufficient opportunity to read the Disclosure Statement prepared by the Vendor with respect to the building project containing the Strata Lot, prior to entering into this Offer.

THE TERMS AND CONDITIONS ATTACHED HERETO AS ADDENDUM "A" AND ADDENDUM "B" ARE PART OF THIS AGREEMENT. READ THEM CAREFULLY BEFORE YOU SIGN.

The Purchaser hereby confirms that he/she/they has/have read this Purchase Agreement including the attached Addendum "A" and further confirm that other than the warranties and representations and the terms and conditions contained in writing therein and in the Disclosure Statement, NO REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS MADE BY ANY PERSON OR AGENT NOT CONTAINED HEREIN SHALL BE BINDING UPON THE VENDOR.

This Purchase Agreement will be open for acceptance by the Vendor up to and including 5:00 PM PST time on the _____ day of _____, 20__ and upon acceptance by the Vendor will be a binding agreement for the purchase and sale of the Strata Lot on the terms and conditions herein contained.

THE PURCHASER HAS EXECUTED THIS AGREEMENT this _____ day of _____, 2__.

Witness

Purchaser

Witness

Purchaser

THIS PURCHASE AGREEMENT is accepted by the Vendor this _____ day of _____, 20__, and receipt of the Initial Deposit is hereby acknowledged.

1238118 B.C. Ltd.

Per: _____
Authorized Signatory

ADDENDUM "A"

1. **Completion date.** The Purchaser will deliver the balance of the purchase price at the Purchaser's expense by way of a solicitor's **CHEQUE** or **BANK DRAFT**, to **Benson Law LLP by NO LATER THAN 2:00 p.m. on the Completion Date** (the "Completion Date"). The Completion Date will be the 21st day after the Vendor or the Vendor's Solicitors notifies the Purchaser or the Purchaser's solicitors (the "Purchaser's Solicitors") that the Strata Lot is ready to be occupied. Whether the Strata Lot is ready to be occupied refers to the Strata Lot and not any other strata lot or common property within the Development and the Strata Lot will be deemed to be ready to be occupied on the Completion Date if the District of Lake Country has given oral or written permission to occupy the Strata Lot, whether such permission is temporary, conditional or final. If the Completion Date is a Saturday, Sunday, holiday or a day upon which the applicable Land Title Office is not open for business, the Completion Date shall be the immediate following business day. The notice of the Completion Date delivered from the Vendor or the Vendor's solicitor 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. If the Strata Lot is not ready to be occupied on the Completion Date so established, then the Vendor may delay the Completion Date from time to time as required, by notice of such delay to the Purchaser or the Purchaser's solicitors. If the Completion Date has not occurred or been established as set out in this Section by _____ (the "Outside Date"), then this Contract will be terminated, the Deposit will be returned to the Purchaser and the parties will be released from all of their obligations hereunder, provided that:

- a) if the Vendor is delayed from completing construction of the Strata Lot as 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, climactic condition, interference of the Purchaser, or any other event of any nature whatsoever beyond the reasonable control of the Vendor, then the Outside Date will be extended for a period equivalent to such period of delay; and
- b) the Vendor may, at its option, exercisable by notice to the Purchaser, in addition to any extension pursuant to subsection 1(a) and whether or not any delay described in subsection 1(a) has occurred, elect to extend the Outside Date for up to 180 days.

The Vendor confirms that it currently estimates that the Completion Date will occur on or about _____. The Purchaser acknowledges that this date has been provided by the Vendor as a matter of convenience only, is not meant to be legally binding upon the Vendor and that the actual Completion Date will be established in the manner set out above.

2. **Conveyance.** A Vendor's Statement of Adjustments and a freehold transfer for the Strata Lot and, if required by the Vendor, a certificate as to the GST/HST registered status of the Purchaser are to be delivered at the Purchaser's expense to the office of the Vendor's Solicitor, **Benson Law LLP** located at **270 Highway 33 West, Kelowna, British Columbia, V1X 1X7 (250-491-0206)** by the Purchaser's Solicitors **3 full business days** prior to the Completion Date. The Vendor will execute and deliver such statement of adjustments, transfer and certificate (if required) to the Purchaser's solicitors prior to the Completion Date on the condition that, forthwith upon the Purchaser's solicitors obtaining a post registration index search from the applicable Land Title Office indicating that, in the ordinary course of Land Title Office procedure, the Purchaser will become the registered owner of the Strata Lot (subject only to the Permitted Encumbrances and charges for which the Purchaser is responsible), the Purchaser will cause payment of the balance of the Purchase Price due on the Completion Date to be made by the Purchaser's Solicitors to the Vendor's Solicitors. The transfer of the Strata Lot will also be subject to the Vendor's financing arranged in connection with the Development or any builders' lien claims provided that the Vendor's Solicitors undertake to clear title to the Strata Lot of all encumbrances related to such financing and such builders' liens claims within a reasonable period of time after receiving the balance of the Purchase Price due on the Completion Date. The Purchaser acknowledges that the Vendor's financing may remain as a charge against the common property of the

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Development until the Vendor has completed the sale of the balance of the strata lots in the Development whereupon the Vendor covenants such financing will be discharge entirely.

If the Purchaser is relying upon a new mortgage to finance the Purchaser 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 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 solicitor's or notary's undertaking to pay the Purchaser Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

3. Deposit. The Deposit shall be dealt with by the Vendor's agent as follows:

- a) The Deposit, or any portion thereof, received under the terms of this Purchase Agreement will be held by the Vendor's agent in accordance with the provisions of the *Real Estate Development Marketing Act*.
- b) If the Purchaser completes the purchase of the Strata Lot on the terms and conditions contained herein, then the Deposit shall be applied to the Purchase Price and be paid to the Vendor;
- c) If the Purchaser fails to complete the purchase of the Strata Lot, then the Deposit will be absolutely forfeited to the Vendor; or
- d) If the Vendor fails to complete the sale of the Strata Lot, then the Deposit (or that portion of the Deposit paid or due to be paid by the Purchaser under the terms of this Purchase Agreement) shall be paid to the Purchaser and the Purchaser shall have no further claims against the Vendor.

Notwithstanding the aforementioned, the Purchaser acknowledges and agrees that the Vendor's agent who, as stakeholder, holds the Deposit in trust is permitted to charge an administrative fee equal to the lesser of the interest accrued and earned on the Deposit and \$100.00.

The payment of any funds to the Vendor pursuant to Sections 3 or 7 of this Addendum "A" shall not be deemed to be all inclusive liquidated damages and shall not preclude any further claims or remedies by the Vendor against the Purchaser arising pursuant thereto.

The Purchaser understands that under Section 19 of the *Real Estate Development Marketing Act* (British Columbia), developers may enter into a deposit protection contract with an approved insurer pursuant to which the deposits paid by purchasers of land which is proposed to be subdivided or strata titled may be released to the developer. As a result, the Vendor, at its sole option, may enter into a deposit protection contract as required by such legislation with respect to the Deposit (or any portion thereof) and the Strata Lot. The Deposit (or such portion thereof) shall be released to the Vendor in accordance with such insurance contract or security agreement and the provisions of Sections 3 and 7 shall be deemed to have been amended accordingly. Notwithstanding the aforementioned provisions, if the Vendor enters into a deposit protection contract as contemplated in this Section 3, the Purchaser acknowledges that no interest will accrue or be earned on the Deposit as of the date such deposit protection contract is entered into.

4. Possession, Risk and Adjustment. The Purchaser will assume all taxes, rates, local improvement assessments, water rates and sewage rates, assessments of the strata corporation of which the Strata Lot forms a part, and all other adjustments both incoming and outgoing of whatever nature in respect of the Strata Lot will be made as of the date the balance of the Purchase Price is due (the "Adjustment Date"). If the amount of any such taxes, rates or assessments have been levied in respect of the entire Lands, the Vendor shall in its sole discretion allocate such taxes among all of the strata lots of the Development on the basis of the applicable unit entitlement figure in each case. The Strata Lot is to be at the risk of the Vendor to and including the day preceding the Completion Date, and thereafter at the risk of the Purchaser. So long as the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Strata Lot have been paid in full, the Purchaser may have possession of the Strata Lot at 10:00 a.m. on the day following the Completion Date (the "Possession Date"). The Purchaser acknowledges that the Vendor may

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not appear on title as the registered owner of the Strata Lot and agrees, notwithstanding any provisions to the contrary herein or in the *Property Law Act* (or successor statutes), to accept a Form A of the Strata Lot and other closing documents executed by a party other than the Vendor.

The Purchaser is responsible for all utility charges as of the Possession Date and must ensure that they notify the necessary utility companies to have the utilities transferred into their name on Possession. In the event the Purchaser does not transfer the utilities into their name as of the Possession Date, any charges to the Vendor that should be the Purchaser's responsibility will be paid to the Vendor in full within 5 business days of notification. If said amount is not paid within the 5 business days, a \$50.00 charge will be applied to the outstanding amount.

5. **Builders' Lien Holdback.** That portion, if any, of the balance of the Purchase Price required by law to be held back by the Purchaser in respect of builders' lien claims (the "Lien Holdback") will be paid to the Vendor's Solicitors on the Completion Date. The Lien Holdback will be held in trust for the Purchaser pursuant to the *Strata Property Act* (British Columbia) and *Builders Lien Act* (British Columbia) (or successor statutes) solely in respect of lien claims registered in the applicable Land Title Office in connection with work done for the Vendor. The Vendor's Solicitors are authorized but not required to invest the Lien Holdback in an interest bearing trust account and 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 which is 55 days after the date that the balance of the Purchase Price become due as aforesaid, the Lien Holdback plus interest, if any, accrued thereon, less the amount of any builders' lien claim filed against the Strata Lot of which the Purchaser or the Purchaser's Solicitors notify the Vendor's Solicitors in writing by 1:00 p.m. on that day.

6. **Disclosure Statement.** The Purchaser acknowledges that the Purchaser has received a copy of the disclosure statement for the Development including all amendments thereto, if any, filed up to the date hereof (collectively the "Disclosure Statement") and has been given a reasonable opportunity to read the Disclosure Statement and the execution by the Purchaser of this Purchase Agreement will constitute a receipt in respect thereof. The Disclosure Statement contains provisions explaining the obligations of the owner for the Strata Lot to pay monthly contributions to the common expenses of the Strata Corporation (Strata Fees).

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

- a) terminate this Purchase Agreement by written notice to the Purchaser and, in such event, the Deposit will be absolutely forfeited to the Vendor without prejudice to the Vendor's other remedies and the Vendor's solicitors are hereby irrevocably authorized and directed by the Purchaser to pay the amount held by them to the Vendor upon written demand therefore by the Vendor; or
- b) elect to extend the Completion Date to a certain date determined by the Vendor, time to remain of the essence hereof, and subject to the Vendor's right in its sole discretion, to grant further extensions to a certain date each time, in which event the Purchaser will pay to the Vendor, in addition to the Purchase Price, interest on the unpaid portion of the Purchase Price and other unpaid amounts payable hereunder at the rate of 2% per month (24% per annum), calculated daily and compounded monthly not in advance, from the date upon which such portion and amounts were due to the date upon which such portion and amounts are paid.

The Vendor may cancel this Purchase Agreement pursuant to subsection 7(a) at any time after extending the Completion Date pursuant to subsection 7(b) if the Purchaser fails to complete on or before such extended date.

8. **Entire Agreement/Representations.** The Purchaser acknowledges and agrees that this Purchase Agreement constitutes the entire agreement between the parties with respect to the sale and purchase of the Strata Lot and supersedes any prior agreements, negotiations or discussions, whether oral or written, of the Vendor and the Purchaser, and that there are no representations, warranties, conditions or collateral contracts, expressed or implied, statutory or otherwise, or applicable hereto, made by the Vendor, its agents

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or employees, or any other person on behalf of the Vendor, other than those contained herein and in the Disclosure Statement, including, without limitation, arising out of any sales brochures, models, websites, representative view sets, showroom displays, photographs, illustrations or renderings or other marketing materials provided to the Purchaser or made available for his viewing. In particular the Purchaser acknowledges and agrees that the materials specifications, details, dimensions and floor plans set out in any materials viewed by the Purchaser are approximate and subject to change without notice in order to comply with building site conditions and municipal, structural and Vendor and/or architectural requirements.

9. **Construction.** The Strata Lot is as shown on the preliminary plans attached to the Disclosure Statement given to the Purchaser (the "Preliminary Plans"). The Vendor may make alterations to the features and layout of the Strata Lot without compensation to the Purchaser. The Vendor reserves the right to alter the common property of the Development at any time and from time to time, if, in its sole opinion, such alteration or alterations improve the structural integrity of the Development, its mechanical systems, its ability to withstand water penetration or aesthetics. The proposed dimensions, lots lines and location of the strata lots in the Development are set out in the Preliminary Plan. The actual size, dimensions and/or configuration of the strata lots, balconies, patios and/or decks and/or other limited common property as set forth in the final strata plan (the "Final Strata Plan") for the Development may vary from what is depicted on the Preliminary Plan. The areas and dimensions of the strata lots in the Development set out in the marketing materials referred to in Section 8 are approximate and are provided for information purposes only and are not represented as being the actual final areas and dimensions of the strata lots (including the Strata Lot) in the Development. In the event of any discrepancy between the area, size, dimensions, location and/or configuration of the strata lots, balconies, patios and/or decks and/or other limited common property in the Preliminary Plan and/or any architectural plans relating to the Development and/or any marketing materials and the Final Strata Plan, the Final Strata Plan will prevail.

10. **Inspection.** The Purchaser or his representative and a representative of the Vendor will inspect the Strata Lot at a reasonable time designated by the Vendor by written notice or by telephone prior to the Completion Date. Unscheduled inspections will not be permitted. The Purchaser may at his option forfeit this inspection and will be deemed to be satisfied with and to have accepted the physical condition of the Strata Lot (including the existing kitchen, bathroom and other installations, equipment, appliances and furnishings) on the Completion Date. At the conclusion of such inspection, a conclusive list of any defects or deficiencies (the "Deficiencies") will be prepared which are to be rectified by the Vendor. The parties will sign the list and the Purchaser will be deemed to be satisfied with and to have accepted the physical condition of the Strata Lot (including the existing kitchen, bathroom and other installations, equipment, appliances and furnishings) subject only to the Deficiencies. The Purchaser covenants and agrees to complete the purchase of the Strata Lot on the Completion Date on the terms and conditions herein contained notwithstanding that the Deficiencies may be rectified subsequent to the Completion Date. The Purchaser will not be allowed to have access to the Strata Lot except for this inspection prior to the possession date. No holdback will be made on closing in respect of the Deficiencies or other deficiencies.

The Vendor, or an agent of the Vendor, will conduct a New Home Warranty walk-through with the Purchaser on the Possession Date.

11. **Upgrades.** Following execution of this Purchase Agreement by both parties, requests for upgrades by the Purchaser must be made in writing to the Vendor or Vendor's agent. Requests for upgrades on-site or from the subtrades will not be permitted.

12. **Costs.** The Purchaser will pay all costs in connection with the sale and purchase of the Strata Lot (including property transfer tax and any federal and provincial sales, goods and services, value added or other tax required to be paid by the Purchaser in connection with the purchase and sale of the Strata Lot and the equipment and appliances included with the Strata Lot), other than the costs of the Vendor incurred in clearing title to the Strata Lot. Without limiting the generality of the foregoing, the Purchaser agrees that the Purchase Price does not include GST and that, if and to the extent required under Part IX of the *Excise Tax Act* (Canada), he will remit to the Vendor on the Completion Date any GST that may be eligible under Part IX of the *Excise Tax Act* (Canada) in respect of the transaction contemplated herein, and the Vendor agrees that it will remit such funds or otherwise account for such funds to Canada customs and Revenue Agency ("Revenue Canada") in accordance with its obligations under Part IX of the *Excise Tax Act* (Canada).

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Notwithstanding the foregoing, if the Purchaser is a corporation which is registered for GST purposes and, on or before the Completion Date, the Purchaser provides the Vendor with a certificate as to the GST registered status of the Purchaser containing the Purchaser's GST registration number, the Purchaser will not be required to pay the GST to the Vendor but will be entitled to self-assess the GST and account for the same directly to Revenue Canada.

13. **Assignment.** Unless the Vendor consents and such consent is in compliance with the following paragraph, the Vendor will not be required to convey the Strata Lot to anyone other than the Purchaser named herein. The Vendor may, at its option, charge an administration fee equal to 1.5% of the Purchase Price as consideration for agreeing to an assignment of the Purchaser's interest in the Strata Lot or in this Purchase Agreement and for any associated legal and administrative costs, except that there will be no such charge if the assignee is the Purchaser's spouse, parent, child, grandparent or grandchild. Following any assignment, the assignor will not be relieved of his obligations hereunder but will continue to remain liable to perform all obligations of the Purchaser under this Purchase Agreement. The Purchaser will not advertise or solicit offers from the public with respect to the resale of the Strata Lot by the Purchaser before the Completion Date without the express written consent of the Vendor, which consent may be arbitrarily withheld.

Without the Vendor's prior consent, any assignment of the Purchase Agreement is prohibited.

An assignment under the Real Estate Development Marketing Act is a transfer of some or all of the rights, obligations and benefits under a purchase agreement made in respect of a strata lot in a development property, whether the transfer is made by the purchaser under the purchase agreement to another person or is a subsequent transfer.

Each proposed party to an assignment agreement must provide the developer with the information and records required under the Real Estate Development Marketing Act.

Before the Developer consents to an assignment of a purchase agreement, the Developer will be required to collect information and records under the Real Estate Development Marketing Act from each proposed party to an assignment agreement, including personal information, respecting the following:

- (a) the party's identity;
- (b) the party's contact and business information;
- (c) the terms of the assignment agreement.

Information and records collected by the developer must be reported by the developer to the administrator designated under the Property Transfer Tax Act. The information and records may only be used or disclosed for tax purposes and other purposes authorized by section 20.5 of the Real Estate Development Marketing Act, which includes disclosure to the Canada Revenue Agency.

14. **Force Majeure.** Notwithstanding anything else contained in this Purchase Agreement, the Vendor and Purchaser agree that if, as a result of acts of God, landslide, flood, tempest, washout, fire, lightning, disaster, earthquake, storm, epidemic, pandemic, quarantine, or civil disturbance, either the Vendor is unable to obtain insurance for the strata corporation or the Purchaser is unable to obtain insurance for the Strata Lot, then the affected party shall provide notice (the "Notice") to the other party of the inability to obtain insurance on or before three (3) business days prior to the Completion Date. Upon the receipt of the Notice by the other party (the "Notice Date"), the Completion, Possession and Adjustment Dates shall be extended to the business day which occurs seven (7) business days after the date that insurance is available to the party giving Notice or, if both parties have provided a Notice, the date that is seven (7) days after both of the Purchaser and Vendor have obtained the insurance described herein. The Purchaser and/or the Vendor shall each provide written notice to the other party or their representative immediately upon insurance being available to them. The parties shall use their best efforts to obtain insurance. In the event that the party (or parties) are unable to obtain insurance on or before (ten) months of the Notice Date, this Purchase Agreement will be terminated, the Deposit will be returned to the Purchaser and the parties will be released of all of their obligations hereunder.

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- 15. **Successors & Assigns.** This Purchase Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- 16. **Marketing Program.** The Purchaser agrees that the Vendor may continue to carry out construction work on the Development after the completion of the purchase of the Strata Lot by the Purchaser. The Purchaser acknowledges and accepts that such work may cause inconvenience to the use and enjoyment of the Strata Lot. The Purchaser will not impede or interfere with the Vendor's completion of construction of other strata lots, the common property or the Development. The Purchaser acknowledges that the Vendor may retain strata lots in the Development for use as sales and administrative office and/or display suites for marketing purposes or otherwise. The Purchaser agrees that for so long as the Vendor is the owner of any strata lots in the Development, the Vendor may carry out marketing, promotional and sales activities within the common property (including parking stalls and recreational facilities) of the Development or strata lots owned or leased by the Developer, including, without limitation, maintaining display suites, other display areas, parking areas and signage (including signage on the exterior of the Development) and permitting public access to same for the purpose of marketing any unsold strata lots. In addition, the Developer may conduct tours of the Development from time to time with prospective purchasers and hold events and other activities within the Development in connection with the marketing and sales activities.
- 17. **Condition Removal.** Notwithstanding anything herein contained to the contrary, if the Purchaser's or the Vendor's obligation to purchase or sell the Strata Lot is subject to any conditions precedent then the conditions shall be set out in Addendum "B" attached to this Contract. If written waiver is not provided by the party whom the condition is to benefit within the time indicated for such, then this Purchase Agreement shall terminate and the Deposit less the Stakeholder's reasonable administration fee shall be promptly refunded to the Purchaser.
- 18. **Governing Law.** This Purchase Agreement will be governed by and construed in accordance with the laws of British Columbia.
- 19. **Contractual Rights.** This offer and the agreement which results from its acceptance creates contractual rights only and not any interest in land. The Purchaser will acquire an interest in land only upon completion of the purchase and sale contemplated herein.
- 20. **Purchaser's Solicitors.** The Purchaser's solicitors are:

Name: _____

Address: _____

Telephone Number: _____

Fax Number: _____

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ADDENDUM "B"

The Contract of Purchase and Sale is subject to the following conditions precedent:

A) Vendor's Conditions:

1. _____

2. _____

3. _____

These conditions are for the sole benefit of the Vendor

B) Purchaser's Conditions:

1. _____

2. _____

3. _____

These conditions are for the sole benefit of the Purchaser.

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LAKE COUNTRY VILLAS

FORM 1

DISCLOSURE STATEMENT

Developer: **1238118 B.C. Ltd.**

Developer's Business Address: 1352 Mine Hill Drive
Kelowna, British Columbia
V1P 1S5

Address for Service in B.C.: Benson Law LLP
270 Highway 33 West
Kelowna, British Columbia
V1X 1X7

Marketing: Re/Max Kelowna
100 – 1553 Harvey Ave.
Kelowna, British Columbia
V1Y 6G1
Realtor: Scott Aaltonen

Date: May 20, 2022

This is a Phased Disclosure Statement filed pursuant to the *Real Estate Development Marketing Act*.

This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent of Real Estate, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether 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.

This Disclosure Statement relates to a development property that is not yet completed. Please refer to section 7.2 for information on the purchase agreement. That information has been drawn to the attention of the purchaser who has confirmed that fact by initialing in the space provided herein.

(Purchaser's Name)

Initials

RIGHT OF RESCISSION

Under Section 21 of the *Real Estate Development Marketing Act*, the purchaser or lessee of a development unit may rescind (cancel) the contract of purchase and sale or to lease by serving written notice on the Developer or the Developer's brokerage, within 7 days after the later of the date of the contract was entered into or the date the purchaser or lessee received a copy of this Disclosure Statement.

A purchaser may serve a notice of rescission by delivering a signed copy of the notice in person or by registered mail:

- (a) the Developer at the address shown in the Disclosure Statement received by the purchaser,
- (b) the Developer at the address shown in the purchaser's purchase agreement,
- (c) the Developer's brokerage, if any, at the address shown in the Disclosure Statement received by the purchaser; or
- (d) the Developer's brokerage, if any, at the address shown in the purchaser's purchase agreement.

The Developer must promptly place purchasers' deposits with a brokerage, lawyer or notary public who must place the deposits in a trust account in a savings institution in British Columbia. If a purchaser rescinds their purchase agreement in accordance with the Act and regulations, the Developer or Developer's trustee must promptly return the deposit to the purchaser.

**POLICY STATEMENT #5
EARLY MARKETING-DEVELOPMENT APPROVAL**

If the Developer has obtained approval in principle to construct or otherwise create the development units from the appropriate municipal or other government authority, the superintendent will permit a developer to begin marketing on complying with the following terms and conditions:

(a) The estimated date, as disclosed in the Disclosure Statement, for the issuance of a building permit, is 12 months or less from the date the Developer filed the Disclosure Statement with the Superintendent of Real Estate;

(b) The Developer markets the proposed development units under the Disclosure Statement for a period of no more than 12 months from the date the Disclosure Statement was filed with the Superintendent of Real Estate, unless an amendment to the Disclosure Statement that sets out particulars of the issued building permit is filed with the Superintendent of Real Estate during that period. The Developer must either:

(i) prior to the expiry of the 12-month period, file with the superintendent an amendment to the disclosure statement that sets out particulars of the issued building permit; or

(ii) upon the expiry of the 12 month period, immediately cease marketing the development and confirm in a written undertaking to the superintendent that all marketing of the developer has ceased and will not resume until after the necessary amendment has been filed, filing which a cease marketing or other order may be issued by the superintendent to the developer without further notice.

(c) Any purchase agreement used by the Developer, with respect to any development unit offered for sale or lease before the purchaser's receipt of an amendment to the Disclosure Statement that sets out particulars of the issued building permit, contains the following provisions:

(i) The Purchase may cancel the purchase agreement for a period of seven days after the receipt of an amendment to the Disclosure Statement that sets out particulars of the issued building permit if the layout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the building permit;

(ii) If an amendment to the Disclosure Statement that sets out particulars of an issued building permit is not received by the purchaser within 12 months after the initial Disclosure Statement was filed, the purchaser may at his or her option cancel the purchase agreement at any time after the end of that 12 month period until the required amendment is received by the purchaser, at which time the purchaser may cancel the purchase agreement for a period of seven days after

receipt of that amendment only if the layout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the building permit;

(iii) The amount of the deposit to be paid by a purchaser who has not yet received an amendment to the Disclosure Statement that sets out particulars of an issued building permit is no more than 10% of the purchase price; and

(iv) All deposits paid by a purchaser, including interest earned if applicable, will be returned promptly to the purchaser upon notice of cancellation from the purchaser

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Exhibits

Exhibit "A" – Proposed Strata Plans

Exhibit "B" – Zoning

Exhibit "C" – Phased Strata Plan Declaration

Exhibit "D" – Unit Entitlement

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Exhibit "F" – Budget and Monthly Assessments

Exhibit "G" – Form J – Rental Disclosure Statement

Exhibit "H" – Party Wall Agreement

Exhibit "I" – Purchase Agreement

DEFINITIONS

“Amendment to Bylaws” means the proposed Form Y – Owner Developer’s Notice of Different Bylaws attached hereto as Exhibit “E”.

“Budget” means the interim budget for the Strata Corporation described in section 3.8 herein and attached hereto as Exhibit “F”.

“Bylaws” means the bylaws of the Strata Corporation described in section 3.5 and Exhibit “E”.

“Commencement of Construction” means the date of commencement of excavation in respect of construction of an improvement that will become part of a development unit within the development property, and where there is no excavation it means the date of commencement of construction of an improvement that will become part of a development unit within the development property.

“Common Property” means that part of the land and buildings shown on the Strata Plan that is not part of a Strata Lot.

“Completion of Construction” means the first date that a development unit within the development property may be lawfully occupied, even if such occupancy has been authorized on a provisional or conditional basis.

“Construction Mortgage” means the financing for construction of the Development which will include a mortgage and assignment of rents registered in the Land Title Office over the Lands.

“Developer” means 1238118 B.C. Ltd.

“Development” means the Strata Lots and the buildings constructed thereon as described in subsection 2.1.

“Estimated Date Range” means a date range, not exceeding three months, for the Commencement of Construction of the Completion of Construction.

“Lands” means the lands upon which the Development is located and which are legally described in subsection 4.1.

“Limited Common Property” means Common Property designated for the exclusive use of the Owners of one or more Strata Lot(s) as described in subsection 3.4.

“Owner” means an owner of a registered fee simple interest in a Strata Lot.

“Phased Strata Plan Declaration” means the declaration described in subsection 2.3 and attached as Exhibit “C” hereto.

“Phases” means the 12 phases being constructed on the Lands by the Developer as described in subsection 2.3 and “Phase” means any one of the Phases.

“Plans” means the proposed plans for the Development drafted by the surveyor for the Developer attached as Exhibit “A” hereto.

“Purchase Agreement” means the contract between the Developer and the Purchaser for the purchase of a Strata Lot as described in section 7.2 and attached as Exhibit “T”.

“Purchaser” means a purchaser of a Strata Lot.

“Strata Corporation” means the strata corporation created pursuant to the Strata Property Act by the deposit of the Strata Plan in the Land Title Office.

“Strata Council” means the council elected by the Strata Corporation from time to time responsible for the management of the Strata Corporation.

“Strata Lots” means the 24 Strata Lots being developed in 12 phases on the Lands.

“Strata Plan” means the final surveyed strata plans for the Development deposited and registered in the appropriate Land Title Office.

“Unit Entitlement” has the meaning set out in subsection 3.1.

1 The Developer

1.1 Corporate Information

The Developer, 1238118 B.C. Ltd., is a company duly incorporated under the laws of the Province of British Columbia on January 22, 2020, under Incorporation Number BC1238118.

1.2 Purpose

The Developer was specifically formed for the purpose of developing the Strata Lots as described herein and has no assets other than the development property.

1.3 Registered Office

The registered and records office of the Developer is 270 Highway 33 West, Kelowna, British Columbia, V1X 1X7.

1.4 Director

The directors of the Developer are Randy Michael Sean Therrien, Jason Patrick Keeley, and Jason Howard McCormick.

1.5 Real Estate Experience

The following is a description of the nature and extent of the experience in the real estate industry of the Developer and director of the Developer:

(a) The Developer was formed specifically for this Development so has no prior real estate experience.

(b) The Director, Randy Michael Sean Therrien has had previous experience in the development and construction industry in that he has developed 200 residential lots or units. Randy Therrien has many years of experience building high end custom homes as well as small multiple unit projects. He has also been involved in the design/build of multiple commercial/industrial tilt up style units.

(c) The Director, Jason McCormick has been actively involved in the construction industry for over 24 years and brings extensive construction and project management experience. Jason's focus has been on the heavy industrial sector including oil & gas, pulp & paper, mining, transmission & distribution and wood products industries. Jason holds an Electrical Interprovincial Journeyman Certification, Field Safety Representative Class A (Unrestricted Certificate) and a diploma in Electrical Engineering Technology. He is a member of the Applied Science Technologists & Technicians of British Columbia (ASTT) and has the designation Applied Science Technologist (AScT). Jason also serves as a director on the Electrical Contractors Association of British Columbia (ECABC).

(d) The Director, Jason Keeley has had previous experience in the development industry in that he has developed approximately 20 residential lots or units.

1.6 Penalty/Sanction Declaration

To the best of the Developer's knowledge none of the Developer nor any principal holder of the Developer or any director or officer of the Developer or principal holder within the ten years before the date of the Developer's declaration attached to the Disclosure Statement, has been subject to any penalties or sanctions imposed by a Court of regulatory authority, relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud.

1.7 Bankruptcy Declaration

To the best of the Developer's knowledge, none of the Developer or any principal holder of the Developer, or any director or officer of the Developer or principal holder within the five years before the date of the Developer's declaration attached to the Disclosure Statement was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

1.8 Declaration Re: Other Developers

To the best of the Developer's knowledge, no Director, officer or principal holder of the Developer, or any director or officer of the principal holder, within the five years prior to the date of the Developer's declaration attached to the Disclosure Statement, has been a director, officer or principal holder of any other developer that, while that person was acting in that capacity, that other developer:

- (a) was subject to any penalties or sanctions imposed by a Court or regulator authority relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud, or
- (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

1.9 Potential Conflicts

There are no existing or potential conflicts of interest among the Developer, manager,

any directors, officers and principal holders of the Developer and manager, any directors and officers of the principal holders, and any person providing goods or services to the Developer, manager or holders of the development units in connection with the Development which could reasonably be expected to affect the purchaser's purchase decision.

2 General Description

2.1 General Description of the Development

a) Civic Address

The Development is located on Okanagan Centre Road, Lake Country, British Columbia.

b) Strata Lots

The Development will contain a total of twenty-four (24) Strata Lots being developed in twelve (12) phases.

c) Buildings

The Developer intends to construct twelve (12) duplex style wood-frame buildings in the Development. The proposed Plans showing the floor plans of the homes to be constructed on the Strata Lots are attached hereto as Exhibit "A".

d) Layout

The proposed layout, dimensions, and location of the Development and the Strata Lots are shown on the plan attached hereto as Exhibit "A". The Developer reserves the right to make alterations to the design, dimensions, and construction of the building as required by the District of Lake Country or deemed appropriate by the Developer.

e) Marketing

The Developer is marketing all of the Strata Lots at this time.

2.2 Permitted Use

The Lands are zoned RM2 – Low Density Row Housing. All of the permitted uses are as set out in the RM2 Zone bylaw, a copy of which is attached hereto as Exhibit "B". To obtain further information regarding Land Use and/or Zoning, you may access the District of Lake Country's website at www.lakecountry.bc.ca or by telephone at 250-766-5650.

2.3 Phasing

A phased strata development is a development which is proposed to be completed in separate phases and all completed phases become one strata corporation upon the registration of the strata plan for each phase.

The Strata Lots will be constructed in phases. The total number of potential Strata Lots in the Development is 24. The Developer intends to develop the Lands in twelve (12) phases (respectively referred to as “Phase 1”, “Phase 2”, “Phase 3”, “Phase 4”, “Phase 5”, “Phase 6”, “Phase 7”, “Phase 8”, “Phase 9”, “Phase 10”, “Phase 11”, and “Phase 12”) and shown on the Plans attached hereto as Exhibit “A”.

The Developer intends to create two (2) Strata Lots in each Phase.

An approved Phased Strata Plan Declaration under Section 221 of the *Strata Property Act* is required for a phased strata plan prior to filing in the Land Title Office of the first phase. A copy of the proposed Phased Strata Plan Declaration is attached as Exhibit “C”. This Phased Strata Plan Declaration describes important aspects of this phased Development and sets out the location and area of each Phase. The phasing has been approved in principle. The Developer may elect not to proceed with any subsequent Phase or may choose to proceed with subsequent Phases at later dates.

3 Strata Information

3.1 Unit Entitlement

The Unit Entitlement of each Strata Lot is a figure indicating its share in the Common Property and assets of the Strata Corporation and is used to determine each Strata Lot owner’s contribution to the expenses and liabilities of the Strata Corporation. The Unit Entitlement is based on the area in square meters, rounded to the nearest whole number, excluding any non-living areas such as balconies, garages, decks, storage areas other than closet space, or parking areas. The Proposed Form V Schedule of Unit Entitlement for the Strata Lots is attached as Exhibit “D”. The actual Unit Entitlement may vary slightly from the figures shown in Exhibit “D” when the final strata plans are completed after construction.

3.2 Voting Rights

At any annual or special general meeting of the Strata Corporation, each Strata Lot in the Development will be entitled to one vote.

3.3 Common Property and Facilities

Common Property is that part of the land and buildings shown on the Strata Plan that is not part of the Strata Lot and includes roads, utility pipes, wires and ducts. The Common Property and common assets of the Strata Corporation are owned by each Owner of a Strata Lot as a tenant in common in a proportionate share based on the Unit Entitlement of the Strata Lot owned by each Owner.

The use of Common Property designated as Limited Common Property is restricted to the owners of the Strata Lot(s) designated on the Strata Plan.

There are no common amenities, as defined in the Strata Property Act, being constructed by the Developer in the Development.

3.4 Limited Common Property

Limited Common Property is Common Property designated for the exclusive use of the owners of one or more Strata Lots.

The following areas of each Strata Lot will be designated on the Strata Plan as Limited Common Property for use by the owner of that Strata Lot:

- (a) the decks and patios;
- (b) the parking area in front of the garage;
- (c) the exterior walls, roof and foundation;
- (d) the window and doors;
- (e) all exterior fixtures and appurtenances to the building;
- (f) the yard adjacent to the building.

The Strata Corporation is responsible for maintaining all Common Property, including Limited Common Property. However, pursuant to the *Strata Property Act*, the Strata Corporation may, by bylaw, make owners responsible for the repair and maintenance of Limited Common Property which they use. Bylaw 2 of the Bylaws makes an owner responsible for maintaining and repairing Limited Common Property which they use, including, but not limited to the following:

- (a) the structure of a Strata Lot;
- (b) the exterior of a Strata Lot;
- (c) chimneys, stairs, balconies, and other things attached to the exterior of the Strata Lot;
- (d) doors, windows, or skylights on the exterior of the Strata Lot or that front on the Common Property; and
- (e) fences, railings, and similar structures that enclose patios, balconies, and yards.

3.5 Bylaws

The Developer intends to adopt the Bylaws which are attached hereto as Exhibit "E".

3.6 Parking

Parking for each Strata Lot is located within the garage of that Strata Lot and on the common property driveway located in front of the garage forming part of that Strata Lot. There may be additional parking spaces available on the Common Property that will be available for visitor parking and administered by the Strata Corporation.

3.7 Furnishings and Equipment

The following furnishings will be included in the purchase price of each Strata Lot:

- Fridge
- Stove
- Dishwasher
- Washer & Dryer
- Built-in vacuum system
- Air conditioning

3.8 Budget

- (a) The proposed interim Budget for the operation of the Strata Corporation for the 12-month period commencing on the first day of the month following the date of the first conveyance of a Strata Lot to a purchaser are as set out in Exhibit "F". The estimated monthly assessment based on the Budget and the unit entitlement of each Strata Lot is as set out in Exhibit "F".
- (b) At the first annual general meeting of the Strata Corporation and each general meeting thereafter, the Strata Corporation will approve an annual budget for the following 12-month period. The monthly assessments for each Strata Lot for subsequent 12-month periods will be determined in accordance with the revised annual Budget.
- (c) The following utilities and services have been included in the Budget and will be paid by the Strata Corporation and such costs will be prorated between the owners of the Strata Lots and the costs included in the monthly assessments levied by the Strata Corporation against the Strata Lot owners:
 - Natural Gas – Common Areas
 - Insurance
 - Snow Removal
 - Water
 - Common Property Landscape Maintenance
 - Electricity – Common Areas
 - Other expenses described in the interim budget attached hereto as Exhibit "F"
- (d) The following utilities and services will be separately metered or assessed to each Strata Lot and will be the responsibility of each Strata Lot owner:

- Natural Gas
- Electricity
- Cablevision
- Telephone
- Internet
- Maintenance, repair and replacement of the heating/air conditioning unit servicing each Strata Lot

3.9 Utilities and Services

All standard municipal services, including water, electricity, natural gas, sewage, fire protection, telephone, and access will be provided to the Development.

3.10 Strata Management Contracts

The Strata Corporation intends to enter into a Strata Management Contract with a strata manager.

3.11 Insurance

(a) Course of Construction Coverage:

The Developer or its builder will maintain the following insurance coverage during the construction of the Project:

- a builder's risk broad form insurance policy for course of construction in an amount sufficient to replace the improvements being constructed; and
- a comprehensive general liability insurance policy.

(b) Strata Corporation Coverage:

Upon filing of the Strata Plan in the Land Title Office, the Developer will obtain insurance in the name of the Strata Corporation as required by the *Strata Property Act*. Under section 149 of the *Strata Property Act*, the Strata Corporation must maintain full replacement value property insurance on:

- (1) common property;
- (2) common assets;
- (3) buildings shown on the Strata Plan; and
- (4) fixtures built or installed on a Strata Lot by the Developer as part of the original construction.

Fixtures are defined in section 9.1(1) of the Regulation as items attached to a building, including floor and wall coverings and electrical and plumbing fixtures, but does not include, if they can be removed without damage to the building, refrigerators, stoves, dishwashers, microwaves, washers, dryers or other similar items.

This property insurance must insure against major perils, which are defined in section 9.1(2) of the Regulation as fire, lightning, smoke, windstorm, hail, explosion, water escape, strikes, riots or civil commotion, impact by aircraft and vehicles, vandalism, and malicious acts. The Developer will also obtain for the Strata Corporation liability insurance to insure the Strata Corporation against liability for property damage and bodily injury. This insurance will be for a minimum amount of \$2,000,000.00 as required by section 9.2 of the Regulation.

Purchasers of the Strata Lots should arrange their own liability insurance and insurance on the contents of their own Strata Lots and insurance on improvements made to a Strata Lot by the Purchaser and any other property not covered under the Strata Corporation policy.

3.12 Rental Disclosure Statement

Under section 139 of the *Strata Property Act*, a Developer must disclose to any Purchaser the intention of the Developer to rent any Strata Lots by filing a Rental Disclosure Statement with the Superintendent of Real Estate in order to ensure that such Strata Lots may be rented in the future. The Developer intends to reserve the right to rent all the Strata Lots by filing a Rental Disclosure Statement. The Form J Rental Disclosure Statement filed with the Superintendent by the Developer is attached as Exhibit "G".

4 Title and Legal Matters

4.1 Legal Description

PID: 030-898-226, Lot 3 Section 4 Township 20 Osoyoos Division Yale District Plan EPP90312

4.2 Ownership

The Developer is the registered owner of the Lands.

4.3 Existing Encumbrances and Legal Notations

(a) The existing Legal Notations registered against title to the Lands are as follows:

- (i) This title may be affected by a permit under Part 14 of the Local Government Act, see CA6752304;
- (ii) This title may be affected by a permit under Part 14 of the Local Government Act, see CA7079582;
- (iii) This title may be affected by a permit under Part 14 of the Local Government Act, see CA8476612.

(b) The existing encumbrances registered against title to the Lands are as follows:

- (i) Right of Way 105829E in favour of District of Lake Country—grants the right to access, install, and maintain the District of Lake Country’s works on the Lands;
- (ii) Covenant No. CA5882341 in favour of the District of Lake Country – created a wildlife movement corridor on which no buildings, structures or improvements are to be constructed. This wildlife corridor was registered on title prior to the subdivision plan which created title to the Lands. The wildlife corridor runs adjacent to the Lands;
- (iii) Statutory Right of Way CA6320231 in favour of District of Lake Country – grants the right to access, install and maintain the District of Lake Country’s works on the Lands;
- (iv) Statutory Right of Way CA6611784 in favour of District of Lake Country – grants the right to access, install and maintain the District of Lake Country’s works on the Lands;
- (v) Statutory Right of Way CA8927161 in favour of FortisBC Energy Inc. – grants the right to access, install and maintain FortisBC Energy’s works on the Lands;
- (vi) Mortgage CA9830133 and Assignment of Rents CA9830134 in favour of Canadian Western Bank, to be discharged from title to each Strata Lot on closing the purchase of the Strata Lot.

4.4 Proposed Encumbrances

The following are particulars of other proposed encumbrances to which the Purchaser’s title will be subject:

- (i) Party Wall Agreement- an agreement between the owners of the duplex units sharing a common wall requiring each of the owners to maintain and repair the common wall and to share the expenses relating to the maintenance and repair of the common wall. A copy of the proposed party wall agreement is attached hereto as Exhibit “H”;
- (ii) Easement – an easement over the common roadway to permit access to the remainder of the Lands once Phase 1 has been registered in the Land Title Office; and
- (iii) Encumbrances such as covenants, easements, statutory rights or way and/or agreements to be granted with and/or in favour of the District of Lake Country, public utilities, or other entities with respect to the provision of utilities and approvals to or relating to the Development.

4.5 Outstanding or Contingent Litigation or Liabilities

There is no outstanding or contingent litigation or liabilities in respect of the

Development or against the Developer that may affect the Strata Corporation or Strata Lot owners.

4.6 Environmental Matters

The Developer is not aware of any dangers or any requirements imposed by the municipality or other government authorities relating to flooding of or to the condition of the soil or subsoil or other environmental matters affecting the Lands.

5 Construction and Warranties

5.1 Construction Dates

“Commencement of Construction” means the date of commencement of excavation in respect of construction of an improvement that will become part of a development unit within the development property, and where there is no excavation it means the date of commencement of construction of an improvement that will become part of a development unit within the development property”;

“Completion of Construction” means the first date that a development unit within the development property may be lawfully occupied, even if such occupancy has been authorized on a provisional or conditional basis”; and

“Estimated Date Range” means a date range, not exceeding three months, for the commencement of construction or the completion of construction”

The Estimated Date Range for Commencement of Construction of Phase 1, Phase 2 and Phase 3 is between August 1, 2022, and November 1, 2022. The Estimated Date Range for Completion of Construction of Phase 1, Phase 2, and Phase 3 is between February 1, 2023, and May 1, 2023.

The Estimated Date Range for Commencement of Construction of Phase 4, Phase 5 and Phase 6 is between February 1, 2023 and May 1, 2023. The Estimated Date Range for Completion of Construction of Phase 4, Phase 5, and Phase 6 is between August 1, 2023 and November 1, 2023.

The Estimated Date Range for Commencement of Construction of Phase 7, Phase 8 and Phase 9 is between August 1, 2023 and November 1, 2023. The Estimated Date Range for Completion of Construction of Phase 7, Phase 8, and Phase 9 is between February 1, 2024, and May 1, 2024.

The Estimated Date Range for Commencement of Construction of Phase 10, Phase 11 and Phase 12 is between February 1, 2024, and May 1, 2024. The Estimated Date Range for Completion of Construction of Phase 10, Phase 11, and Phase 12 is between February 1, 2024, and August 1, 2024.

5.2 Warranties

The Developer will obtain home warranty insurance coverage for the Strata Lots which will provide the following coverage to purchasers pursuant to the requirements of the

Homeowner Protection Act (British Columbia):

- (a) defects in workmanship and materials for a period of two years after the date on which the warranty begins;
- (b) water penetration coverage of five years after the date on which the warranty begins; and
- (c) structural defects for a period of ten years after the date on which the warranty begins

Any manufacturers' warranties for appliances and equipment will be passed on to the owner or the Strata Corporation to the extent permitted.

5.3 Previously Occupied Building

The Development does not contain any previously occupied buildings.

6 Approvals and Finance

6.1 Development Approval

The District of Lake Country issued a development permit for the Development on September 29, 2020, under DP2018-023. A building permit for the Development has not yet been issued. As a result, the Developer is marketing the Strata Lots pursuant to the Policy Statement 5 set out on page 3 of this Disclosure Statement.

Policy Statement 5 will be satisfied upon issuance of the initial building permit. The Developer will be obligated to promptly apply for and promptly pay for further required building permits for each Phase pursuant to Policy Statement 5 and the *Real Estate Development Marketing Act*.

6.2 Construction Financing

The Developer has received a financing commitment from Canadian Western Bank for the construction financing required for the construction of the Strata Lots.

Pursuant to the financing commitment, the lender has agreed to provide a partial discharge of the financing as it relates to any particular Strata Lot, upon receipt of the net sale proceeds from the sale of such Strata Lot.

7 Miscellaneous

7.1 Deposits

Deposits paid by the Purchaser to the Developer shall be held in trust by the solicitors for the Developer, Benson Law LLP, Barristers and Solicitors, 270 Highway 33 West, Kelowna, B.C., V1X 1X7 or such other solicitor or notary public or real estate broker as the Developer and the Purchaser may agree. All money received from a Purchaser will be held in trust by the person in the manner required by the *Real Estate Development*

Marketing Act.

Under section 19 of the *Real Estate Development Marketing Act*, a developer who desires to use for the developer's own purposes a deposit that has been placed with a trustee under section 18 of the *Real Estate Development Marketing Act* may, by entering into a deposit protection contract in relation to that deposit, obtain the deposit from the trustee and use that deposit for the developer's own purposes. Section 10 of the *Real Estate Development Marketing Regulation*, provides that if a developer enters into a deposit protection contract, the developer must provide notice of the deposit contract to a purchaser by including the following information in an amendment to this Disclosure Statement:

- the name and business address of the insurer
- the name of the developer who entered into the deposit contract
- the date on which the insurance takes effect

The Developer may enter into a deposit protection contract in relation to deposits received pursuant to Purchase Contracts of the Strata Lots. Any such deposit protection contract will be in such form and with such approved insurer, and will follow such requirements, as are prescribed by the regulations of the *Real Estate Act*, and notice thereof will be provided to all purchasers of Strata Lots in accordance with the regulations. Upon compliance with such statutory and regulatory requirements the Developer may use the deposits, but only for purposes related to the Development.

7.2 Purchase Agreement

- (a) The Developer intends to use the Purchase Agreement in the form attached hereto as Exhibit "P" in connection with the sale of the Strata Lots, unless otherwise agreed by the Developer and a purchaser.

Termination of Purchase Agreement

- (b) Section 1 of Addendum "A" to the Purchase Agreement provides that the Purchase Agreement will be terminated if the Completion Date has not occurred by the Outside Date.
- (c) There is a termination provision in section 7 of the Addendum "A" to the Purchase Agreement that provides for termination of the Purchase Agreement by the Developer in the event the Purchaser does not pay any part of the purchase price when due.
- (d) Section 10 of Addendum "A" to the Purchase Agreement provides that a Purchaser may cancel/terminate the Purchase Agreement if the Purchaser does not receive an Amendment to the Disclosure Statement confirming that the Developer has received a building permit for the Development within 12 months after the filing of the Disclosure Statement.
- (e) There is a termination provision in section 17 of the Addendum "A" to the Purchase Agreement that provides for termination of the Purchase Agreement in the event that either the Vendor or the Purchaser does not waive any conditions precedent for their benefit as set out in Schedule "C" within the time indicated for such waiver.

Extension of Completion Date

- (f) The sale of the Strata Lots are to be completed on the 21st day after the Developer or Developer's solicitors notifies the Purchaser or the Purchaser's solicitors that the Strata Lot is ready to be occupied and that the District of Lake Country has given permission to occupy the Strata Lot. Section 1 of the Addendum "A" to the Purchase Agreement permits the developer to extend the Outside Date of the Completion Date by the period of any delay for acts of God or construction delay and in addition to the foregoing for up to a further 180 days. In addition, section 7(b) of Addendum "A" to the Purchase Agreement permits the Developer to extend the Completion Date to a date determined by the Developer if the Purchaser fails to make any payment of the Purchase Price when due. There is no provision for the Purchaser to extend the closing date contained in the Purchase Agreement so the Developer may refuse the request of a purchaser to extend the closing date.

Assignment of Purchase Agreement

- (g) Section 14 of Addendum "A" to the Purchase Agreement provides that any assignment of the Purchase Agreement without the Developer's prior consent is prohibited.

An assignment under the Real Estate Development Marketing Act is a transfer of some or all of the rights, obligations and benefits under a purchase agreement made in respect of a strata lot in a development property, whether the transfer is made by the purchaser under the purchase agreement to another person or is a subsequent transfer.

Each proposed party to an assignment agreement must provide the Developer with the information and records required under the Real Estate Development Marketing Act.

Before the Developer consents to an assignment of a purchase agreement, the Developer will be required to collect information and records under the Real Estate Development Marketing Act from each proposed party to an assignment agreement, including personal information, respecting the following:

- (a) the party's identity;
- (b) the party's contact and business information;
- (c) the terms of the assignment agreement.

Information and records collected by the Developer must be reported by the Developer to the administrator designated under the *Property Transfer Tax Act*. The information and records may only be used or disclosed for tax purposes and other purposes authorized by section 20.5 of the *Real Estate Development Marketing Act*, which includes disclosure to the Canada Revenue Agency.

If the Developer does consent to an assignment and such consent is in compliance with the foregoing paragraph, the Developer may charge an administration fee of 1.5% of the Purchase Price for any assignment of the Purchase Agreement.

Deposit Interest

- (h) Section 3 of the Addendum “A” to the Purchase Agreement provides that any interest on the deposit held shall accrue to the benefit of the Purchaser until 14 days prior to the adjustment date after which date interest shall accrue to the Developer. Any interest earned to the benefit of the Purchaser shall be credited against the Purchase Price on the statement of adjustments. The Developer’s agent is not obligated to hold the deposit in an interest-bearing trust account.

7.3 Developer’s Commitments

There are no commitments made by the Developer to be met after completion of the sale of the Strata Lots.

7.4 Other Materials Facts

(a) Measurements

All measurements and square footage (square metres) for sale purposes have been estimated by the Developer based on building plans. The Developer reserves the right to make modifications and changes to each Strata Lot. The Surveyor will be required to re-measure and re-calculate square footage on completion of construction. The final strata plans prepared by a BC Land Surveyor pursuant to the requirement of the *Strata Property Act* (British Columbia) will in all likelihood vary from these measurements and square footage.

(b) Repairs and Costs Allocation

It is the Developer’s intent to require each Strata Lot owner to be responsible for all costs and repairs associated with their Strata Lot including costs such as roof and structural costs that would ordinarily be the responsibility of the Strata Corporation as a whole. This is accomplished by designating substantially all common property associated with a Strata Lot on the Strata Plan as Limited Common Property and amending the Standard Bylaws so as to require each owner to pay all costs associated with their Strata Lot including the cost of maintenance and repair of the Limited Common Property for which such owner has exclusive or shared use. The result is that the expenses of the Strata Corporation as a whole are substantially reduced and the assessments payable by the Strata Lot owners will be reviewed and assessed on an annual basis. The Developer will arrange for insurance for the Strata Corporation which will include fire coverage for the buildings comprising the Strata Lots to ensure that the Strata Lots and common property are insured. The cost of the Strata Corporation’s insurance will form part of the strata fees.

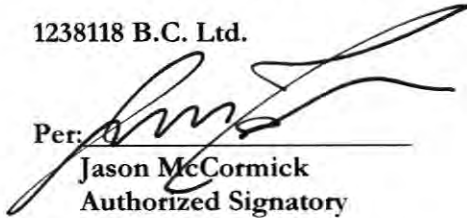
DEEMED RELIANCE

Section 22 of the *Real Estate Development Marketing Act* provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement, 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 Disclosure Statement are liable to compensate the Purchaser for any misrepresentation, subject to any defences available under Section 22 of the Act.

DECLARATION

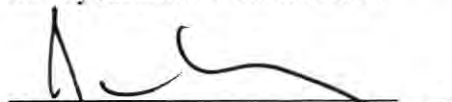
The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required the *Real Estate Development Marketing Act* of British Columbia as of May 20, 2022.

1238118 B.C. Ltd.

Per: 
Jason McCormick
Authorized Signatory

The Directors of 1238118 B.C. Ltd. in their personal capacity:


Randy Michael Sean Therrien


Jason Patrick Keeley

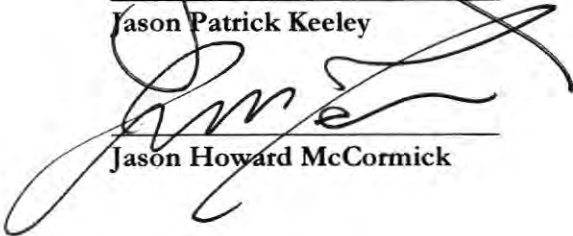

Jason Howard McCormick



Exhibit "A"
Plans

SKETCH PLAN SHOWING PROPOSED LIMITED COMMON PROPERTY FOR STRATA LOTS 1 AND 2 (PHASE 1)



SEE TYPICAL WALK-OUT UNIT FOR FLOOR PLANS



CLIENT: 1238118 BC LTD.	DATE: DECEMBER 8, 2021
SCALE: 1:300 METRES	FILE: 22763
DRAWN BY: CF	
Ferguson Land Surveying & Geomatics Ltd.	
BC AND CANADA LAND SURVEYORS 404-1630 PANDOSY STREET, KELOWNA, BC	
PHONE: (250) 763-3115 FAX: (250) 763-0321	
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C DENOTES COMMON PROPERTY
 LCP DENOTES LIMITED COMMON PROPERTY
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 DENOTES PHASE BOUNDARY

SKETCH PLAN SHOWING PROPOSED LIMITED COMMON PROPERTY FOR STRATA LOTS 3 AND 4 (PHASE 2)



SEE TYPICAL WALK-OUT UNIT FOR FLOOR PLANS



CLIENT: 1238118 BC LTD.		DATE: DECEMBER 8, 2021	C DENOTES COMMON PROPERTY LCP DENOTES LIMITED COMMON PROPERTY  DENOTES LIMITED COMMON PROPERTY  DENOTES PHASE BOUNDARY
SCALE: 1:300 METRES	FILE: 22763	DRAWN BY: CF	
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SKETCH PLAN SHOWING PROPOSED LIMITED COMMON PROPERTY FOR STRATA LOTS 5 AND 6 (PHASE 3)



SEE TYPICAL WALK-UP UNIT FOR FLOOR PLANS



CLIENT: 1238118 BC LTD.	DATE: DECEMBER 8, 2021
SCALE: 1:300 METRES	FILE: 22763
DRAWN BY: CF	
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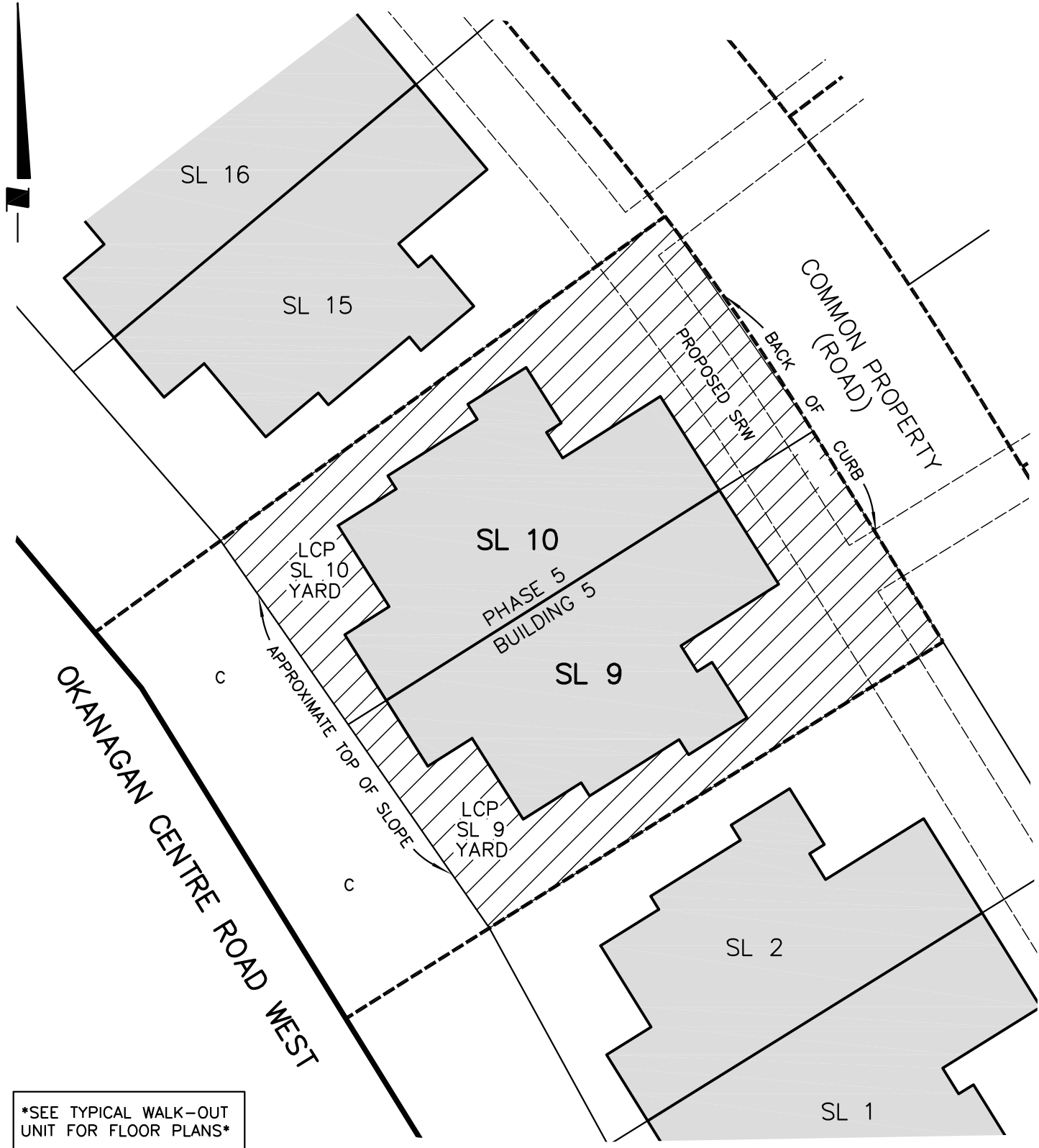
SKETCH PLAN SHOWING PROPOSED LIMITED COMMON PROPERTY FOR STRATA LOTS 7 AND 8 (PHASE 4)





SEE TYPICAL WALK-UP UNIT FOR FLOOR PLANS

CLIENT: 1238118 BC LTD.		DATE: DECEMBER 8, 2021	C DENOTES COMMON PROPERTY LCP DENOTES LIMITED COMMON PROPERTY  DENOTES LIMITED COMMON PROPERTY  DENOTES PHASE BOUNDARY
SCALE: 1:300 METRES	FILE: 22763	DRAWN BY: CF	
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SKETCH PLAN SHOWING PROPOSED LIMITED COMMON PROPERTY FOR STRATA LOTS 9 AND 10 (PHASE 5)





SEE TYPICAL WALK-OUT UNIT FOR FLOOR PLANS

CLIENT: 1238118 BC LTD.	DATE: DECEMBER 8, 2021	C DENOTES COMMON PROPERTY
SCALE: 1:300 METRES	FILE: 22763	LCP DENOTES LIMITED COMMON PROPERTY
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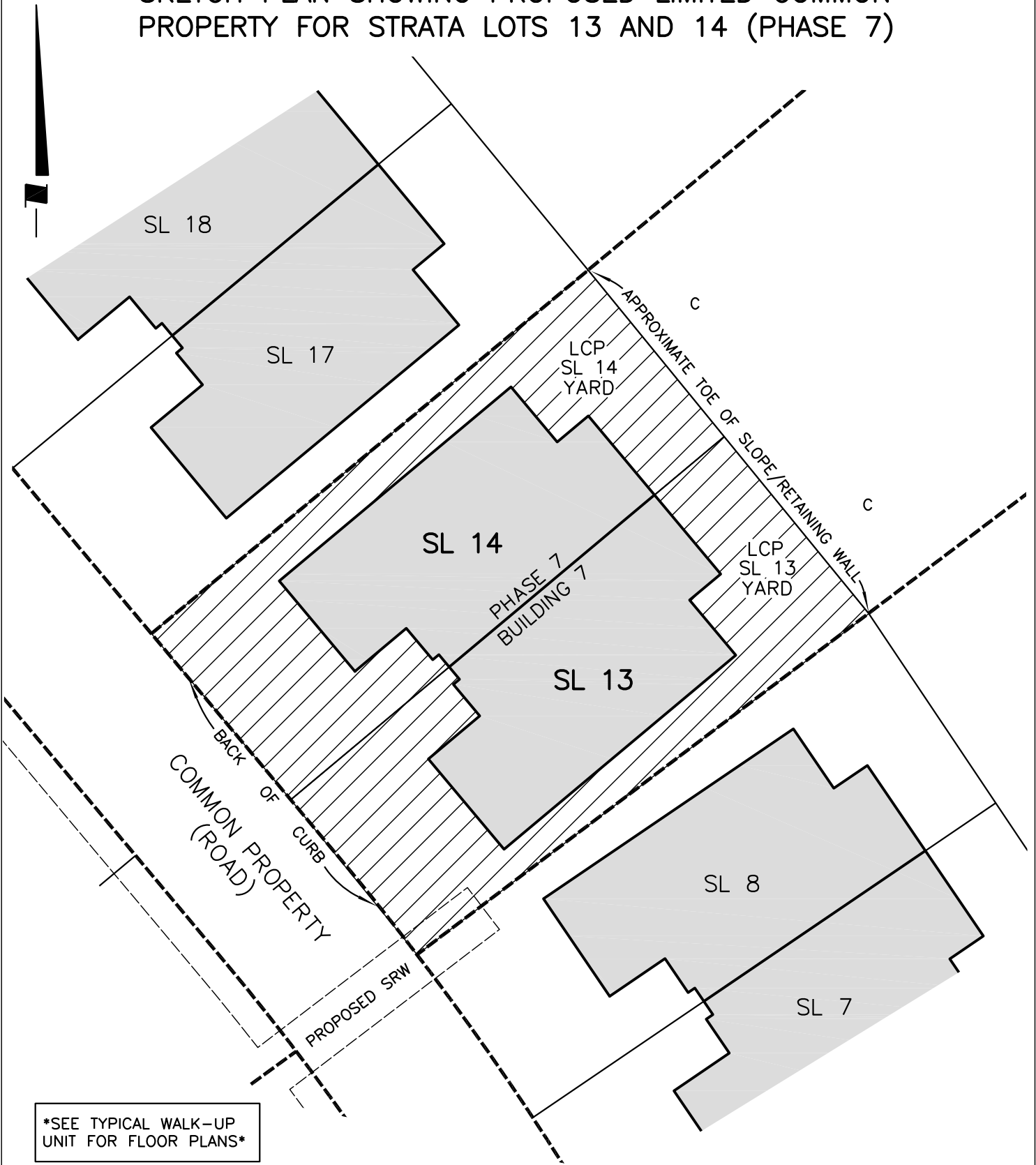
SKETCH PLAN SHOWING PROPOSED LIMITED COMMON PROPERTY FOR STRATA LOTS 11 AND 12 (PHASE 6)



SEE TYPICAL WALK-OUT UNIT FOR FLOOR PLANS


CLIENT: 1238118 BC LTD.	DATE: DECEMBER 8, 2021	C DENOTES COMMON PROPERTY
SCALE: 1:300 METRES	FILE: 22763	LCP DENOTES LIMITED COMMON PROPERTY
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SKETCH PLAN SHOWING PROPOSED LIMITED COMMON PROPERTY FOR STRATA LOTS 13 AND 14 (PHASE 7)

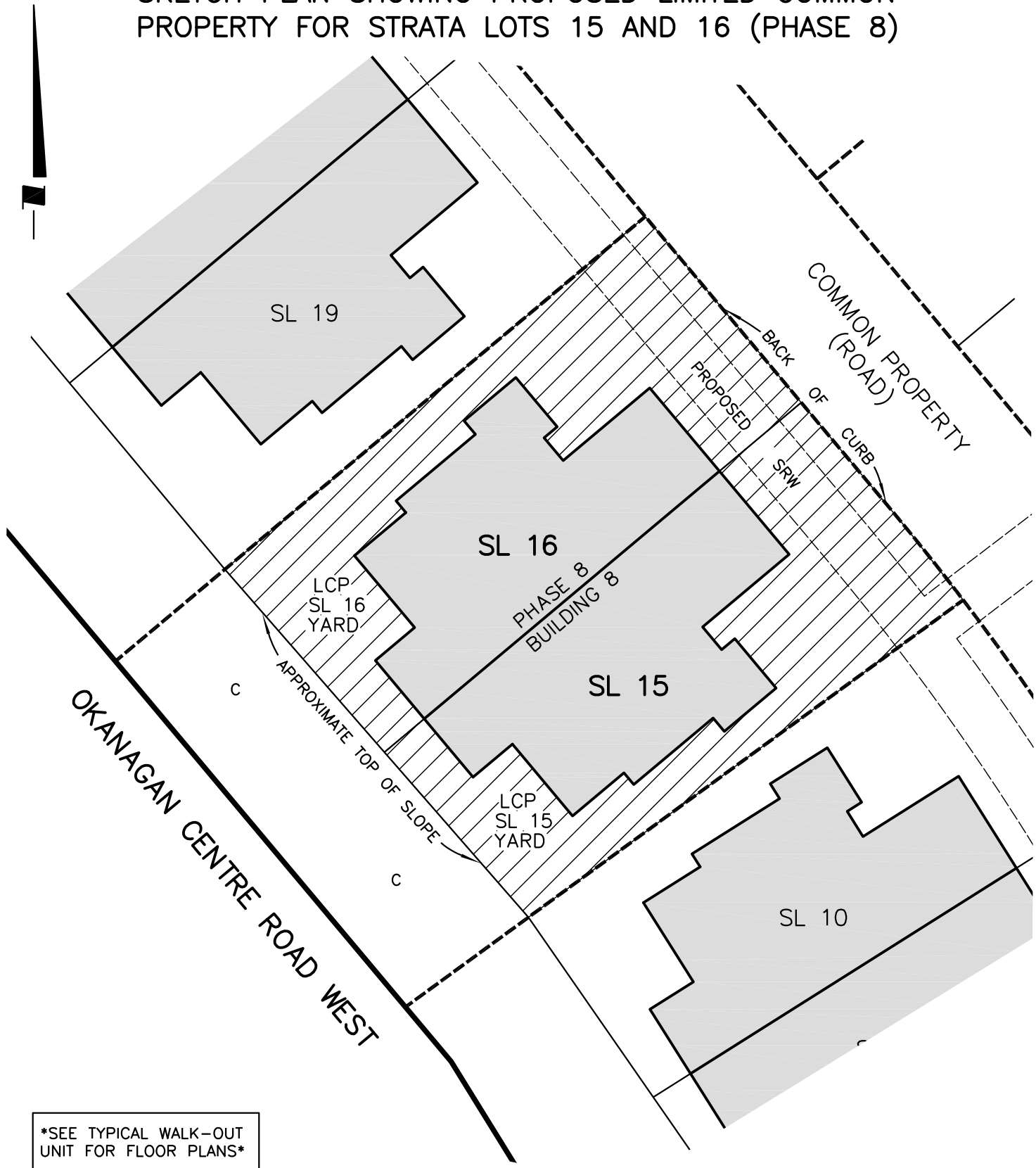


SEE TYPICAL WALK-UP UNIT FOR FLOOR PLANS

CLIENT: 1238118 BC LTD.		DATE: DECEMBER 8, 2021
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

SKETCH PLAN SHOWING PROPOSED LIMITED COMMON PROPERTY FOR STRATA LOTS 15 AND 16 (PHASE 8)



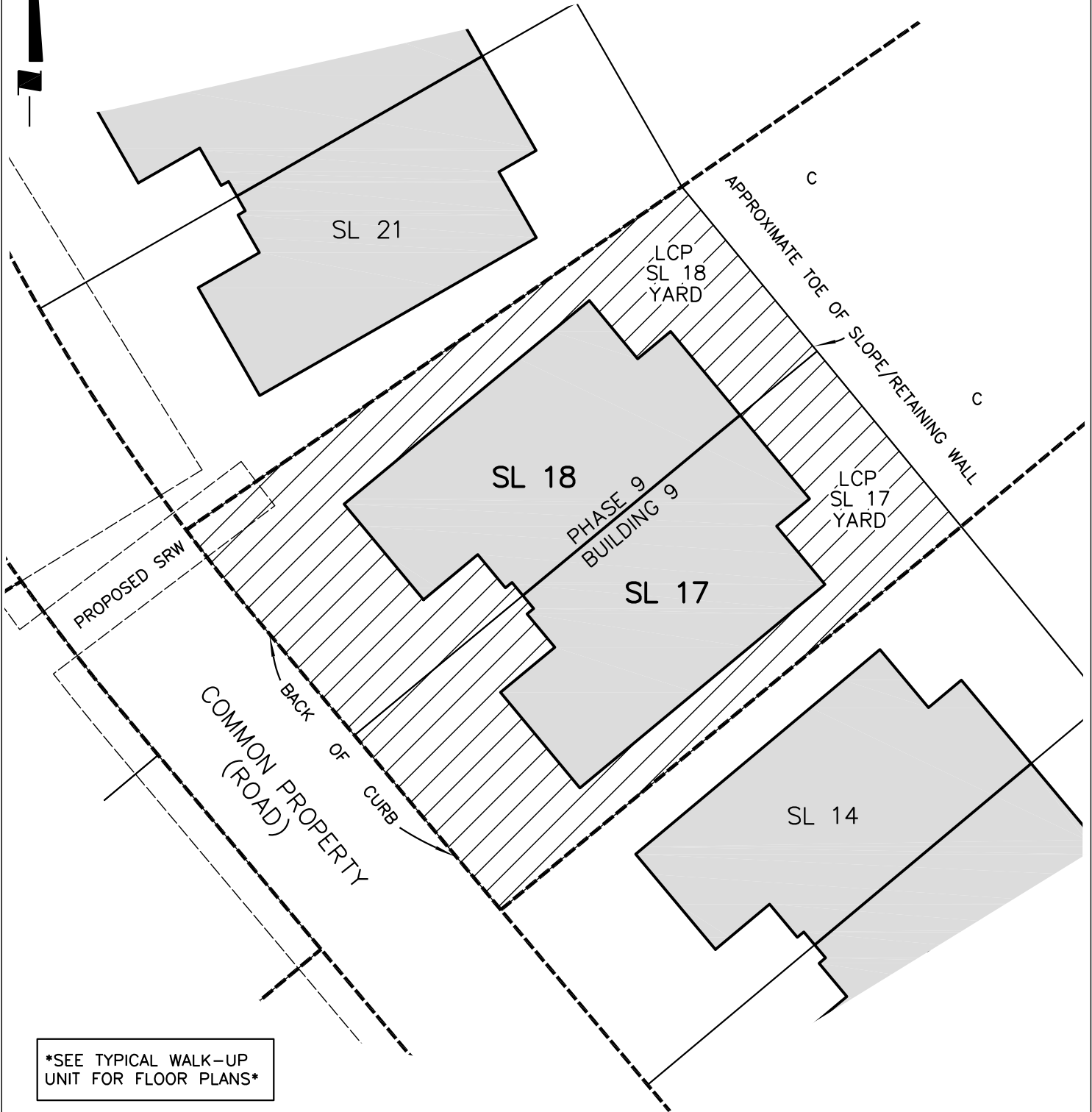
SEE TYPICAL WALK-OUT UNIT FOR FLOOR PLANS

CLIENT: 1238118 BC LTD.	DATE: DECEMBER 8, 2021
SCALE: 1:300 METRES	FILE: 22763
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SKETCH PLAN SHOWING PROPOSED LIMITED COMMON PROPERTY FOR STRATA LOTS 17 AND 18 (PHASE 9)



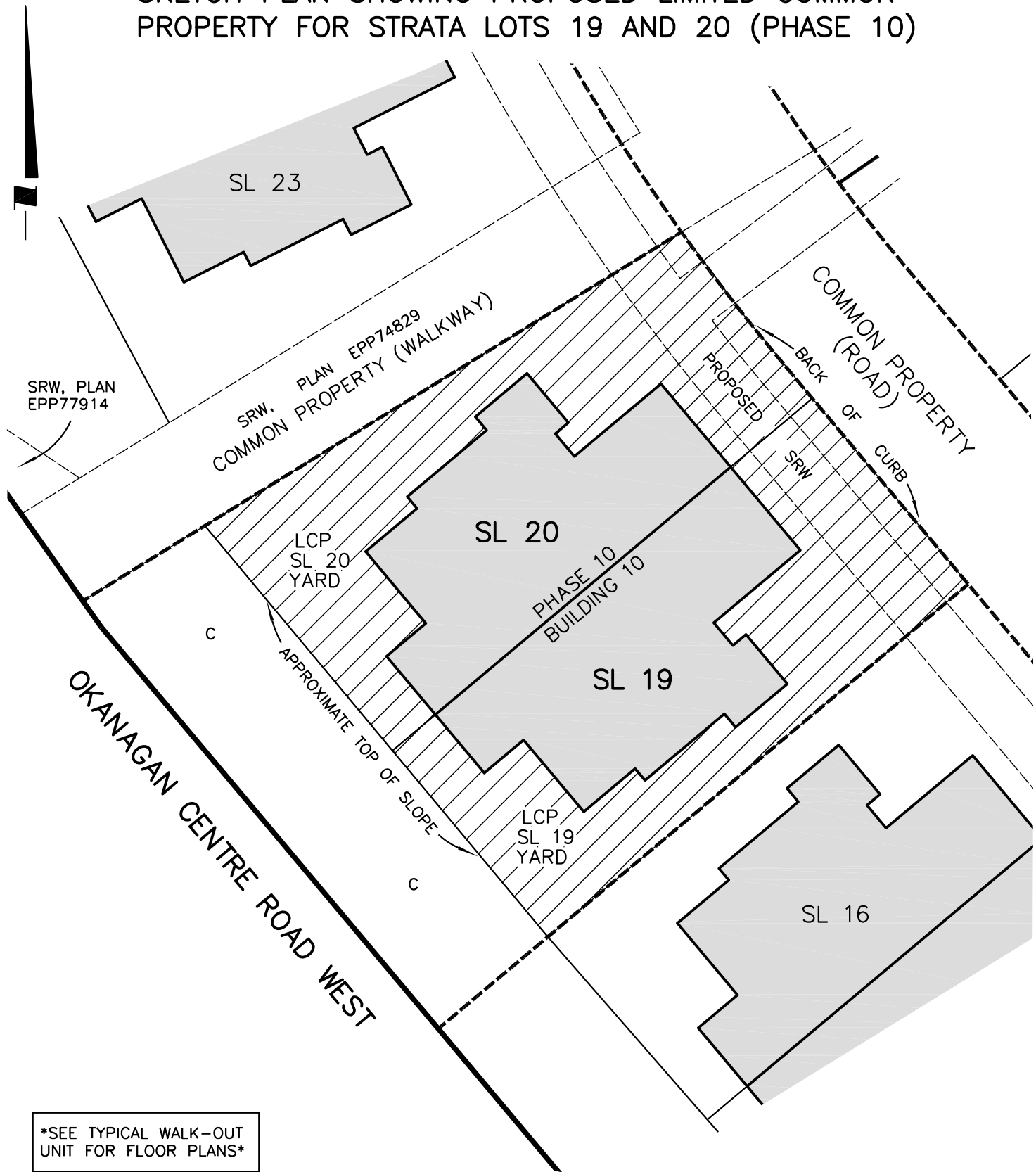
SEE TYPICAL WALK-UP UNIT FOR FLOOR PLANS

CLIENT: 1238118 BC LTD.	DATE: DECEMBER 8, 2021
SCALE: 1:300 METRES	FILE: 22763
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

- C DENOTES COMMON PROPERTY
- LCP DENOTES LIMITED COMMON PROPERTY
-  DENOTES LIMITED COMMON PROPERTY
-  DENOTES PHASE BOUNDARY

SKETCH PLAN SHOWING PROPOSED LIMITED COMMON PROPERTY FOR STRATA LOTS 19 AND 20 (PHASE 10)

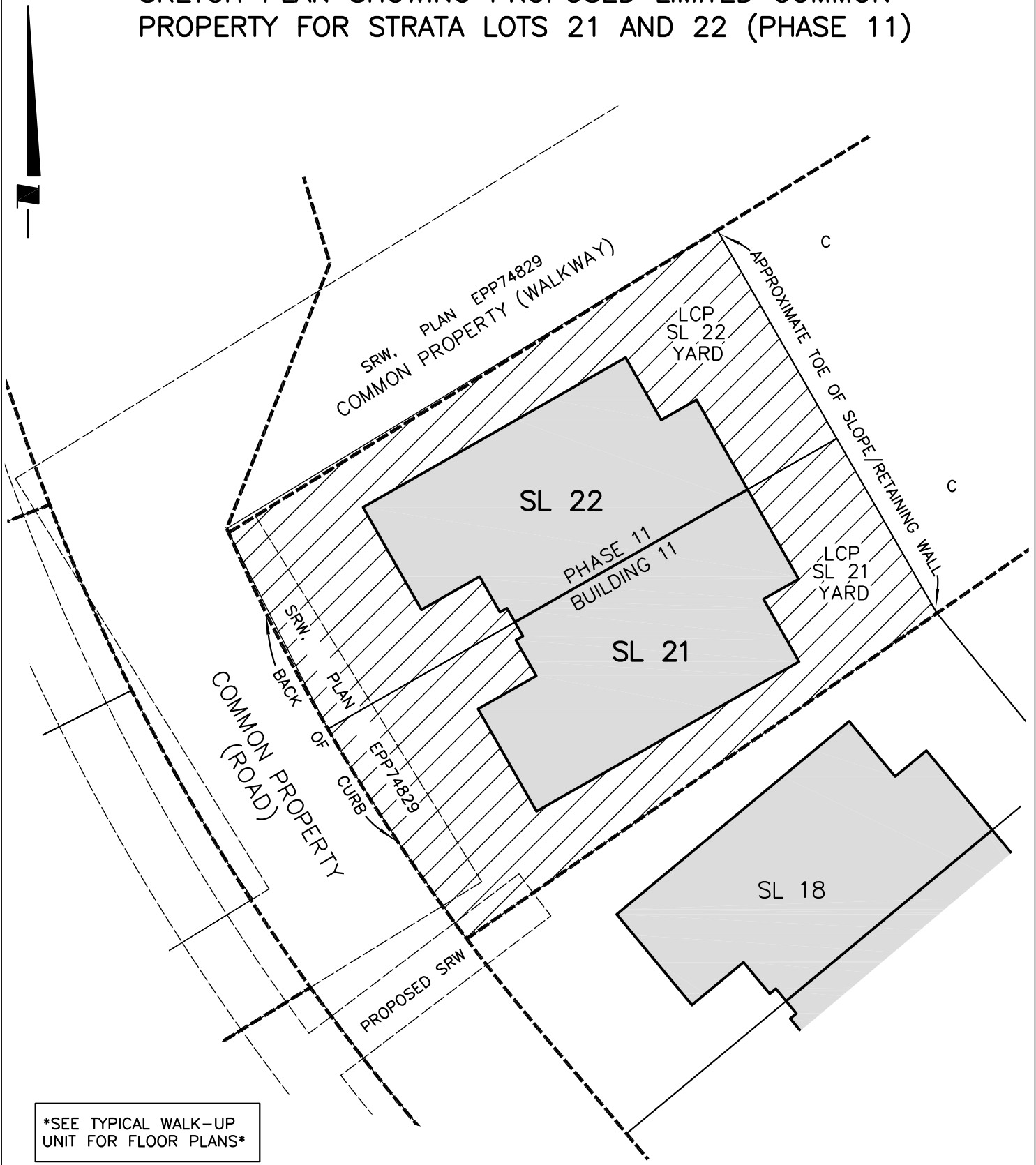


SEE TYPICAL WALK-OUT UNIT FOR FLOOR PLANS

CLIENT: 1238118 BC LTD.	DATE: DECEMBER 8, 2021
SCALE: 1:300 METRES	FILE: 22763
DRAWN BY: CF	
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SKETCH PLAN SHOWING PROPOSED LIMITED COMMON PROPERTY FOR STRATA LOTS 21 AND 22 (PHASE 11)



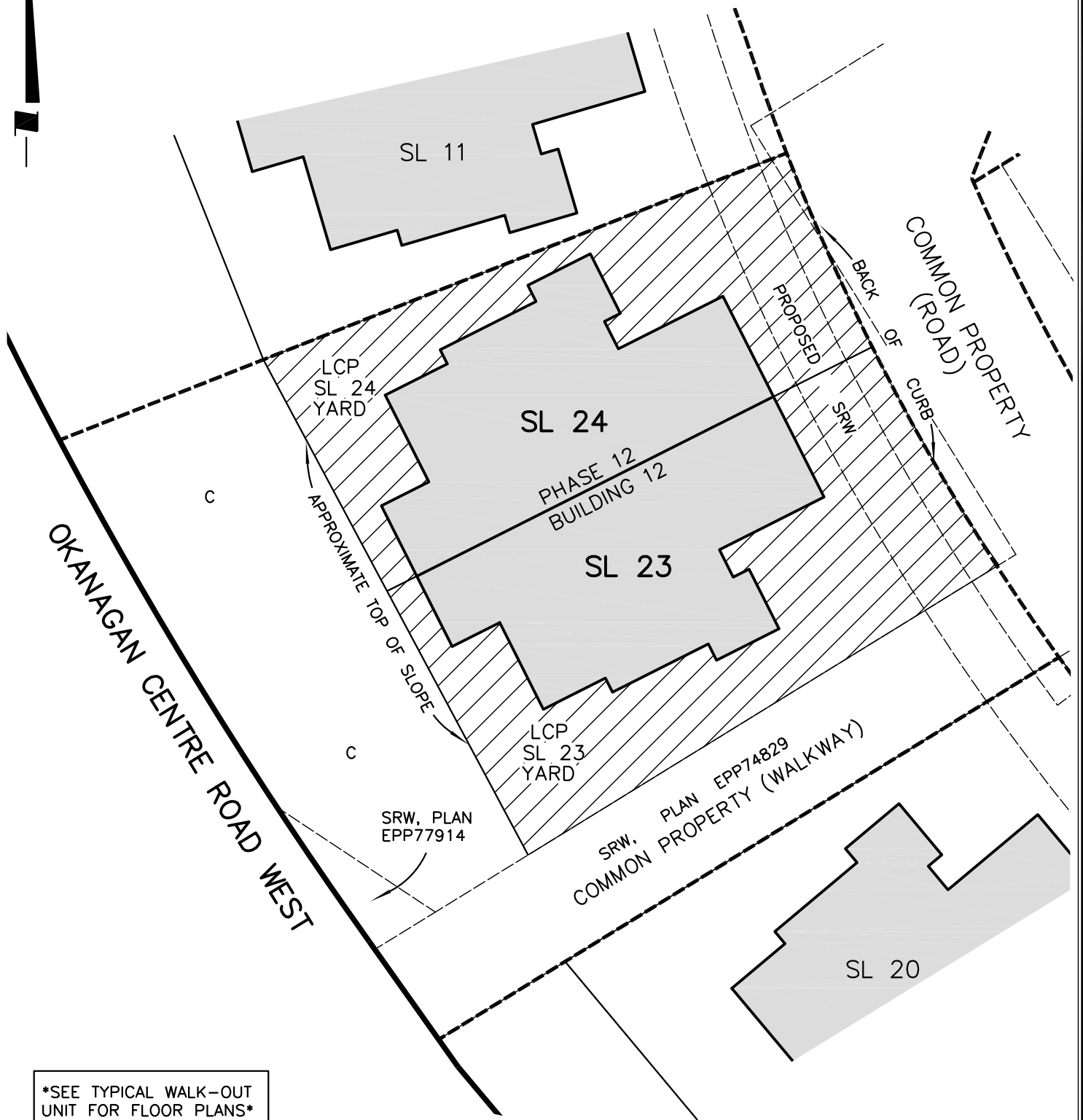
SEE TYPICAL WALK-UP UNIT FOR FLOOR PLANS

CLIENT: 1238118 BC LTD.	DATE: DECEMBER 8, 2021
SCALE: 1:300 METRES	FILE: 22763
	DRAWN BY: CF

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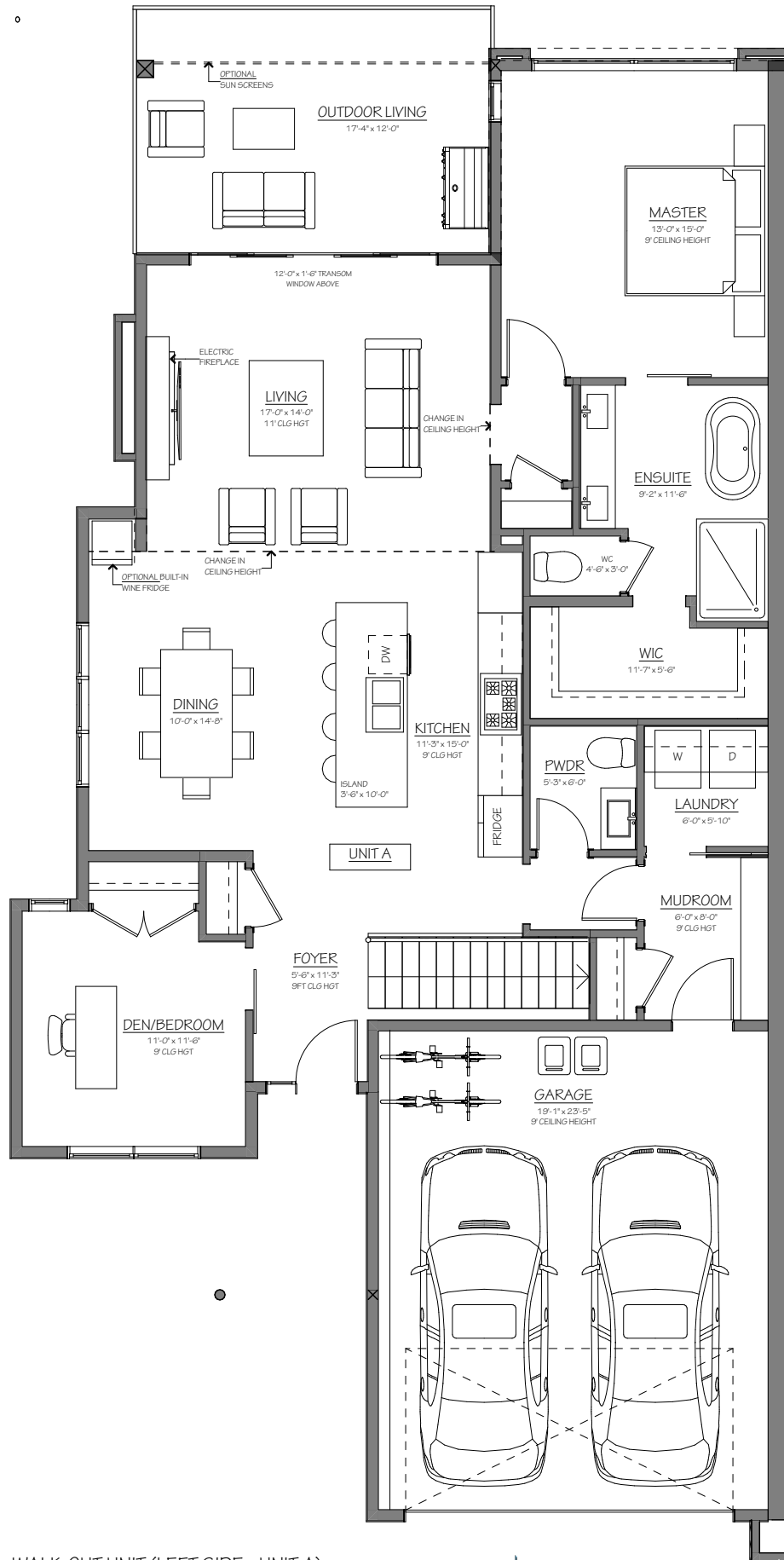
SKETCH PLAN SHOWING PROPOSED LIMITED COMMON PROPERTY FOR STRATA LOTS 23 AND 24 (PHASE 12)



SEE TYPICAL WALK-OUT UNIT FOR FLOOR PLANS

CLIENT: 1238118 BC LTD.	DATE: DECEMBER 8, 2021
SCALE: 1:300 METRES	FILE: 22763
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WALK-OUT UNIT (LEFT SIDE - UNIT A)

MAIN FLOOR PLAN

MAIN FLOOR FINISHED AREA: 1,508.8 sq ft
 BASEMENT FINISHED AREA: 1,510.6 sq ft
 TOTAL FINISHED AREA: 3,019.4 sq ft

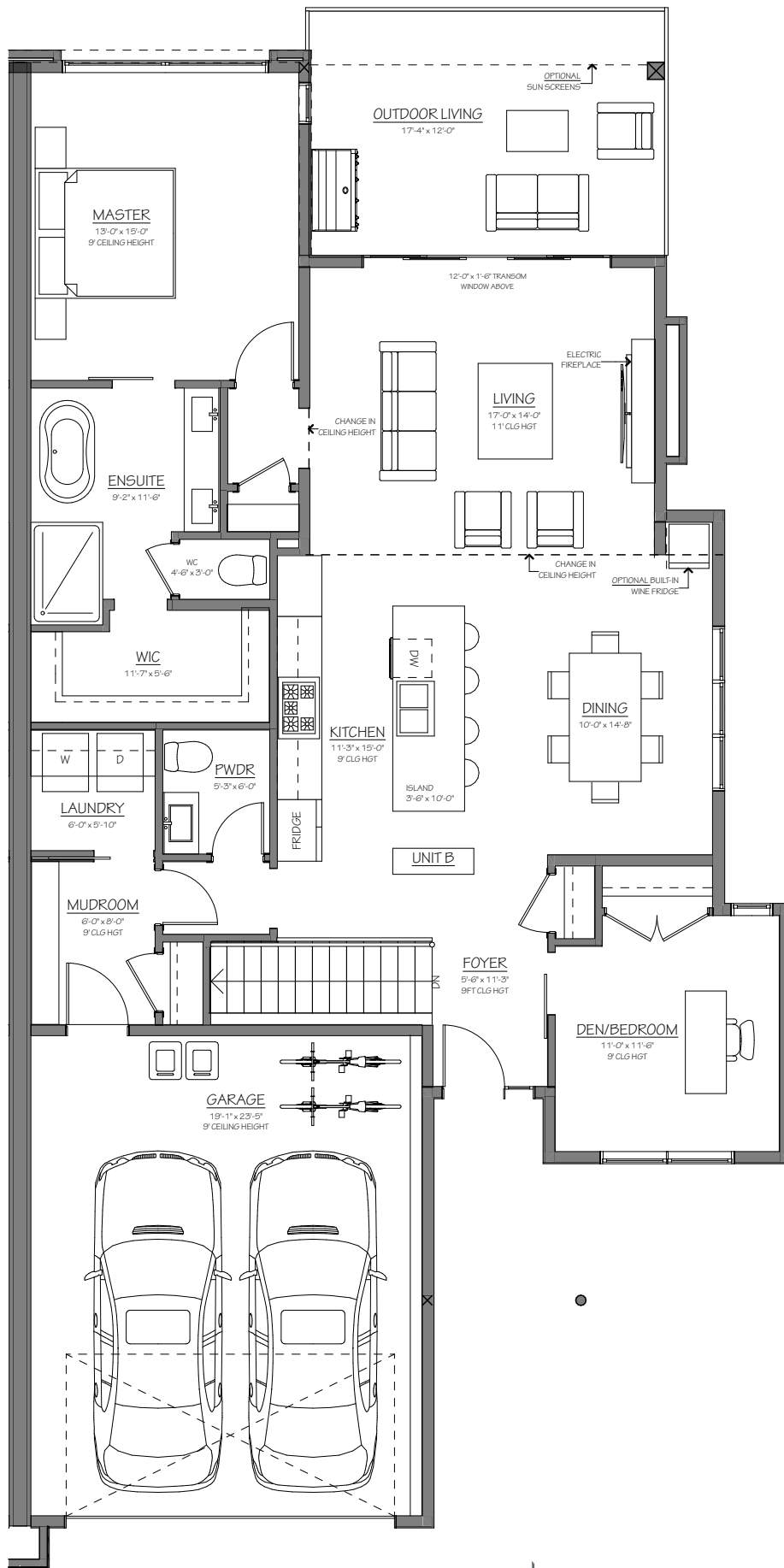
MAIN FLOOR GARAGE AREA: 479.4 sq ft



UPRISE DESIGN + DRAFTING

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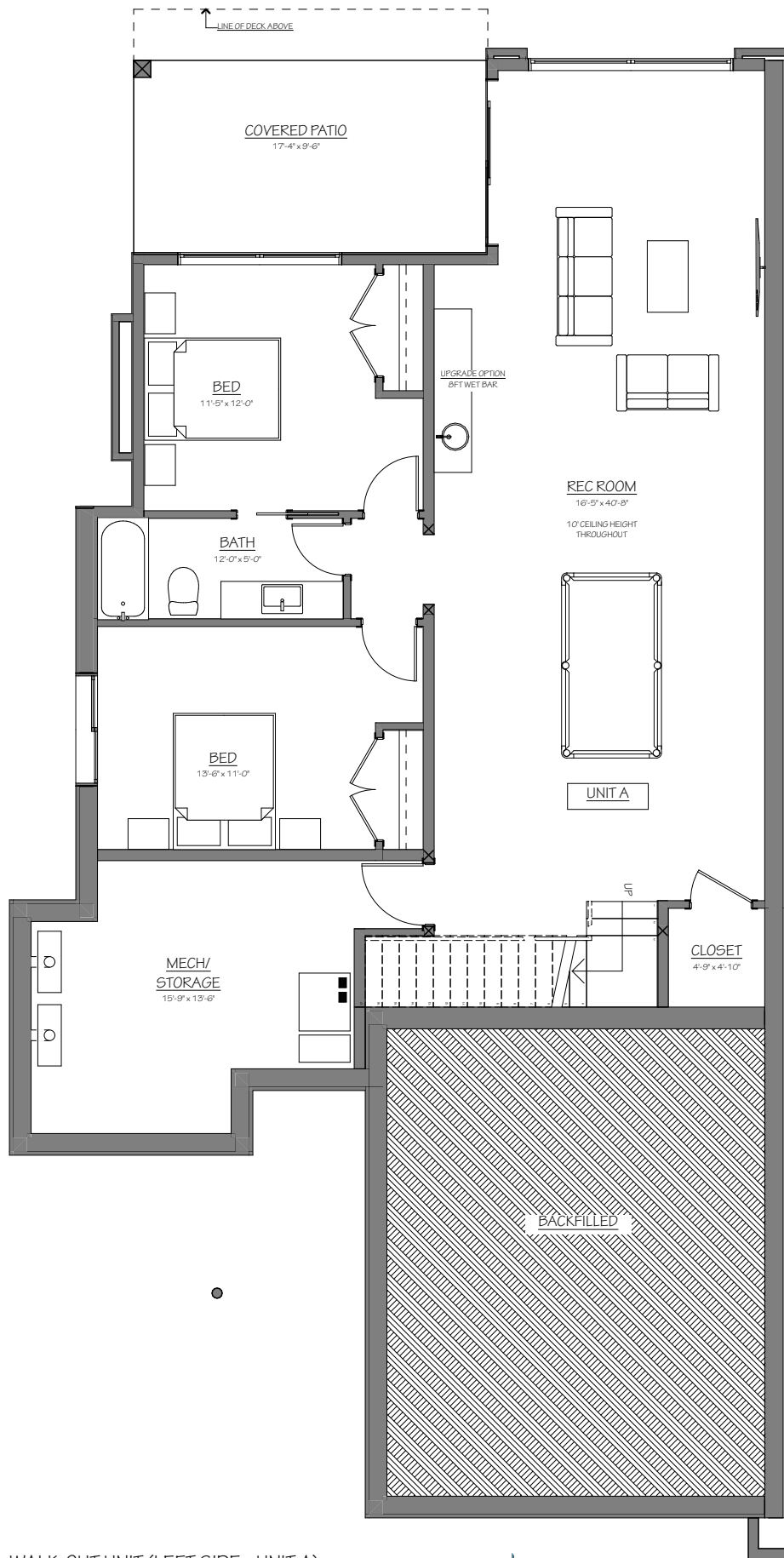
778.480.0341



WALK-OUT UNIT (RIGHT SIDE - UNIT B)

MAIN FLOOR PLAN

MAIN FLOOR FINISHED AREA: 1,508.8 sq ft
 BASEMENT FINISHED AREA: 1,510.6 sq ft
 TOTAL FINISHED AREA: 3,019.4 sq ft



WALK-OUT UNIT (LEFT SIDE - UNIT A)

BASEMENT PLAN

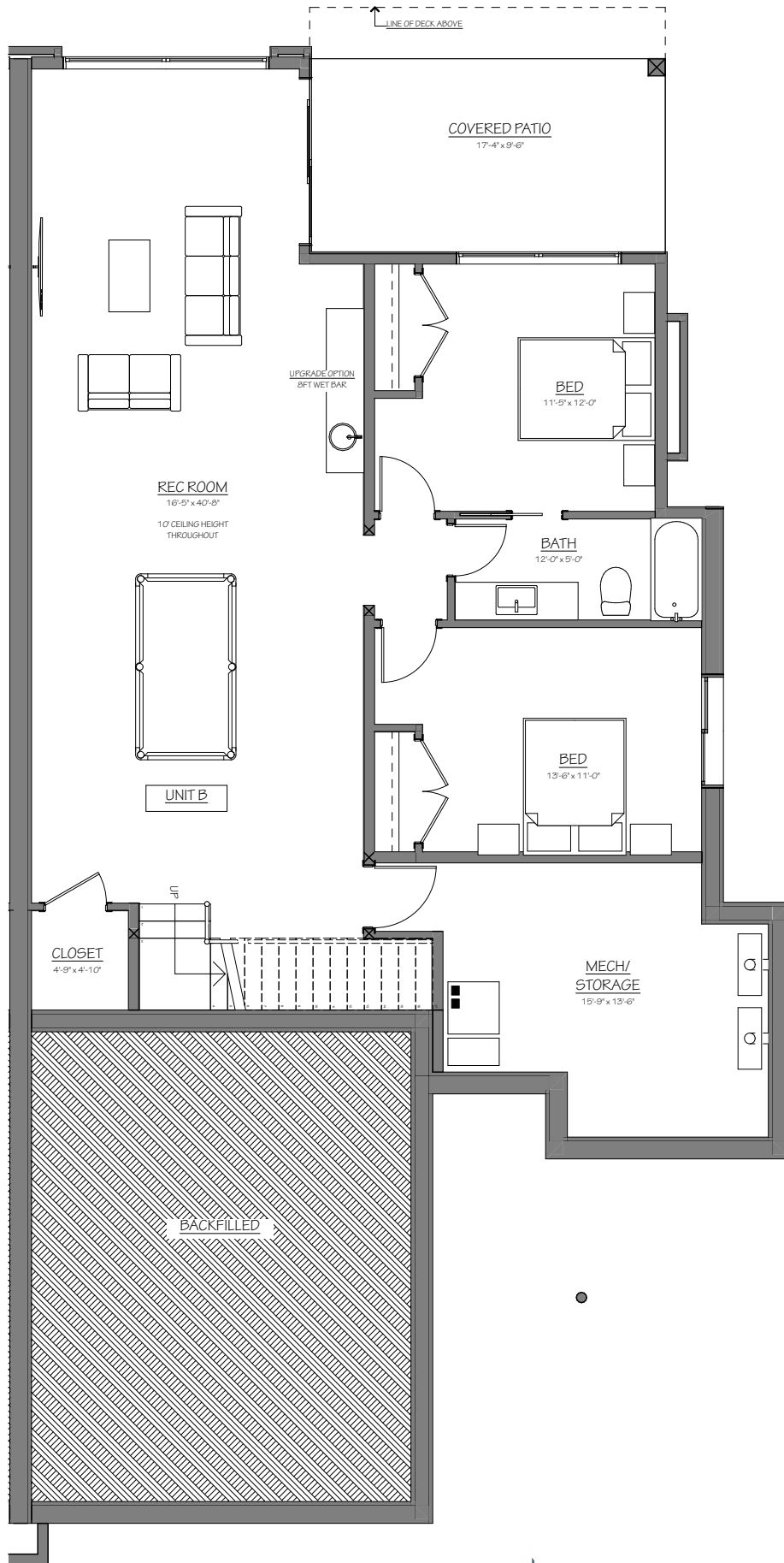
MAIN FLOOR FINISHED AREA: 1,508.8 sq ft
 BASEMENT FINISHED AREA: 1,510.6 sq ft
 TOTAL FINISHED AREA: 3,019.4 sq ft



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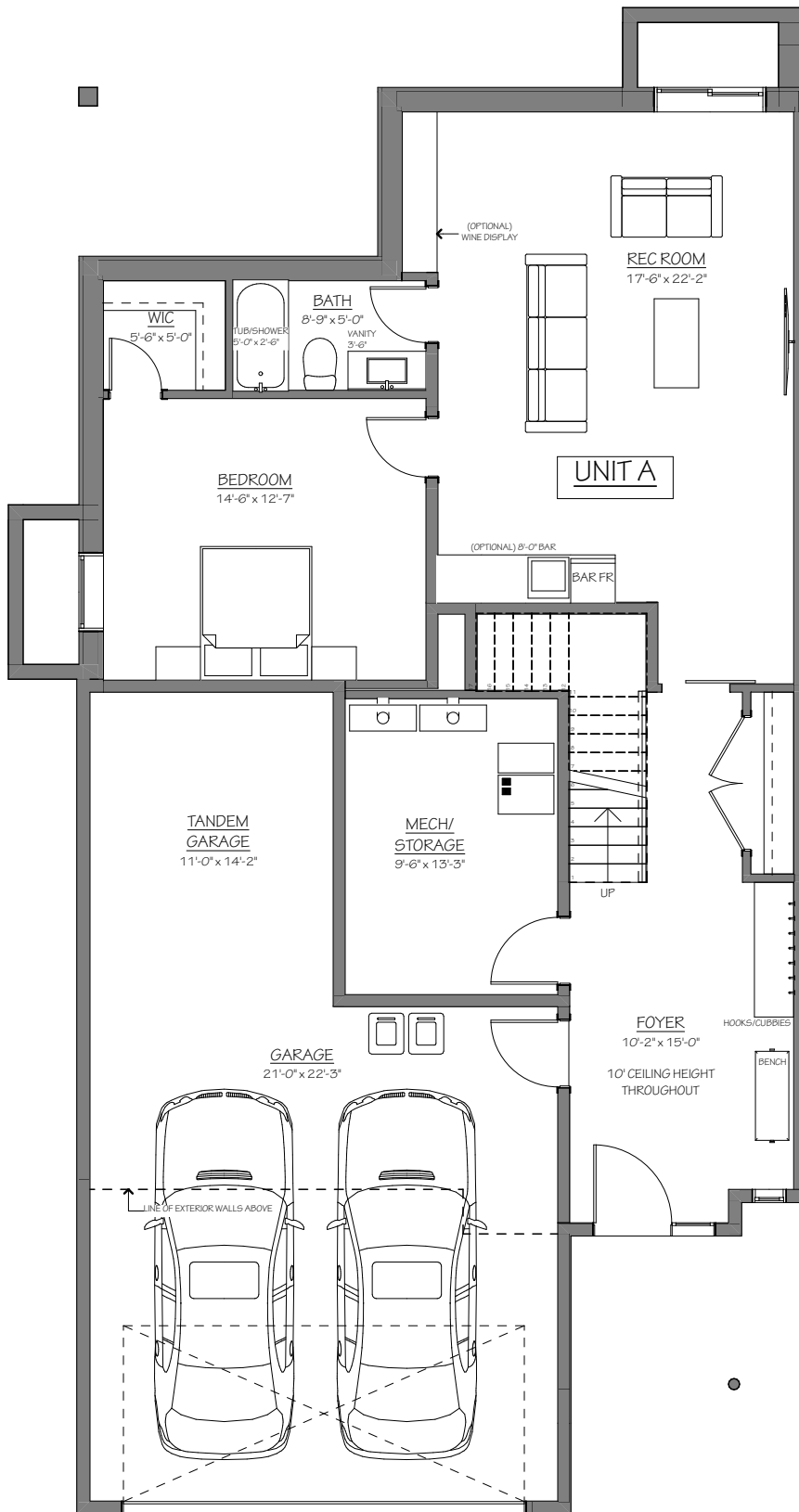
WALK-OUT UNIT (RIGHT SIDE - UNIT B)

BASEMENT PLAN

MAIN FLOOR FINISHED AREA: 1,508.8 sq ft
 BASEMENT FINISHED AREA: 1,510.6 sqft
 TOTAL FINISHED AREA: 3,019.4 sq ft



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WALK-UP UNIT (LEFT SIDE - UNIT A)

LOWER FLOOR PLAN

MAIN FLOOR FINISHED AREA: 1,193.6 sq ft

BASEMENT FINISHED AREA: 1,541.6 sq ft

TOTAL FINISHED AREA: 2,735.2 sq ft

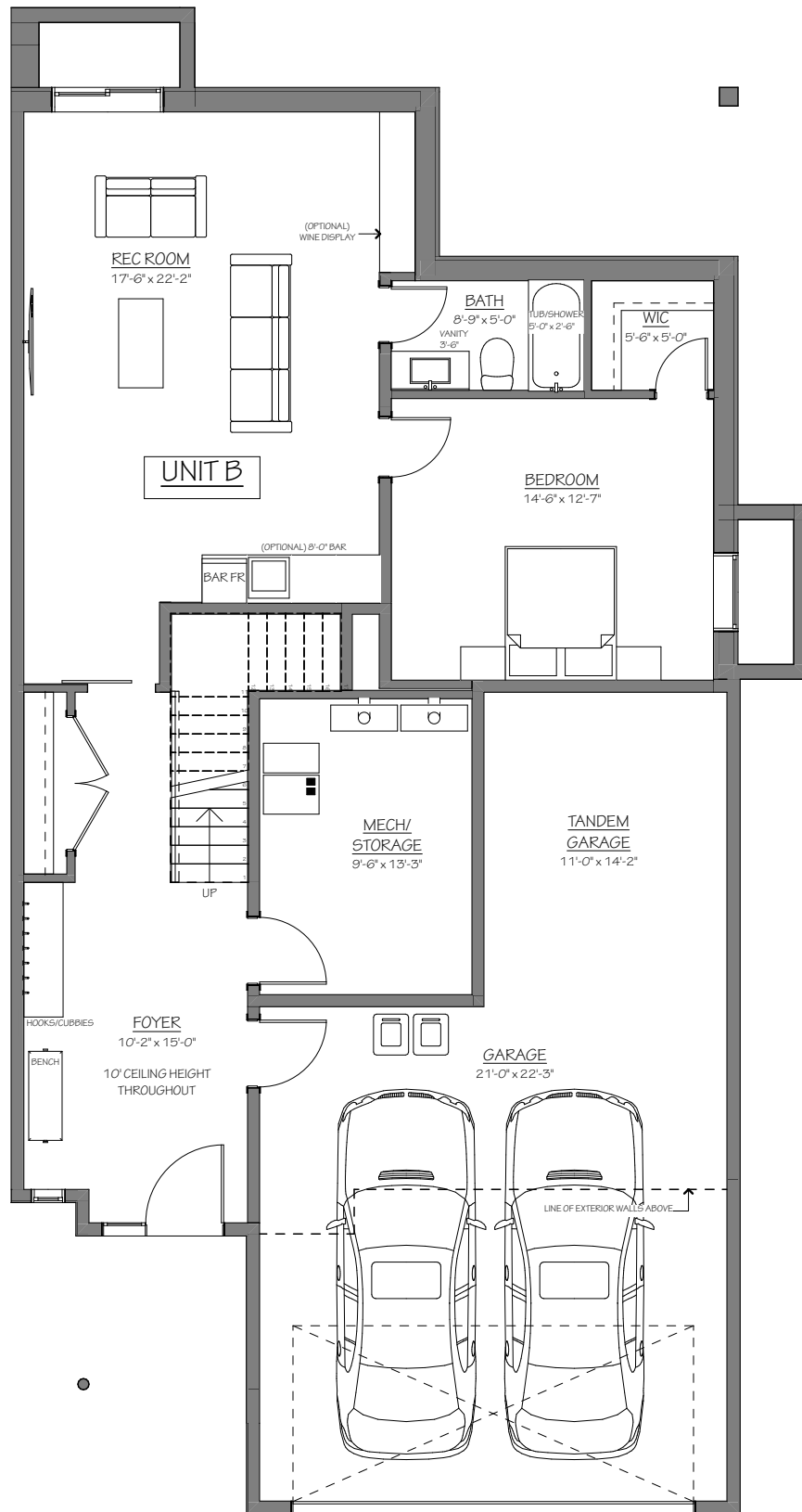
LOWER FLOOR GARAGE AREA: 657.7 sq ft



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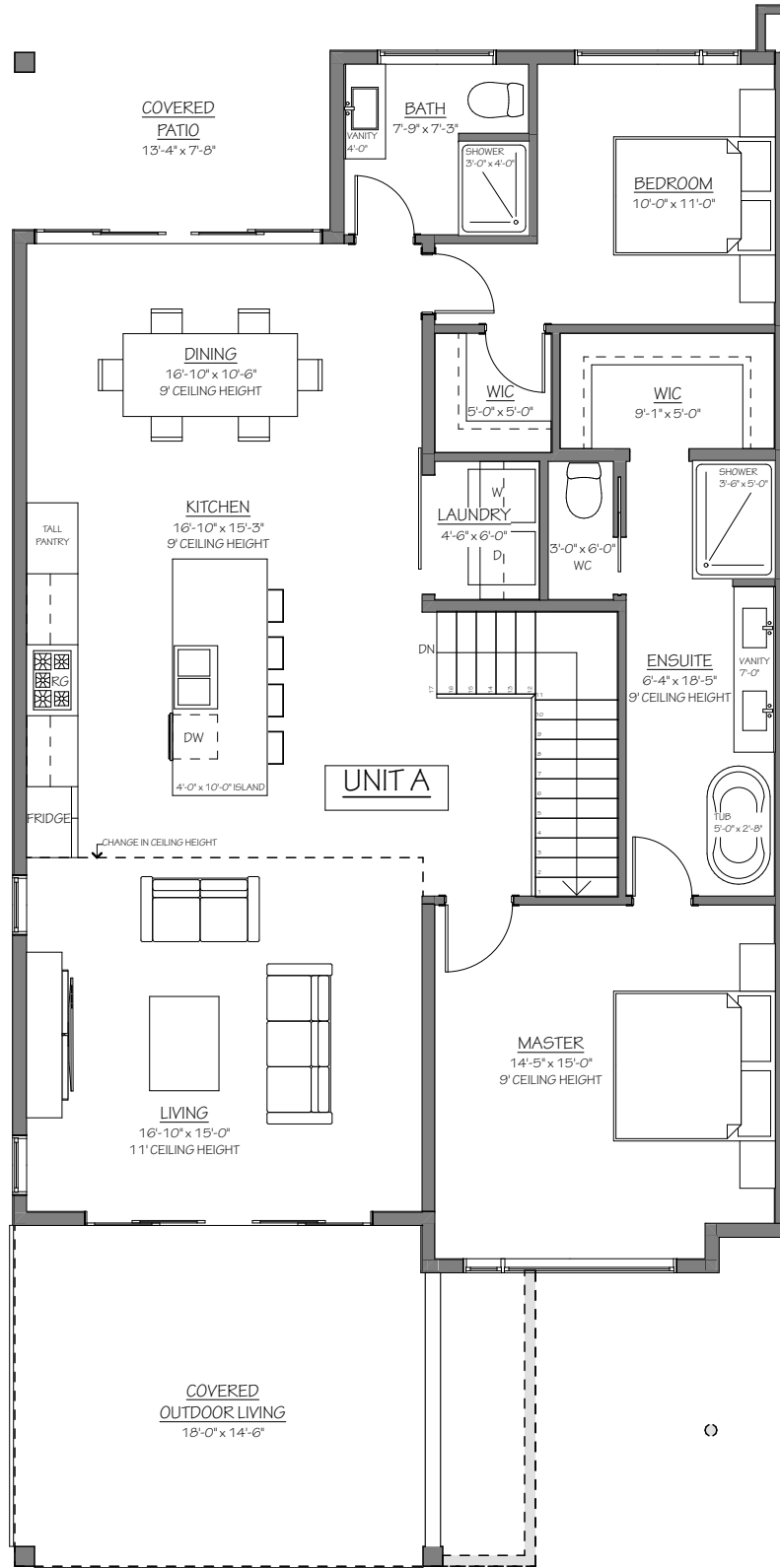
WALK-UP UNIT (RIGHT SIDE - UNIT B)

LOWER FLOOR PLAN

MAIN FLOOR FINISHED AREA: 1,193.6 sq ft
 BASEMENT FINISHED AREA: 1,541.6 sq ft
 TOTAL FINISHED AREA: 2,735.2 sq ft
 LOWER FLOOR GARAGE AREA: 657.7 sq ft



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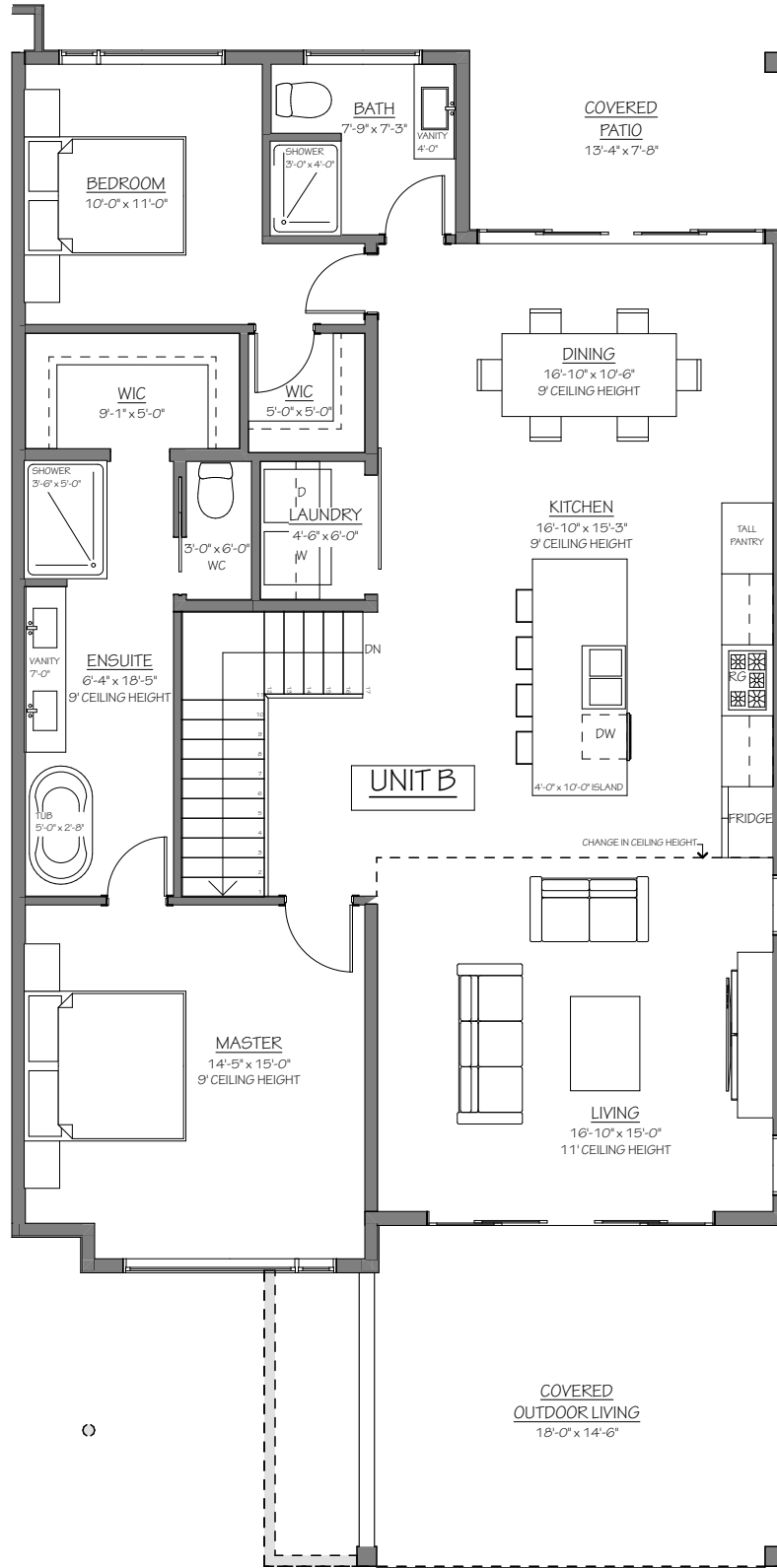
WALK-UP UNIT (LEFT SIDE - UNIT A)

UPPER FLOOR PLAN

MAIN FLOOR FINISHED AREA: 1,193.6 sq ft
 BASEMENT FINISHED AREA: 1,541.6 sq ft
 TOTAL FINISHED AREA: 2,735.2 sq ft



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WALK-UP UNIT (RIGHT SIDE - UNIT B)

UPPER FLOOR PLAN

MAIN FLOOR FINISHED AREA: 1,193.6 sq ft
 BASEMENT FINISHED AREA: 1,541.6 sq ft
 TOTAL FINISHED AREA: 2,735.2 sq ft



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Exhibit "B"
Zoning

15.5.RM2 – Low Density Row Housing

- 15.5.1. Purpose
The purpose is to provide a zone for low density row housing and compatible secondary uses on urban services.
- 15.5.2. Principal Uses
- (a) multiple dwelling housing
 - (b) two dwelling housing
- 15.5.3. Secondary Uses
- (a) care centres, minor
 - (b) home occupation
 - (c) utility services, minor impact
- 15.5.4. Buildings and Structures Permitted
- (a) duplex housing;
 - (b) row housing;
 - (c) semi-detached housing;
 - (d) accessory buildings or structures.
- 15.5.5. Subdivision Regulations
- (a) WIDTH
The minimum lot width is 30.0 m.
 - (b) DEPTH
The minimum lot depth is 30.0 m.
 - (c) AREA
The minimum lot area is 1000 m².
- 15.5.6. Development Regulations
- (a) FLOOR AREA RATIO
The maximum floor area ratio is 0.5, except it is 0.55 with a housing agreement pursuant to the provisions of Section 7.10. Where screened parking spaces are provided totally under habitable or common amenity areas, the floor area ratio may be increased by 0.08 multiplied by the ratio of such parking spaces to the total required up to a maximum of 0.08.
 - (b) SITE COVERAGE
The maximum site coverage is 45%, provided that the maximum site coverage of buildings, driveways and parking areas is not more than 50%.
 - (c) HEIGHT
The maximum height is the lesser of 9.5 m or 2 ½ storeys, except it is 4.5 m for accessory buildings and structures.

(d) FRONT YARD

The minimum site front yard is 4.5 m, except it is 6.0 m to a garage door or carport entrance.

(e) SIDE YARD

The minimum site side yard is 4.0 m for a 1 or 1½ storey portion of a building or an accessory building or structure and 4.5 m for a 2 or 2½ storey portion of a building, except it is 4.5 m from a flanking street unless there is a garage accessed from the flanking street, it is 6.0 m. Side yards are not required on a lot line that has a party wall.

(f) REAR YARD

The minimum site rear yard is 6.0 m for a 1 or 1 ½ storey portion of a building and 7.5 m for a 2 or 2 ½ storey portion of a building, except it is 1.5 m for accessory buildings.

(g) No principal building shall be closer than 3.0 m to another principal building.

15.5.7. Other Regulations

(a) DWELLINGS

No more than 6 dwellings may be located in a building.

(b) PRIVATE OPEN SPACE

A minimum area of 25 m² of private open space shall be provided per dwelling.

(c) ADDITIONAL REGULATIONS

In addition to the regulations listed above, other regulations may apply. These include the general development regulations of Section 7 (accessory development, yards, projections into yards, lighting, agricultural setbacks, etc.), the landscaping and fencing provisions of Section 8, the parking and loading regulations of Section 9, the specific use regulations of Section 10, and the sign regulations of Section 11.

Exhibit "C"
Form P – Phased Strata Plan Declaration

Strata Property Act

FORM P

PHASED STRATA PLAN DECLARATION

(Sections 221, 222)

1238118 B.C. Ltd., a company duly incorporated under the laws of the Province of British Columbia, and having a registered and records office at 270 Highway 33 West, Kelowna, British Columbia, declares that:

1. It intends to create a Strata Plan by way of phased development of the following land which it owns, legally described as:

Parcel Identifier: 030-898-226
Lot 3 Section 4 Township 20 ODYD Plan EPP90312

2. The plan of development is as follows:

- a) the Strata Plan shall be created in twelve (12) phases and when completed shall be comprised of twenty-four (24) strata lots. Phases 1, 2 and 3 will be deposited first, Phases 4, 5, and 6 will be deposited second, Phases 7, 8, and 9 will be deposited third, and Phases 10, 11, and 12 will be deposited fourth.
- b) the proposed site plan attached as Exhibit "A" shows the following:
- i. all the lands to be included in the phased Strata Plan,
 - ii. the present parcel boundaries,
 - iii. the approximate boundaries of each phase, and
 - iv. the approximate location of the common facilities;
- c) the estimated date for the beginning of construction and completion of construction of each phase are as follows:

Phase	Estimated Start Date	Estimated Completion Date
1	August 1, 2022	February 1, 2023
2	August 1, 2022	February 1, 2023
3	August 1, 2022	February 1, 2023
4	February 1, 2023	August 1, 2023
5	February 1, 2023	August 1, 2023
6	February 1, 2023	August 1, 2023
7	August 1, 2023	February 1, 2024
8	August 1, 2023	February 1, 2024
9	August 1, 2023	February 1, 2024
10	February 1, 2024	August 1, 2024
11	February 1, 2024	August 1, 2024
12	February 1, 2024	August 1, 2024

- d) the unit entitlement of each phase and the total unit entitlement of the completed development will be as follows:

Phase	Proposed Unit Entitlement
1	2
2	2
3	2
4	2
5	2
6	2
7	2
8	2
9	2
10	2
11	2
12	2
Total	24

- e) the maximum number of units and general type of residence or other structure to be built in each phase is as follows:

Phase	Maximum Number of Units
1	2
2	2
3	2
4	2
5	2
6	2
7	2
8	2
9	2
10	2
11	2
12	2

Each phase contains a duplex style unit containing two (2) strata lots.

3. 1238118 B.C. Ltd. will elect to proceed with each phase on or by the following dates:

Phase	Date
1	May 1, 2023
2	May 1, 2023
3	May 1, 2023
4	November 1, 2023
5	November 1, 2023
6	November 1, 2023
7	May 1, 2024
8	May 1, 2024
9	May 1, 2024
10	November 1, 2024
11	November 1, 2024
12	November 1, 2024

Date: _____, 20__

Signature of Owner/Developer,
1238118 B.C. Ltd.

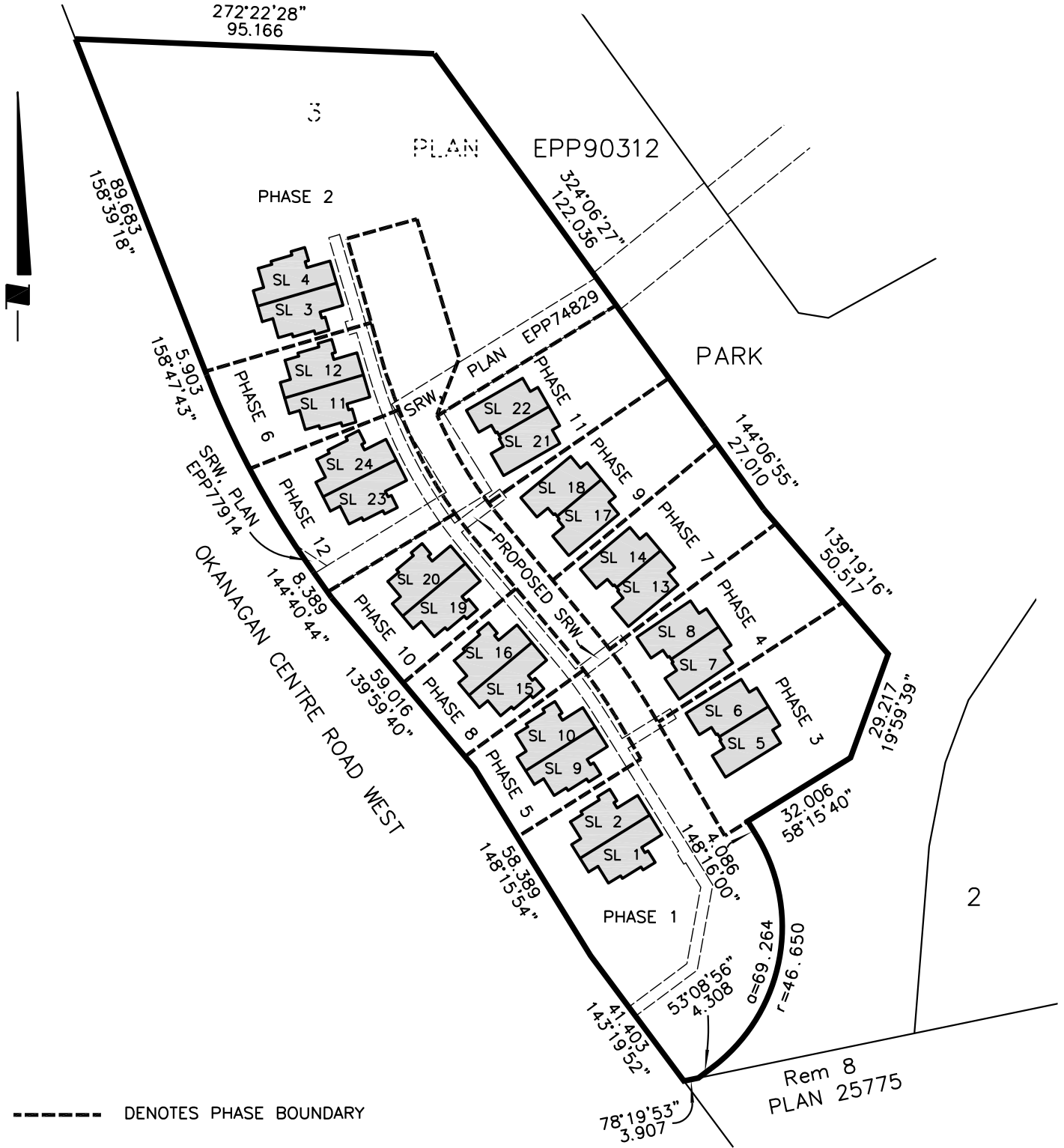
Date of approval: _____

Approving Officer
District of Lake Country

Section 222(2) of the Act provides that approval expires after one year unless the first phase is deposited before that time.

SKETCH PLAN TO ACCOMPANY FORM P PHASED STRATA PLAN DECLARATION OF LOT 3 SECTION 4 TOWNSHIP 20 ODYD PLAN EPP90312

PID: 030-898-226



----- DENOTES PHASE BOUNDARY

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Exhibit "D"
Unit Entitlement

Strata Property Act
PROPOSED FORM V

SCHEDULE OF UNIT ENTITLEMENT

(Sections 245(a), 246, 264)

Re: Preliminary Strata Plan EPS _____, being a strata plan of:

PID 030-898-226, Lot 3 Section 4 Township 20 ODYD Plan EPP90312

STRATA PLAN CONSISTING ENTIRELY OF RESIDENTIAL STRATA LOTS

The unit entitlement for each **residential** strata lot is one of the following, as set out in the following table:

- (a) the habitable area of the strata lot, in square metres, rounded to the nearest whole number as determined by a British Columbia land surveyor as set out in section 246(3)(a)(i) of the *Strata Property Act*.

Certificate of British Columbia Land Surveyor

I, _____, a British Columbia land surveyor, certify that the following table reflects the habitable area of each residential strata lot.

Date: _____

Signature

Strata Lot No.	Sheet No.	Habitable Area in m ²	Unit Entitlement
1		280.5	1
2		280.5	1
3		280.5	1
4		280.5	1
5		254.11	1
6		254.11	1
7		254.11	1
8		254.11	1
9		280.5	1
10		280.5	1
11		280.5	1

12		280.5	1
13		254.11	1
14		254.11	1
15		280.5	1
16		280.5	1
17		254.11	1
18		254.11	1
19		280.5	1
20		280.5	1
21		254.11	1
22		254.11	1
23		280.5	1
24		280.5	1
Total number of residential strata lots: 24			Total unit entitlement of residential strata lots: 24

Date: _____

Signature of Owner Developer

Exhibit "E"
Bylaws

Bylaws
Strata Corporation EPS _____

Division 1 – Duties of Owners, Tenants, Occupants and Visitors

Payment of strata fees

1 An owner must pay strata fees as determined at the annual general meeting. The amount and date of payment of the strata fees will be determined by a majority vote at the annual general meeting.

Repair and maintenance of property by owner

2 (1) It is the intent of these Bylaws that an owner will repair and maintain the entirety of the strata lot owned by the owner including any limited common property servicing or designated for use by the owner of that strata lot or used by the owner of the strata lot.

(2) An owner must repair and maintain the owner's strata lot, at his or her cost, including but not limited to, the following:

(a) the structure of a building;

(b) the exterior of a building;

(c) chimneys, stairs, balconies and other things attached to the exteriors of a building;

(d) doors, windows and skylights on the exterior of a building or that front on the common property;

(e) fences, railing and similar structures that enclose patios, balconies and yards;

(3) An owner who has been designated the use of limited common property must repair and maintain it.

(4) If an owner is in default of their obligation to repair and maintain their strata lot, common property or limited common property as required by these bylaws, the strata corporation may remedy such a contravention of the bylaws in accordance with section 133 of the Strata Property Act.

Use of property

3 (1) An owner, tenant, occupant or visitor must not use a strata lot, the common property or common assets in a way that

(a) causes a nuisance or hazard to another person,

(b) causes unreasonable noise,

(c) unreasonably interferes with the rights of other persons to use and enjoy the common property, common assets or another strata lot,

(d) is illegal, or

(e) is contrary to a purpose for which the strata lot or common property is intended as shown expressly or by necessary implication on or by the strata plan.

(2) An owner, tenant, occupant or visitor must not cause damage, other than reasonable wear and tear, to the common property, common assets or those parts of a strata lot which the strata corporation must repair and maintain under these bylaws or insure under section 149 of the Act.

(3) An owner, tenant, occupant or visitor must ensure that all animals are leashed or otherwise secured when on the common property or on land that is a common asset.

(4) An owner, tenant or occupant must not keep any pets on a strata lot other than one or more of the following:

(a) a reasonable number of fish or other small aquarium animals;

(b) a reasonable number of small caged animals;

(c) up to two caged birds;

(d) up to two dogs and two cats.

Inform strata corporation

4 (1) Within 2 weeks of becoming an owner, an owner must inform the strata corporation of the owner's name, strata lot number and mailing address outside the strata plan, if any.

(2) On request by the strata corporation, a tenant must inform the strata corporation of his or her name.

(3) An owner must provide to the strata corporation proof of contents and liability insurance coverage with respect to the owner's strata lot at the annual general meeting or on demand by the strata corporation.

Obtain approval before altering a strata lot

5 (1) An owner must obtain the written approval of the strata corporation before making an alteration to a strata lot that involves any of the following:

(a) the structure of a building;

(b) the exterior of a building;

(c) chimneys, stairs, balconies or other things attached to the exterior of a building;

(d) doors, windows or skylights, on the exterior of a building, or that front on the common property;

(e) fences, railings or similar structures that enclose a patio, balcony or yard;

- (f) common property located within the boundaries of a strata lot;
 - (g) those parts of the strata lot which the strata corporation must insure under section 149 of the Act.
- (2) The strata corporation must not unreasonably withhold its approval under subsection (1), but may require as a condition of its approval that the owner agree, in writing, to take responsibility for any expenses relating to the alteration.

Obtain approval before altering common property

6 (1) An owner must obtain the written approval of the strata corporation before making an alteration to common property, including limited common property, or common assets.

(2) The strata corporation may require as a condition of its approval that the owner agree, in writing, to take responsibility for any expenses relating to the alteration.

Permit entry to strata lot

7 (1) An owner, tenant, occupant or visitor must allow; a person authorized by the strata corporation to enter the strata lot

(a) in an emergency, without notice, to ensure safety or prevent significant loss or damage, and

(b) at a reasonable time, on 48 hours' written notice, to inspect, repair or maintain common property, common assets and any portions of a strata lot that are the responsibility of the strata corporation to repair and maintain under these bylaws or insure under section 149 of the Act.

(2) The notice referred to in subsection (1) (b) must include the date and approximate time of entry, and the reason for entry.

Division 2 – Powers and Duties of Strata Corporation

Repair and maintenance of property by strata corporation

8 The strata corporation must repair and maintain all of the following:

(a) common assets of the strata corporation;

(b) common property that has not been designated as limited common property;

9 Notwithstanding the obligation of the strata corporation in bylaw 8, the cost of all repairs and maintenance is to be paid by the owner(s) of the strata lot or lots benefitting from or being serviced by such common asset or common property.

Division 3 – Council

Council size

10 (1) Subject to subsection (2), the council must have at least 3 and not more than 7 members.

(2) If the strata plan has fewer than 4 strata lots or the strata corporation has fewer than 4 owners, all the owners are on the council.

Council members' terms

11 (1) The term of office of a council member ends at the end of the annual general meeting at which the new council is elected

(2) A person whose term as council member is ending is eligible for reelection.

Removing council member

12(1) Unless all the owners are on the council, the strata corporation may, by a resolution passed by a majority vote at an annual or special general meeting, remove one or more council members.

(2) After removing a council member, the strata corporation must hold an election at the same annual or special general meeting to replace the council member for the remainder of the term.

Replacing council member

13 (1) If a council member resigns or is unwilling or unable to act for a period of 2 or more months, the remaining members of the council may appoint a replacement council member for the remainder of the term.

(2) A replacement council member may be appointed from any person eligible to sit on the council.

(3) The council may appoint a council member under this section even if the absence of the member being replaced leaves the council without a quorum.

(4) If all the members of the council resign or are unwilling or unable to act for a period of 2 or more months, persons holding at least 25% of the strata corporation's votes may hold a special general meeting to elect a new council by complying with the provisions of the Act, the regulations and the bylaws respecting the calling and holding of meetings.

Officers

14 (1) At the first meeting of the council held after each annual general meeting of the strata corporation, the council must elect, from among its members, a president, a vice president, a secretary and a treasurer.

(2) A person may hold more than one office at a time, other than the offices of president and

vice president.

(3) The vice president has the powers and duties of the president

(a) while the president is absent or is unwilling or unable to act, or

(b) for the remainder of the president's term if the president ceases to hold office.

(4) If an officer other than the president is unwilling or unable to act for a period of 2 or more months, the council members may appoint a replacement officer from among themselves for the remainder of the term.

Calling council meetings

15 (1) Any council member may call a council meeting by giving the other council members at least one week's notice of the meeting, specifying the reason for calling the meeting.

(2) The notice does not have to be in writing.

(3) A council meeting may be held on less than one week's notice if

(a) all council members consent in advance of the meeting, or

(b) the meeting is required to deal with an emergency situation, and all council members either

(i) consent in advance of the meeting, or

(ii) are unavailable to provide consent after reasonable attempts to contact them.

(4) The council must inform owners about a council meeting as soon as feasible after the meeting has been called.

Requisition of council hearing

16 (1) By application in writing, stating the reason for the request, an owner or tenant may request a hearing at a council meeting.

(2) If a hearing is requested under subsection (1), the council must hold a meeting to hear the applicant within one month of the request.

(3) If the purpose of the hearing is to seek a decision of the council, the council must give the applicant a written decision within one week of the hearing.

Quorum of council

17 (1) A quorum of the council is

(a) 1, if the council consists of one member,

(b) 2, if the council consists of 2, 3 or 4 members,

(c) 3, if the council consists of 5 or 6 members, and

(d) 4, if the council consists of 7 members.

(2) Council members must be present in person at the council meeting to be counted in establishing quorum.

Council meetings

18 (1) At the option of the council, council meetings may be held by electronic means, so long as all council members and other participants can communicate with each other.

(2) If a council meeting is held by electronic means, council members are deemed to be present in person.

(3) Owners may attend council meetings as observers.

(4) Despite subsection (3), no observers may attend those portions of council meetings that deal with any of the following:

(a) bylaw contravention hearings under section 135 of the Act;

(b) rental restriction bylaw exemption hearings under section 144 of the Act;

(c) any other matters if the presence of observers would, in the council's opinion, unreasonably interfere with an individual's privacy.

Voting at council meetings

19 (1) At council meetings, decisions must be made by a majority of council members present in person at the meeting.

(2) Unless there are only 2 strata lots in the strata plan, if there is a tie vote at a council meeting, the president may break the tie by casting a second, deciding vote.

(3) The results of all votes at a council meeting must be recorded in the council meeting minutes.

Council to inform owners of minutes

20 The council must inform owners of the minutes of all council meetings within 2 weeks of the meeting, whether or not the minutes have been approved.

Delegation of council's powers and duties

21 (1) Subject to subsections (2) to (4), the council may delegate some or all of its powers and duties to one or more council members or persons who are not members of the council, and may revoke the delegation.

(2) The council may delegate its spending powers or duties, but only by a resolution that

- (a) delegates the authority; to make an expenditure of a specific amount for a specific purpose, or
- (b) delegates the general authority to make expenditures in accordance with subsection (3)
- (3) A delegation of a general authority to make expenditures must
 - (a) set a maximum amount that may be spent, and
 - (b) indicate the purposes for which, or the conditions under which, the money may be spent.
- (4) The council may not delegate its powers to determine, based on the facts of a particular case,
 - (a) whether a person has contravened a bylaw or rule,
 - (b) whether a person should be fined, and the amount of the fine, or
 - (c) whether a person should be denied access to a recreational facility.

Spending restrictions

22 (1) A person may not spend the strata corporation's money unless the person has been delegated the power to do so in accordance with these bylaws.

(2) Despite subsection (1), a council member may spend the strata corporation's money to repair or replace common property or common assets if the repair or replacement is immediately required to ensure safety or prevent significant loss or damage.

Limitation on liability of council member

23 (1) A council member who acts honestly and in good faith is not personally liable because of anything done or omitted in the exercise or intended exercise of any power or the performance or intended performance of any duty of the council.

(2) Subsection (1) does not affect a council member's liability, as an owner, for a judgment against the strata corporation.

Division 4 – Enforcement of Bylaws and Rules

Maximum fine

24 The strata corporation may fine an owner or tenant a maximum of

- (a) \$200 for each contravention of a bylaw, and
- (b) \$50 for each contravention of a rule.

Continuing contravention

25 If an activity or lack of activity that constitutes a contravention of a bylaw or rule continues, without interruption, for longer than 7 days, a fine may be imposed every 7 days.

Small Claims

26 The strata council is authorized to commence a proceeding under the Small Claims Act against an owner or other person to collect money owing to the strata corporation, including money owing as a fine without the need for authorization passed by a 3/4 vote at an annual or special general meeting. A vote of majority of council members at a duly called council meeting shall be required to authorize commencement of a Small Claims Act providing a council member who is the subject matter of the Small Claims Act proceeding will not have the right to vote on that decision

Division 5 – Annual and Special General Meetings

Person to chair meeting

27 (1) Annual and special general meetings must be chaired by the president of the council.

(2) If the president of the council is unwilling or unable to act, the meeting must be chaired by the vice president of the council.

(3) If neither the president nor the vice president of the council chairs the meeting, a chair must be elected by the eligible voters present in person or by proxy from among those persons who are present at the meeting.

Participation by other than eligible voters

28 (1) Tenants and occupants may attend annual and special general meetings, whether or not they are eligible to vote.

(2) Persons who are not eligible to vote, including tenants and occupants, may participate in the discussion at the meeting, but only if permitted to do so by the chair of the meeting.

(3) Persons who are not eligible to vote, including tenants and occupants, must leave the meeting if requested to do so by a resolution passed by a majority vote at the meeting.

Voting

29 (1) At an annual or special general meeting, voting cards must be issued to eligible voters.

(2) At an annual or special general meeting a vote is decided on a show of voting cards, unless an eligible voter requests a precise count.

(3) If a precise count is requested, the chair must decide whether it will be by show of voting cards or by roll call, secret ballot or some other method.

(4) The outcome of each vote, including the number of votes for and against the resolution if a precise count is requested, must be announced by the chair and recorded in the minutes of the meeting.

(5) If there is a tie vote at an annual or special general meeting, the president, or, if the president is absent or unable or unwilling to vote, the vice president, may break the tie by casting a second, deciding vote.

(6) If there are only 2 strata lots in the strata plan, subsection (5) does not apply.

(7) Despite anything in this section, an election of council or any other vote must be held by secret ballot, if the secret ballot is requested by an eligible voter.

Order of business

30 The order of business at annual and special general meetings is as follows:

- (a) certify proxies and corporate representatives and issue voting cards;
- (b) determine that there is a quorum;
- (c) elect a person to chair the meeting, if necessary;
- (d) present to the meeting proof of notice of meeting or waiver of notice;
- (e) approve the agenda;
- (f) approve minutes from the last annual or special general meeting;
- (g) deal with unfinished business;
- (h) receive reports of council activities and decisions since the previous annual general meeting, including reports of committees, if the meeting is an annual general meeting;
- (i) ratify any new rules made by the strata corporation under section 125 of the Act;
- (j) report on insurance coverage in accordance with section 154 of the Act, if the meeting is an annual general meeting;
- (k) approve the budget for the coming year in accordance with section 103 of the Act, if the meeting is an annual general meeting;
- (l) deal with new business, including any matters about which notice has been given under section 45 of the Act;
- (m) elect a council, if the meeting is an annual general meeting;
- (n) terminate the meeting.

Division 6 – Voluntary Dispute Resolution

Voluntary dispute resolution

31 (1) A dispute among Owners, tenants, the strata corporation or any combination of them may be referred to a dispute resolution committee by a party to the dispute if

- (a) all the parties to the dispute consent, and
- (b) the dispute involves the Act, the regulations, the bylaws or the rules.

(2) A dispute resolution committee consists of

- (a) one owner or tenant of the strata corporation nominated by each of the disputing parties and one owner or tenant chosen to chair the committee by the persons nominated by the disputing parties, or
- (b) any number of persons consented to, or chosen by a method that is consented to, by all the disputing parties.

(3) The dispute resolution committee must attempt to help the disputing parties to voluntarily end the dispute.

Division 7 – Marketing Activities by Owner Developer

Display lot

32 (1) An owner developer who has an unsold strata lot may carry on sales functions that relate to its sale, including the posting of signs.

(2) An owner developer may use a strata lot, that the owner developer owns or rents, as a display lot for the sale of other strata lots in the strata plan.

Division 8 – Owner Indemnity

33 An owner shall indemnify and save harmless the strata corporation with respect to the following:

- (a) repairs and maintenance required to be undertaken by the owner pursuant to Bylaw 2
- (b) the costs of any repairs and maintenance incurred by the strata corporation for which an owner is responsible to pay pursuant to Bylaw 9
- (c) the deductible portion of an insurance claim on the strata corporation's insurance if the owner is responsible for the loss or damage or the maintenance and repairs that resulted in the loss or damage that gave rise to the claim.

Exhibit "F"
Budget and Monthly Assessments

EPS ' 'Lake Country Villas
INTERIM BUDGET RESIDENTIAL STRATA LOTS 1-24

	Interim Budget Phase 1	Interim Budget Phase 1 - 2	Interim Budget Phase 1 - 3	Interim Budget Phase 1 - 4	
REVENUE					
Strata Fees	\$32,863	\$45,409	\$59,428	\$77,358	
TOTAL REVENUE	\$32,863	\$45,409	\$59,428	\$77,358	
REPAIR & MAINT. EXPENSES					
Repairs & General Maintenance	\$400	\$550	\$750	\$1,300	
Landscaping	\$4,500	\$5,500	\$6,750	\$7,500	7 month season
Snow removal	\$1,600	\$1,900	\$2,200	\$2,700	5 month season
Street Sweeping	\$550	\$550	\$550	\$550	
Miscellaneous	\$150	\$300	\$300	\$500	
TOTAL REPAIRS EXPENSE	\$7,200	\$8,800	\$10,550	\$12,550	
UTILITIES					
Electricity	\$750	\$750	\$750	\$750	
Water	\$1,800	\$3,600	\$5,400	\$7,200	Paid by strata (prev rev Homeowner to pay utility billing)
Sewer	\$1,550	\$3,096	\$4,650	\$6,200	Paid by strata (prev rev Homeowner to pay utility billing)
Waste removal	\$1,050	\$2,010	\$3,150	\$4,200	Paid by strata (prev rev Homeowner to pay utility billing)
TOTAL UTILITIES	\$5,150	\$9,456	\$13,950	\$18,350	
ADMINISTRATION					
Admin/Bank Charges	\$375	\$375	\$375	\$375	
Postage&Copies/Long Dis/fax	\$100	\$100	\$100	\$100	
Insurance	\$9,000	\$14,500	\$21,000	\$29,000	Strata to provide the insurance policy (prev rev had Homeowner to provide policy)
Management Fee	\$8,200	\$8,200	\$8,200	\$9,450	*** Homeowner will remain responsible for liability & contents insurance
Miscellaneous	\$250	\$250	\$250	\$500	
TOTAL ADMIN EXPENSES	\$17,925	\$23,425	\$29,925	\$39,425	
TOTAL OPERATING EXPENSES	\$30,275	\$41,681	\$54,425	\$70,325	
TRANSFER TO CONTINGENCY RESERVE	\$3,028	\$4,168	\$5,443	\$7,033	
DEVELOPER 5% CONTINGENCY CONTRIBUTION	\$1,514	\$2,084	\$2,721	\$3,516	

EPS ' ' Lake Country Villas
INTERIM BUDGET RESIDENTAIL STRATA LOTS 1-6

	Interim Budget Phase 1
REVENUE	
Strata Fees	\$32,863
TOTAL REVENUE	\$32,863
REPAIR & MAINT. EXPENSES	
Repairs & General Maintenance	\$400
Landscaping	\$4,500
Snow removal	\$1,600
Street Sweeping	\$550
Miscellaneous	\$150
TOTAL REPAIRS EXPENSE	\$7,200
UTILITIES	
Electricity	\$750
Water	\$1,800
Sewer	\$1,550
Waste removal	\$1,050
TOTAL UTILITIES	\$5,150
ADMINISTRATION	
Admin/Bank Charges	\$375
Postage&Copies/Long Dis/fax	\$100
Insurance	\$9,000
Management Fee	\$7,800
Miscellaneous	\$250
TOTAL ADMIN EXPENSES	\$17,525
TOTAL OPERATING EXPENSES	\$29,875
TRANSFER TO CONTINGENCEY RESERVE	\$2,988
DEVELOPER 5% CONTINGENCY CONTRIBUTION	\$1,494

EPS ' ' Lake Country Villas

SCHEDULE OF STRATA FEES PHASE 1

Strata Lot Number	Unit Entitlement	Percent Unit Entitlement	Operating Contribution	Contingency Contribution	Interim Budget Phase 1 Monthly Strata Fee
1	1	16.67%	\$414.93	\$41.49	\$456.42
2	1	16.67%	\$414.93	\$41.49	\$456.42
3	1	16.67%	\$414.93	\$41.49	\$456.42
4	1	16.67%	\$414.93	\$41.49	\$456.42
5	1	16.67%	\$414.93	\$41.49	\$456.42
6	1	16.67%	\$414.93	\$41.49	\$456.42
Total		6	\$2,489.58	\$248.96	\$2,738.54
AVG		16.67%	\$414.93	\$41.49	\$456.42

\$29,875.00

\$2,987.50

\$32,862.50

EPS ' ' Lake Country Villas

INTERIM BUDGET RESIDENTIAL STRATA LOTS 1-12

**Interim Budget
Phase 1 - 2**

REVENUE

Strata Fees	\$45,409
TOTAL REVENUE	\$45,409

REPAIR & MAINT. EXPENSES

Repairs & General Maintenance	\$550
Landscaping	\$5,500
Snow removal	\$1,900
Street Sweeping	\$550
Miscellaneous	\$300
TOTAL REPAIRS EXPENSE	\$8,800

UTILITIES

Electricity	\$750
Water	\$3,600
Sewer	\$3,096
Waste removal	\$2,010
TOTAL UTILITIES	\$9,456

ADMINISTRATION

Admin/Bank Charges	\$375
Postage&Copies/Long Dis/fax	\$100
Insurance	\$14,500
Management Fee	\$7,800
Miscellaneous	\$250
TOTAL ADMIN EXPENSES	\$23,025

TOTAL OPERATING EXPENSES **\$41,281**

TRANSFER TO CONTINGENCEY RESERVE \$4,128

DEVELOPER 5% CONTINGENCY CONTRIBUTION \$2,064

EPS ' ' Lake Country Villas
SCHEDULE OF STRATA FEES PHASE 1 & 2

Strata Lot Number	Unit Entitlement	Percent Unit Entitlement	Operating Contribution	Contingency Contribution	Interim Budget Phase 1-2 Monthly Strata Fee
1	1	8.33%	\$286.67	\$28.67	\$315.34
2	1	8.33%	\$286.67	\$28.67	\$315.34
3	1	8.33%	\$286.67	\$28.67	\$315.34
4	1	8.33%	\$286.67	\$28.67	\$315.34
5	1	8.33%	\$286.67	\$28.67	\$315.34
6	1	8.33%	\$286.67	\$28.67	\$315.34
7	1	8.33%	\$286.67	\$28.67	\$315.34
8	1	8.33%	\$286.67	\$28.67	\$315.34
9	1	8.33%	\$286.67	\$28.67	\$315.34
10	1	8.33%	\$286.67	\$28.67	\$315.34
11	1	8.33%	\$286.67	\$28.67	\$315.34
12	1	8.33%	\$286.67	\$28.67	\$315.34
Total	12	100.00%	\$3,440.08	\$344.01	\$3,784.09
AVG	1	8.33%	\$286.67	\$28.67	\$315.34

\$41,281.00 \$4,128.10 \$45,409.10

EPS ' ' Lake Country Villas

INTERIM BUDGET RESIDENTIAL STRATA LOTS 1-18

**Interim Budget
Phase 1 - 3**

REVENUE

Strata Fees	\$59,428
TOTAL REVENUE	\$59,428

REPAIR & MAINT. EXPENSES

Repairs & General Maintenance	\$750
Landscaping	\$6,750
Snow removal	\$2,200
Street Sweeping	\$550
Miscellaneous	\$300
TOTAL REPAIRS EXPENSE	\$10,550

UTILITIES

Electricity	\$750
Water	\$5,400
Sewer	\$4,650
Waste removal	\$3,150
TOTAL UTILITIES	\$13,950

ADMINISTRATION

Admin/Bank Charges	\$375
Postage&Copies/Long Dis/fax	\$100
Insurance	\$21,000
Management Fee	\$7,800
Miscellaneous	\$250
TOTAL ADMIN EXPENSES	\$29,525

TOTAL OPERATING EXPENSES**\$54,025**

TRANSFER TO CONTINGENCEY RESERVE

\$5,403

DEVELOPER 5% CONTINGENCY CONTRIBUTION

\$2,701

EPS ' ' Lake Country Villas
SCHEDULE OF STRATA FEES PHASE 1-18

Strata Lot Number	Unit Entitlement	Percent Unit Entitlement	Operating Contribution	Contingency Contribution	Interim Budget Phase 1-3 Monthly Strata Fee
1	1	5.56%	\$250.12	\$25.01	\$275.13
2	1	5.56%	\$250.12	\$25.01	\$275.13
3	1	5.56%	\$250.12	\$25.01	\$275.13
4	1	5.56%	\$250.12	\$25.01	\$275.13
5	1	5.56%	\$250.12	\$25.01	\$275.13
6	1	5.56%	\$250.12	\$25.01	\$275.13
7	1	5.56%	\$250.12	\$25.01	\$275.13
8	1	5.56%	\$250.12	\$25.01	\$275.13
9	1	5.56%	\$250.12	\$25.01	\$275.13
10	1	5.56%	\$250.12	\$25.01	\$275.13
11	1	5.56%	\$250.12	\$25.01	\$275.13
12	1	5.56%	\$250.12	\$25.01	\$275.13
13	1	5.56%	\$250.12	\$25.01	\$275.13
14	1	5.56%	\$250.12	\$25.01	\$275.13
15	1	5.56%	\$250.12	\$25.01	\$275.13
16	1	5.56%	\$250.12	\$25.01	\$275.13
17	1	5.56%	\$250.12	\$25.01	\$275.13
18	1	5.56%	\$250.12	\$25.01	\$275.13
Total	18	100.00%	\$4,502.08	\$450.21	\$4,952.29
AVG	1	5.56%	\$250.12	\$25.01	\$275.13
			\$54,025.00	\$5,402.50	\$59,427.50

EPS ' ' Lake Country Villas

INTERIM BUDGET RESIDENTIAL STRATA LOTS 1-24

	Interim Budget Phase 1 - 4
REVENUE	
Strata Fees	\$77,358
TOTAL REVENUE	\$77,358
REPAIR & MAINT. EXPENSES	
Repairs & General Maintenance	\$1,300
Landscaping	\$7,500
Snow removal	\$2,700
Street Sweeping	\$550
Miscellaneous	\$500
TOTAL REPAIRS EXPENSE	\$12,550
UTILITIES	
Electricity	\$750
Water	\$7,200
Sewer	\$6,200
Waste removal	\$4,200
TOTAL UTILITIES	\$18,350
ADMINISTRATION	
Admin/Bank Charges	\$375
Postage&Copies/Long Dis/fax	\$100
Insurance	\$29,000
Management Fee	\$9,450
Miscellaneous	\$500
TOTAL ADMIN EXPENSES	\$39,425
TOTAL OPERATING EXPENSES	\$70,325
TRANSFER TO CONTINGENCEY RESERVE	\$7,033
DEVELOPER 5% CONTINGENCY CONTRIBUTION	\$3,516

EPS ' ' Lake Country Villas
SCHEDULE OF STRATA FEES PHASE 1-24

Strata Lot Number	Unit Entitlement	Percent Unit Entitlement	Operating Contribution	Contingency Contribution	Interim Budget Phase 1-4 Monthly Strata Fee
1	1	4.17%	\$244.18	\$24.42	\$268.60
2	1	4.17%	\$244.18	\$24.42	\$268.60
3	1	4.17%	\$244.18	\$24.42	\$268.60
4	1	4.17%	\$244.18	\$24.42	\$268.60
5	1	4.17%	\$244.18	\$24.42	\$268.60
6	1	4.17%	\$244.18	\$24.42	\$268.60
7	1	4.17%	\$244.18	\$24.42	\$268.60
8	1	4.17%	\$244.18	\$24.42	\$268.60
9	1	4.17%	\$244.18	\$24.42	\$268.60
10	1	4.17%	\$244.18	\$24.42	\$268.60
11	1	4.17%	\$244.18	\$24.42	\$268.60
12	1	4.17%	\$244.18	\$24.42	\$268.60
13	1	4.17%	\$244.18	\$24.42	\$268.60
14	1	4.17%	\$244.18	\$24.42	\$268.60
15	1	4.17%	\$244.18	\$24.42	\$268.60
16	1	4.17%	\$244.18	\$24.42	\$268.60
17	1	4.17%	\$244.18	\$24.42	\$268.60
18	1	4.17%	\$244.18	\$24.42	\$268.60
19	1	4.17%	\$244.18	\$24.42	\$268.60
20	1	4.17%	\$244.18	\$24.42	\$268.60
21	1	4.17%	\$244.18	\$24.42	\$268.60
22	1	4.17%	\$244.18	\$24.42	\$268.60
23	1	4.17%	\$244.18	\$24.42	\$268.60
24	1	4.17%	\$244.18	\$24.42	\$268.60
Total	24	100.00%	\$5,860.42	\$586.04	\$6,446.46
AVG	1	4.17%	\$244.18	\$24.42	\$268.60

\$70,325.00 \$7,032.50 \$77,357.50

Exhibit "G"
Form J – Rental Disclosure Statement

Strata Property Act

FORM J

RENTAL DISCLOSURE STATEMENT

(Section 139)

Re: Strata Plan of the property described as PID: 030-898-226, Lot 3 Section 4 Township 20 ODYD Plan EPP90312

This Rental Disclosure Statement is:

- the first Rental Disclosure Statement filed in relation to the above noted strata plan
- a changed Rental Disclosure Statement filed under section 139 (4) of the *Strata Property Act*, and the original Rental Disclosure Statement filed in the relation to the above noted strata plan was filed on _____, and

1. The development described above includes a total of twenty-four (24) residential strata lots.
2. The residential strata lots described below are rented out by the owner developer as of the date of this statement and the owner developer intends to rent out each strata lot until the date set out opposite its description.

Description of Strata Lot [<i>strata lot number as shown on strata plan</i>]	Date Rental Period Expires [<i>specify a date – “indefinitely” or timing related to an event is not acceptable</i>]
None	N/A

* Section 143 (2) of the *Strata Property Act* provides that, if this Rental Disclosure Statement is filed after December 31, 2009, a bylaw that prohibits or limits rentals will not apply to a strata lot described in this table until the date set out in the table opposite the description of the strata lot, whether or not the strata lot is conveyed before that date.

3. In addition to the number of residential strata lots rented out by the owner developer as of the date of this statement, the owner developer reserves the right to rent out a further twenty-four (24) residential strata lots, as described below, until the date set out opposite each strata lot's description.


Description of Strata Lot [<i>strata lot number as shown on strata plan</i>]	Date Rental Period Expires [<i>specify a date – “indefinitely” or timing related to an event is not acceptable</i>]
Strata Lots 1 – 24 inclusive	May 15, 2121

4. There is no bylaw of the strata corporation that restricts the rental of strata lots.

OR

~~There is a bylaw of the strata corporation that restricts the rental of strata lots, the text of which is attached to and forms part of this statement.~~

Date: May 15, 2021



Signature of Owner/Developer

Exhibit "H"
Party Wall Agreement

LAND TITLE ACT

TERMS OF INSTRUMENT – PART 2

PARTY WALL EASEMENT AGREEMENT

THIS AGREEMENT dated for reference _____, 20__

BETWEEN:

1238118 B.C. Ltd.
1352 Mine Hill Drive, Kelowna, B.C. V1P1S5
(the “**Strata Lot ** Owner**”)

AND:

1238118 B.C. Ltd.
1352 Mine Hill Drive, Kelowna, B.C. V1P1S5
(the “**Strata Lot ** Owner**”)

WHEREAS:

- A. The Strata Lot ** Owner is the owner in fee simple of that bare land strata lot situate in the District of Lake Country, in the Province of British Columbia and legally described as:

PID: _ _ _ Strata Lot ** Section 4 Township 20 ODYD Strata Plan EPS _____

(“**Strata Lot ****”)

- B. The Strata Lot ** Owner is the owner in fee simple of that bare land strata lot situate in the District of Lake Country, in the Province of British Columbia and legally described as:

PID: _ _ _ Strata Lot ** Section 4 Township 20 ODYD Strata Plan EPS _____

(“**Strata Lot ****”)

- C. There is to be constructed on Strata Lot ** and Strata Lot ** a wood frame residential duplex building (the “**Building**”), which Building will contain a residential unit located on Strata Lot ** and a residential unit located on Strata Lot ** (each, a “**Residential Unit**”).

- D. A single joint wall (the “**Party Wall**”) will be constructed in part on Strata Lot ** and in

part on Strata Lot **, which Party Wall will be an integral part of the structural supporting component of the Building and will separate the Residential Unit located on Strata Lot ** from the Residential Unit located on Strata Lot **.

- E. The Party Wall is a “party wall” as defined in the *Land Title Act* (British Columbia).
- F. The Strata Lot ** Owner has agreed to grant to the Strata Lot ** Owner an easement on the terms and conditions herein contained over Strata Lot ** for, *inter alia*, the construction, use, maintenance and enjoyment of the Party Wall.
- G. The Strata Lot ** Owner has agreed to grant to the Strata Lot ** Owner an easement on the terms and conditions herein contained over Strata Lot ** for, *inter alia*, the construction, use, maintenance and enjoyment of the Party Wall.
- H. By subsection 18(5) of the *Property Law Act* (British Columbia), a registered owner in fee simple may grant to himself an easement over land that he owns for the benefit of other land that he owns in fee simple.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration now paid by each party to the other (the receipt and sufficiency of which are hereby acknowledged) and of the covenants herein contained, the parties agree as follows:

1. EASEMENT OVER STRATA LOT **

- 1.1 The Strata Lot ** Owner hereby grants, transfers and conveys unto the Strata Lot ** Owner, in perpetuity, for the benefit of and to be appurtenant to Strata Lot **, the full, free and uninterrupted right, license, liberty, privilege and easement in common with the Strata Lot ** Owner, but subject always to the terms of this Agreement, for the Strata Lot ** Owner and its contractors, agents and workmen to enter, use, labour, go, return, pass and repass, along, over and upon Strata Lot ** for the purpose of:
 - (a) maintaining, operating, using and enjoying the Party Wall;
 - (b) constructing, altering, erecting, maintaining, inspecting, removing, replacing and repairing the Party Wall;
 - (c) maintaining, inspecting, removing, replacing and repairing the roof and roofing materials of the Residential Unit located on Strata Lot **; and
 - (d) doing all acts which are necessarily incidental to the purposes set out above.

2. EASEMENT OVER STRATA LOT **

- 2.1 The Strata Lot ** Owner hereby grants, transfers and conveys unto the Strata Lot ** Owner, in perpetuity for the benefit of and to be appurtenant to Strata Lot **, the full,

free and uninterrupted right, license, libelty, privilege and easement in common with the Strata Lot ** Owner, but subject always to the terms of this Agreement, for the Strata Lot ** Owner and its contractors, agents and workmen to enter, use, labour, go, return, pass and repass, along, over and upon Strata Lot ** for the purpose of:

- (a) maintaining, operating, using and enjoying the Party Wall;
- (b) constructing, altering, erecting, maintaining, inspecting, removing, replacing and repairing the Party Wall;
- (c) maintaining, inspecting, removing, replacing and repairing the roof and roofing materials of the Residential Unit located on Strata Lot **; and
- (d) doing all acts which are necessarily incidental to the purposes set out above.

3. BASIC COVENANTS OF STRATA LOT ** OWNER

3.1 The Strata Lot ** Owner covenants and agrees with the Strata Lot ** Owner that:

- (a) the Strata Lot ** Owner may enjoy the rights granted under this Agreement without hindrance, molestation or interruption on the part of the Strata Lot ** Owner or of any person claiming by, through or under the Strata Lot ** Owner provided however that, in the event the Strata Lot ** Owner fails to perform or observe any of the agreements, terms, covenants and conditions on its part to be performed and observed pursuant to this Agreement, the Strata Lot ** Owner may take any action available to the Strata Lot ** Owner in law or equity save and except for any action which would prohibit or restrict the proper exercise of the rights granted pursuant to Section 1.1 in accordance with the terms of this Agreement;
- (b) the Strata Lot ** Owner will not alter any portion of the Party Wall located on Strata Lot ** without the prior written consent of the Strata Lot ** Owner, which consent may not be unreasonably withheld, except that the Strata Lot ** Owner will be entitled to paint and decorate the Party Wall, attach pictures, mirrors, lighting fixtures and other ordinary adornments to the Party Wall, add to the thickness of the Party Wall by attaching drywall, gypsum, wood paneling or other common interior wall coverings and open up that portion of the Party Wall located on Strata Lot ** for the purpose of installing, repairing and replacing any cables, drains, pipes, sewers, wires or other conduits located in or near the Party Wall which service Strata Lot **, provided that no such action adversely affects the structural integrity of the Party Wall, that any such additional thickness is located on Strata Lot ** and that the Strata Lot ** Owner, at its sole expense, repairs any damage caused to the Party Wall as a result of any such action;
- (c) the Strata Lot ** Owner will, insofar as it is practicable so to do, exercise its rights under this Agreement in such a manner as not to interfere unduly with the

use of Strata Lot ** by the Strata Lot ** Owner;

- (d) when exercising its rights under this Agreement, the Strata Lot ** Owner will exercise the utmost care not to damage Strata Lot ** and will use all reasonable efforts to minimize any inconvenience to the Strata Lot ** Owner;
- (e) the Strata Lot ** Owner will enter onto Strata Lot ** only to such an extent as is reasonably necessary for the purposes permitted in Section 2.1 and will enter into the Residential Unit on Strata Lot ** only pursuant to Section 6.1; and
- (f) the Strata Lot ** Owner will maintain the exterior of that portion of the Building situate on Strata Lot ** (the “**Strata Lot ** Exterior Building Components**”) in a first-class condition consistent with the existing materials and colours (unless otherwise agreed by the Strata Lot ** Owner) at all times, including any repairs or replacements to the siding and roof (and any painting of the siding).

4. BASIC COVENANTS OF STRATA LOT ** OWNER

4.1 The Strata Lot ** Owner covenants and agrees with the Strata Lot ** Owner that:

- (a) the Strata Lot ** Owner may enjoy the rights granted under this Agreement without hindrance, molestation or interruption on the part of the Strata Lot ** Owner or of any person claiming by, through or under the Strata Lot ** Owner provided however that, in the event the Strata Lot ** Owner fails to perform or observe any of the agreements, terms, covenants and conditions on its part to be performed and observed pursuant to this Agreement, the Strata Lot ** Owner may take any action available to the Strata Lot ** Owner in law or equity save and except for any action which would prohibit or restrict the proper exercise of the rights granted pursuant to Section 2.1 in accordance with the terms of this Agreement;
- (b) the Strata Lot ** Owner will not alter any portion of the Party Wall located on Strata Lot ** without the prior written consent of the Strata Lot ** Owner, which consent may not be unreasonably withheld, except that the Strata Lot ** Owner will be entitled to paint and decorate the Party Wall, attach pictures, mirrors, lighting fixtures and other ordinary adornments to the Party Wall, add to the thickness of the Party Wall by attaching drywall, gypsum, wood paneling or other common interior wall coverings and open up that portion of the Party Wall located on Strata Lot ** for the purpose of installing, repairing and replacing any cables, drains, pipes, sewers, wires or other conduits located in or near the Party Wall which service Strata Lot **, provided that no such action adversely affects the structural integrity of the Party Wall, that any such additional thickness is located on Strata Lot ** and that the Strata Lot ** Owner, at its sole expense, repairs any damage caused to the Party Wall as a result of any such action;
- (c) the Strata Lot ** Owner will, insofar as it is practicable so to do, exercise its

rights under this Agreement in such a manner as not to interfere unduly with the use of Strata Lot ** by the Strata Lot ** Owner;

- (d) when exercising its rights under this Agreement, the Strata Lot ** Owner will exercise the utmost care not to damage Strata Lot ** and will use all reasonable efforts to minimize any inconvenience to the Strata Lot ** Owner;
- (e) the Strata Lot ** Owner will enter onto Strata Lot ** only to such an extent as is reasonably necessary for the purposes permitted in Section 1.1 and will enter into the Residential Unit on Strata Lot ** only pursuant to Section 6.2; and
- (f) the Strata Lot ** Owner will maintain the exterior of that portion of the Building situate on Strata Lot ** (the “**Strata Lot ** Exterior Building Components**”) in a first-class condition consistent with the existing materials and colours (unless otherwise agreed by the Strata Lot ** Owner) at all times, including any repairs or replacements to the siding and roof, and any painting of the siding.

5. MUTUAL ASSURANCES

5.1 The Strata Lot ** Owner and the Strata Lot ** Owner covenant and agree with each other as follows:

- (a) the Party Wall will be used and maintained for the purposes of allowing both the Strata Lot ** Owner and the Strata Lot ** Owner to use and enjoy the Party Wall in perpetuity;
- (b) the cost and expense of the construction of the Party Wall will be borne equally by the Strata Lot ** Owner and the Strata Lot ** Owner;
- (c) if it becomes necessary to repair or reconstruct the Party Wall or any portion thereof as constructed, such repair and reconstruction will be in accordance with all then applicable laws, bylaws, buildings codes and statutory requirements and all then applicable bylaws (the “**Strata Corporation Bylaws**” of the strata corporation (the “**Strata Corporation**”) of which Strata Lot ** and Strata Lot ** form a part and the cost of such repair or reconstruction shall be at the expense of both the Strata Lot ** Owner and the Strata Lot ** Owner in equal shares provided always that in the event the repair or reconstruction of the Party Wall is required as a result of the negligence or willful conduct of either the Strata Lot ** Owner or the Strata Lot ** Owner or persons for whom at law either such Owner is responsible, such Owner will bear the entire cost of the repair or reconstruction of the Party Wall;
- (d) in the event that only one of the Strata Lot ** Owner and the Strata Lot ** Owner considers that repair or reconstruction of the Party Wall or part of it, is necessary and the other does not agree, the Strata Lot ** Owner and the Strata Lot ** Owner will cause testing or inspection to be undertaken by an independent qualified

structural engineer or other appropriate professional and the costs of that work shall be borne equally by the Strata Lot ** Owner and the Strata Lot ** Owner;

- (e) if as a result of any test or inspection referred to in Section 5.1(d), the relevant professional recommends that all or part of the Party Wall be repaired or reconstructed, the Strata Lot ** Owner and the Strata Lot ** Owner will cause the Party Wall to be repaired or reconstructed as recommended by such professional and the costs of that work will be borne equally by the Strata Lot ** Owner and the Strata Lot ** Owner (subject to the provision in Section 5.1(c));
 - (f) in the event that the Strata Lot ** Owner and the Strata Lot ** Owner cannot agree on which professional should undertake any testing or inspection of the Party Wall, such matter will be decided pursuant to Section 5.3;
 - (g) if and when the Party Wall is reconstructed, it will stand upon the same place and be in the same or of similar materials and of the same proportions as the existing Party Wall (subject to such changes as may be required by the then applicable laws, bylaws, building codes, statutory requirements and Strata Corporation Bylaws);
 - (h) the Party Wall, whether original, reconstructed or restored, and any extension of or addition to same, will be constructed in accordance with all laws, bylaws, building code, statutory requirements and Strata Corporation Bylaws which are applicable at the relevant time; and
 - (i) if the Party Wall is totally or partially destroyed by fire or other causes, each of the Strata Lot ** Owner or Strata Lot ** Owner will have the right to reconstruct the Party Wall at the expense of both the Strata Lot ** Owner and the Strata Lot ** Owner, in which event each such Owner shall pay one-half of the cost of reconstructing the Party Wall (subject to the proviso in Section 5.1 (c)).
- 5.2 Each of the Strata Lot ** Owner and the Strata Lot ** Owner will maintain and keep in force policies of insurance in respect of its Strata Lot and Residential Unit relating to comprehensive liability and against fire and such other perils as would a prudent owner (which insurance will provide for the full replacement value of such Owner's Residential Unit), unless the Strata Corporation maintains and keeps in force such policies of insurance on behalf of the Strata Lot ** Owner and the Strata Lot ** Owner.
- 5.3 In the event any dispute arises between the Strata Lot ** Owner and the Strata Lot ** Owner as to:
- (a) the cost or responsibility of repairing or reconstructing the whole or any portion of the Party Wall or as to the amount of such costs, or the persons required to pay the same,
 - (b) the obligation of either the Strata Lot ** Owner to repair and maintain the Strata

Lot ** Exterior Building Components or the Strata Lot ** Owner to repair and maintain the Strata Lot ** Exterior Building Components hereunder, or

- (c) in the event any other dispute arises in regard to the proper interpretation of the provisions of this Agreement, such matter shall be fully and finally determined as follows:
 - (i) if such dispute is properly arbitrated under the provisions of the *Strata Property Act* (British Columbia), as amended or replaced from time to time, then under such Act; and
 - (ii) otherwise, by a single arbitrator appointed pursuant to the *Arbitration Act* (British Columbia), as amended or replaced from time to time.

5.4 The Strata Lot ** Owner covenants and agrees with the Strata Lot ** Owner as follows:

- (a) that the Strata Lot ** Owner will indemnify and save the Strata Lot ** Owner harmless against all losses, damages, costs and liabilities suffered by the Strata Lot ** Owner, including costs of solicitors and other professional advisors, arising out of or in connection with:
 - (i) any breach, violation or non-performance by the Strata Lot ** Owner of any covenant, term or condition contained in this Agreement to be kept, observed or performed by the Strata Lot ** Owner;
 - (ii) any activity, use, work or other thing whatsoever that is done, carried out, made or otherwise occurs in or about Strata Lot ** and is done by the Strata Lot ** Owner or anyone authorized by the Strata Lot ** Owner; and
 - (iii) any personal injury, death or property damage occurring in Strata Lot ** caused by the Strata Lot ** Owner in exercising or carrying out the rights of the Strata Lot ** Owner in Strata Lot ** by virtue of this Agreement or otherwise, including any matter or thing permitted or omitted (whether negligent or otherwise) by the Strata Lot ** Owner or its agents or contractors, and the amount of those losses, damages, costs and liabilities will be paid by the Strata Lot ** Owner to the Strata Lot ** Owner at the time the Strata Lot ** Owner is legally obligated to pay monies to any person suffering losses contemplated by this section or upon the Strata Lot ** Owner providing proof of loss suffered by it, as the case may be;
- (b) that any work constructed or done along, under and upon Strata Lot ** by or on behalf of the Strata Lot ** Owner will be done in compliance with all then applicable laws, bylaws, building codes, statutory requirements and Strata Corporation Bylaws;
- (c) that the Strata Lot ** Owner will remove from Strata Lot ** from time to time on

a regular and reasonable basis all debris, rubbish and related matter arising from any work done by it or its agents or contractors; and

- (d) that the Strata Lot ** Owner will repair all damage to Strata Lot ** caused by any work done by it or its agents or contractors immediately at the conclusion of the work or sooner if reasonably required.

5.5 The Strata Lot ** Owner covenants and agrees with the Strata Lot ** Owner as follows:

- (a) that the Strata Lot ** Owner will indemnify and save the Strata Lot ** Owner harmless against all losses, damages, costs and liabilities suffered by the Strata Lot ** Owner, including costs of solicitors and other professional advisors, arising out of or in connection with:
 - (i) any breach, violation or non-performance by the Strata Lot ** Owner of any covenant, term or condition contained in this Agreement to be kept, observed or performed by the Strata Lot ** Owner;
 - (ii) any activity, use, work or other thing whatsoever that is done, carried out, made or otherwise occurs in or about Strata Lot ** and is done by the Strata Lot ** Owner or anyone authorized by the Strata Lot ** Owner; and
 - (iii) any personal injury, death or property damage occurring in Strata Lot ** caused by the Strata Lot ** Owner in exercising or carrying out the rights of the Strata Lot ** Owner in Strata Lot ** by virtue of this Agreement or otherwise, including any matter or thing permitted or omitted (whether negligent or otherwise) by the Strata Lot ** Owner or its agents or contractors, and the amount of those losses, damages, costs and liabilities will be paid by the Strata Lot ** Owner to the Strata Lot ** Owner at the time the Strata Lot ** Owner is legally obligated to pay monies to any person suffering losses contemplated by this section or upon the Strata Lot ** Owner providing proof of loss suffered by it, as the case may be;
- (b) that any work constructed or done along, under and upon Strata Lot ** by or on behalf of the Strata Lot ** Owner will be done in compliance with all then applicable laws, bylaws, building codes, statutory requirements and Strata Corporation Bylaws;
- (c) that the Strata Lot ** Owner will remove from Strata Lot ** from time to time on a regular and reasonable basis all debris, rubbish and related matter arising from any work done by it or its agents or contractors; and
- (d) that the Strata Lot ** Owner will repair all damage to Strata Lot ** caused by any work done by it or its agents or contractors immediately at the conclusion of the work or sooner if reasonably required.

6. ENTRY

6.1 Notwithstanding Section 2. 1, neither the Strata Lot ** Owner nor anyone on behalf of the Strata Lot ** Owner will enter into the Residential Unit located on Strata Lot ** for any purpose unless:

- (a) written notice (in this Section 6.1, the “**Notice**”) has first been given to the Strata Lot ** Owner setting out in reasonable detail the work intended to be done (in this Section 6.1, the “**Work**”)
- (b) the Work is necessary for the purpose of inspecting, maintaining, repairing, replacing or reconstructing the Party Wall; and
- (c) the Strata Lot ** Owner fails to commence the Work (except for any simple visual inspection work) itself within 21 days after receipt of the Notice and to complete the Work within a reasonable period of time thereafter having regard to the nature and extent of the Work, except that this subparagraph (c) will not apply where, in the reasonable judgment of the Strata Lot ** Owner, the circumstances constitute an emergency requiring immediate action. With respect to any simple visual inspection of the Party Wall, the Strata Lot ** Owner (or anyone on its behalf) will not be entitled to enter into the Residential Unit located on Strata Lot ** for the purpose of carrying out such inspection until 5 days after the delivery of the Notice, except with the consent of the Strata Lot ** Owner.

6.2 Notwithstanding Section 1.1, neither the Strata Lot ** Owner nor anyone on behalf of the Strata Lot ** Owner will enter into the Residential Unit located on Strata Lot ** for any purpose unless:

- (a) written notice (in this Section 6.2, the “**Notice**”) has first been given to the Strata Lot ** Owner setting out in reasonable detail the work intended to be done (in this Section 6.2, the “**Work**”),
- (b) the Work is necessary for the purpose of inspecting, maintaining, repairing, replacing or reconstructing the Party Wall; and
- (c) the Strata Lot ** Owner fails to commence the Work (except for any simple visual inspection work) itself within 21 days after receipt of the Notice and to complete the Work within a reasonable period of time thereafter having regard to the nature and extent of the Work, except that this subparagraph (c) will not apply where, in the reasonable judgment of the Strata Lot ** Owner, the circumstances constitute an emergency requiring immediate action. With respect to any simple visual inspection of the Party Wall, the Strata Lot ** Owner (or anyone on its behalf) will not be entitled to enter into the Residential Unit located on Strata Lot ** for the purpose of carrying out such inspection until 5 days after the delivery of the Notice, except with the consent of the Strata Lot ** Owner.

7. MISCELLANEOUS

- 7.1 The easements and covenants herein contained will be easements and covenants running with the land but no part of the fee of the soil there of will pass to or be vested in any party under or by this Agreement.
- 7.2 This Agreement will run with and be a burden upon the Strata Lot ** Owner's interest in Strata Lot ** and the Strata Lot ** Owner's interest in Strata Lot **, but no part of the fee of the soil of such lands will pass to or be vested in either party as grantee under or by these presents.
- 7.3 In the event of any decision to cancel Strata Plan EPS***** which is made in accordance with the provisions of the *Strata Property Act* (British Columbia), as amended or replaced from time to time:
- (a) this Agreement and the easements and rights granted herein will terminate concurrently with the cancellation of Strata Plan EPS***** (provided that such termination will in no way affect or impair any right which has accrued to either the Strata Lot ** Owner or the Strata Lot ** Owner prior to the date of such termination); and
 - (b) each of the Strata Lot ** Owner and Strata Lot ** Owner will execute and deliver such registrable discharges of this Agreement as are reasonably required in connection with the cancellation of Strata Plan EPS*****.
- 7.4 Nothing contained in this Agreement will be construed so as to alter the rights of any mortgagee of Strata Lot ** or any mortgagee of Strata Lot ** to obtain payment of insurance monies in rebuilding, reinstating or repairing all or any part of the improvements located on such Strata Lot or at its option to have such insurance monies paid to it or paid to it partly in one way with partly in the other or applied in whole or in part of the mortgage debt or any part thereof whether due or not due.
- 7.5 Notwithstanding any other provisions of this Agreement, the Strata Lot ** Owner and the Strata Lot ** Owner agree that they will cooperate in determining what work will be required from time to time in connection with the Party Wall, the Strata Lot ** Exterior Building Components, and the Strata Lot ** Exterior Building Components, and will cooperate in causing all such work to be carried out as much as possible at the same time in respect of Strata Lot ** and Strata Lot ** and by the same contractor so that any work required in connection with the Party Wall, the Strata Lot ** Exterior Building Components, or the Strata Lot ** Exterior Building Components (as the case may be), can be carried out as economically and as efficiently as possible. Each of the Strata Lot ** Owner and the Strata Lot ** Owner acknowledges and agrees with the other that it will be reasonable at all times in exercising its rights, forming its opinions and performing its duties hereunder.
- 7.6 Subject always to Section 8.3, the covenants of the Strata Lot ** Owner contained herein

will cease to be personal and binding upon the Strata Lot 83 Owner at such time as the Strata Lot ** Owner delivers to the Strata Lot ** Owner an agreement as contemplated by Section 8.1 hereof whereby all of the obligations of the “Strata Lot ** Owner” under this Agreement are assumed by one or more persons and the covenants of the Strata Lot ** Owner contained herein will cease to be personal and binding upon the Strata Lot ** Owner at such time as the Strata Lot ** Owner delivers to the Strata Lot ** Owner an agreement as contemplated by Section 8.2 hereof whereby all of the obligations of the Strata Lot ** Owner under this Agreement are assumed by one or more persons.

- 7.7 The expressions “Strata Lot ** Owner” and “Strata Lot ** Owner” herein contained will be deemed to include the heirs, executors, administrators, successors, assigns, transferees, employees, servants, agents, officers and invitees of such parties wherever the context or the parties hereto so permit or require.
- 7.8 Waiver of any default by any party will not be deemed to be a waiver of any subsequent default by that party.
- 7.9 Whenever it is required or desired that any party serve a notice on any of the other parties, service will be deemed to be satisfactory if and deemed to have occurred when the party being served has been served personally.
- 7.10 If any section, subsection, sentence, clause or phrase in this Agreement is for any reason held to be invalid by the decision of a court of competent jurisdiction, the invalid portion will be severed and the decision that is invalid will not affect the validity of the remainder of this Agreement
- 7.11 This Agreement will be governed and construed in accordance with the laws of the Province of British Columbia.
- 7.12 This Agreement will enure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.

8. NO TRANSFER

- 8.1 The Strata Lot ** Owner covenants and agrees with the Strata Lot ** Owner that the Strata Lot ** Owner will not transfer Strata Lot ** to any person unless the transferee executes an agreement in the form attached hereto as Schedule A (or in another form having the same effect) in favour of the Strata Lot ** Owner to observe and perform the obligations of the Strata Lot ** Owner hereunder and delivers such agreement to the Strata Lot ** Owner at the time the transferee acquires Strata Lot **. Upon the delivery of such agreement, the Strata Lot ** Owner and the transferee will be bound to each other as if they had executed and delivered this Agreement to each other as the original parties hereto.
- 8.2 The Strata Lot ** Owner covenants and agrees with the Strata Lot ** Owner that the Strata Lot ** Owner will not transfer Strata Lot ** to any person unless the transferee

executes an agreement in the form attached hereto as Schedule A (or in another form having the same effect) in favour of the Strata Lot ** Owner to observe and perform the obligations of the Strata Lot ** Owner hereunder and delivers such agreement to the Strata Lot ** Owner at the time the transferee acquires Strata Lot **. Upon the delivery of such agreement, the Strata Lot ** Owner and the transferee will be bound to each other as if they had executed and delivered this Agreement to each other as the original parties hereto.

- 8.3 Notwithstanding Section 7.6, to the extent that this Agreement is a “party wall agreement”, as defined in the *Land Title Act* (British Columbia), as amended or replaced from time to time, the provisions of such Act which address positive covenants in a “party wall agreement” running with the lands and when parties cease to be liable for breaches of positive covenants contained in a “party wall agreement” will apply. As evidence of their agreement to be bound by the above terms, the parties each have executed and delivered this Agreement by executing Part 1 of the Land Title Act Form C and D to which this Agreement is attached and which forms part of this Agreement.

SCHEDULE A

FORM OF ASSUMPTION AGREEMENT

THIS AGREEMENT is dated as of _____

BY:

(the "New Owner")

IN FAVOUR OF:

(the "Remaining Owner")

WHEREAS:

- A. _____ (the "Existing Owner") is the current owner of that bare land strata lot located in Lake Country, B.C. and legally described as PID: ____ - ____ - ____ Strata Lot ____, Section 4 Township 20 ODYD Strata Plan EPS _____ ("**Strata Lot A**").
- B. The Existing Owner, as owner of Strata Lot A, and the Remaining Owner, as the owner of that adjacent bare land strata lot legally described as PID: ____ - ____ - ____ Strata Lot ____, Section 4 Township 20 ODYD Strata Plan EPS _____ ("**Strata Lot B**") are the current parties to a party wall easement agreement which was registered in the Kamloops Land Title Office under instrument numbers _____ to _____ (the "**Easement Agreement**").
- C. The Existing Owner has agreed to transfer Strata Lot A to the New Owner effective as of the date of this Agreement.
- D. The Easement Agreement requires that any owner of Strata Lot A from time to time must cause any transferee of Strata Lot A to execute an agreement in favour of the owner of Strata Lot B, whereunder the transferee agrees to observe and perform the obligations of the "Strata Lot • Owner" [*Note: Insert the strata lot number of the strata lot owned by the Existing Owner under the Easement Agreement*].

NOW THEREFORE this Agreement witnesses that in consideration of the sum of ONE DOLLAR (\$1.00) now paid by the Remaining Owner to the New Owner, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the New Owner, the New Owner agrees as follows:

1. Effective as of the date of this Agreement, the New Owner agrees with the Remaining Owner that the New Owner will observe and perform the obligations of the “Strata Lot ___ Owner” [*Note: Insert the strata lot number of the strata lot owned by the Existing Owner*] under the Easement Agreement.
2. This Agreement will enure to the benefit of and be binding upon the New Owner and the Remaining Owner and each of the irrelative heirs, executors, administrators, successors and assigns.
3. This Agreement will be governed and construed in accordance with the laws of the Province of British Columbia.
4. This Agreement may be executed by fax or other electronic means with the same effect as if the New Owner had executed and delivered an original of this Agreement.

IN WITNESS WHEREOF the New Owner has executed this Agreement as of the date first written above.

END OF DOCUMENT

EXHIBIT "T"
Purchase Agreement

Salesperson: _____

Offer to Purchase and Agreement of Purchase and Sale
("Purchase Agreement")

VENDOR:
1238118 B.C. Ltd.
c/o 270 Highway 33 West
Kelowna, BC, V1X 1X7

VENDOR'S SOLICITORS:
Benson Law LLP
270 Highway 33 West
Kelowna, BC, V1X 1X7
Attention: Robert Tonsoo

PURCHASER(S):
Full Name: _____
(Mr. Miss Ms. Mrs.)
Occupation: _____
Address: _____
_____ **City:** _____
Province: _____ **Postal Code:** _____
Tel: _____ **Bus:** _____
Fax: _____ **Sin :** _____
Email: _____

Full Name: _____
(Mr. Miss Ms. Mrs.)
Occupation: _____
Address: _____
_____ **City:** _____
Province: _____ **Postal Code:** _____
Tel: _____ **Bus:** _____
Fax: _____ **Sin :** _____
Email: _____

I/WE THE ABOVE PURCHASER(S) HEREBY OFFER to purchase Strata Lot _____ (the "Strata Lot") as more specifically described in the proposed strata plan (the "Strata Plan") attached as an exhibit to the Disclosure Statement (hereinafter defined) and also described as Unit _____, _____, Lake Country, BC at the price and on the terms and conditions contained herein.

1.01 PURCHASE PRICE AND DEPOSITS

The purchase price (the "Purchase Price") for the Strata Lot is the sum of:

\$ _____, and additionally, the Purchaser must pay GST upon completion, over and above the Purchase Price

The Purchase Price is payable in lawful money of Canada as follows:

- a) a deposit (the "Deposit") of 10% of the Purchase Price payable within 48 hours of waiver of all conditions set out in Addendum "B" hereto; \$ _____
- b) the balance of the Purchase Price, subject to adjustments described herein (the "Balance") shall be paid on the Completion Date (as hereinafter defined) \$ _____

All deposits shall be made payable to BENSON LAW LLP "in trust".

1.02 The Purchase Price includes the following equipment, appliances and furnishings:

- [a] one refrigerator
- [b] one stove
- [c] one dishwasher
- [d] one washer/dryer pair
- [e] built-in vacuum
- [f] air conditioning

INITIALS
[] []

- 1.03 Completion, Possession and Adjustment Dates: See Paragraph 4 of Addendum "A" attached hereto.
- 1.04 The Purchaser acknowledges having received and having had sufficient opportunity to read the Disclosure Statement prepared by the Vendor with respect to the building project containing the Strata Lot, prior to entering into this Offer.

THE TERMS AND CONDITIONS ATTACHED HERETO AS ADDENDUM "A" AND ADDENDUM "B" ARE PART OF THIS AGREEMENT. READ THEM CAREFULLY BEFORE YOU SIGN.

The Purchaser hereby confirms that he/she/they has/have read this Purchase Agreement including the attached Addendum "A" and further confirm that other than the warranties and representations and the terms and conditions contained in writing therein and in the Disclosure Statement, NO REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS MADE BY ANY PERSON OR AGENT NOT CONTAINED HEREIN SHALL BE BINDING UPON THE VENDOR.

This Purchase Agreement will be open for acceptance by the Vendor up to and including 5:00 PM PST time on the _____ day of _____, 20__ and upon acceptance by the Vendor will be a binding agreement for the purchase and sale of the Strata Lot on the terms and conditions herein contained.

THE PURCHASER HAS EXECUTED THIS AGREEMENT this _____ day of _____, 2__.

Witness

Purchaser

Witness

Purchaser

THIS PURCHASE AGREEMENT is accepted by the Vendor this _____ day of _____, 20__, and receipt of the Initial Deposit is hereby acknowledged.

1238118 B.C. Ltd.

Per: _____
Authorized Signatory

ADDENDUM "A"

1. **Completion date.** The Purchaser will deliver the balance of the purchase price at the Purchaser's expense by way of a solicitor's **CHEQUE** or **BANK DRAFT**, to **Benson Law LLP by NO LATER THAN 2:00 p.m. on the Completion Date** (the "Completion Date"). The Completion Date will be the 21st day after the Vendor or the Vendor's Solicitors notifies the Purchaser or the Purchaser's solicitors (the "Purchaser's Solicitors") that the Strata Lot is ready to be occupied. Whether the Strata Lot is ready to be occupied refers to the Strata Lot and not any other strata lot or common property within the Development and the Strata Lot will be deemed to be ready to be occupied on the Completion Date if the District of Lake Country has given oral or written permission to occupy the Strata Lot, whether such permission is temporary, conditional or final. If the Completion Date is a Saturday, Sunday, holiday or a day upon which the applicable Land Title Office is not open for business, the Completion Date shall be the immediate following business day. The notice of the Completion Date delivered from the Vendor or the Vendor's solicitor 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. If the Strata Lot is not ready to be occupied on the Completion Date so established, then the Vendor may delay the Completion Date from time to time as required, by notice of such delay to the Purchaser or the Purchaser's solicitors. If the Completion Date has not occurred or been established as set out in this Section by _____ (the "Outside Date"), then this Contract will be terminated, the Deposit and any interest thereon will be returned to the Purchaser and the parties will be released from all of their obligations hereunder, provided that:

- a) if the Vendor is delayed from completing construction of the Strata Lot as 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, climactic condition, interference of the Purchaser, or any other event of any nature whatsoever beyond the reasonable control of the Vendor, then the Outside Date will be extended for a period equivalent to such period of delay; and
- b) the Vendor may, at its option, exercisable by notice to the Purchaser, in addition to any extension pursuant to subsection 1(a) and whether or not any delay described in subsection 1(a) has occurred, elect to extend the Outside Date for up to 180 days.

The Vendor confirms that it currently estimates that the Completion Date will occur on or about _____. The Purchaser acknowledges that this date has been provided by the Vendor as a matter of convenience only, is not meant to be legally binding upon the Vendor and that the actual Completion Date will be established in the manner set out above.

2. **Conveyance.** A Vendor's Statement of Adjustments and a freehold transfer for the Strata Lot and, if required by the Vendor, a certificate as to the GST/HST registered status of the Purchaser are to be delivered at the Purchaser's expense to the office of the Vendor's Solicitor, **Benson Law LLP** located at **270 Highway 33 West, Kelowna, British Columbia, V1X 1X7 (250-491-0206)** by the Purchaser's Solicitors **3 full business days** prior to the Completion Date. The Vendor will execute and deliver such statement of adjustments, transfer and certificate (if required) to the Purchaser's solicitors prior to the Completion Date on the condition that, forthwith upon the Purchaser's solicitors obtaining a post registration index search from the applicable Land Title Office indicating that, in the ordinary course of Land Title Office procedure, the Purchaser will become the registered owner of the Strata Lot (subject only to the Permitted Encumbrances and charges for which the Purchaser is responsible), the Purchaser will cause payment of the balance of the Purchase Price due on the Completion Date to be made by the Purchaser's Solicitors to the Vendor's Solicitors. The transfer of the Strata Lot will also be subject to the Vendor's financing arranged in connection with the Development or any builders' lien claims provided that the Vendor's Solicitors undertake to clear title to the Strata Lot of all encumbrances related to such financing and such builders' liens claims within a reasonable period of time after receiving the balance of the Purchase Price due on the Completion Date. The Purchaser acknowledges that the Vendor's financing may remain as a charge against the common property of the

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Development until the Vendor has completed the sale of the balance of the strata lots in the Development whereupon the Vendor covenants such financing will be discharge entirely.

If the Purchaser is relying upon a new mortgage to finance the Purchaser 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 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 solicitor's or notary's undertaking to pay the Purchaser Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

3. Deposit. The Deposit shall be dealt with by the Vendor's agent as follows:

- a) The Deposit, or any portion thereof, received under the terms of this Agreement will be held by the Vendor's agent in accordance with the provisions of the *Real Estate Development Marketing Act*. Subject to sub-sections 3(c) and (d) hereof, any interest on the Deposit shall accrue to the benefit of the Purchaser until that date which is no more than fourteen (14) days prior to the Adjustment Date, after which any interest shall accrue to the benefit of the Vendor. Any interest, which accrues to the benefit of the Purchaser, shall be credited against the Purchase Price on the Statement of Adjustments.
- b) If the Purchaser completes the purchase of the Strata Lot on the terms and conditions contained herein, then the Deposit, together with any interest earned thereon, shall be applied to the Purchase Price and be paid to the Vendor;
- c) If the Purchaser fails to complete the purchase of the Strata Lot, then the Deposit and any accrued interest thereon will be absolutely forfeited to the Vendor; or
- d) If the Vendor fails to complete the sale of the Strata Lot, then the Deposit (or that portion of the Deposit paid or due to be paid by the Purchaser under the terms of this Agreement) together with any interest thereon shall be paid to the Purchaser and the Purchaser shall have no further claims against the Vendor.

Notwithstanding the aforementioned, the Purchaser acknowledges and agrees that the Vendor's agent who, as stakeholder, holds the Deposit in trust is permitted to charge an administrative fee equal to the lesser of the interest accrued and earned on the Deposit and \$100.00.

The payment of any funds to the Vendor pursuant to Sections 3 or 7 of this Addendum "A" shall not be deemed to be all inclusive liquidated damages and shall not preclude any further claims or remedies by the Vendor against the Purchaser arising pursuant thereto.

The Purchaser understands that under Section 19 of the *Real Estate Development Marketing Act* (British Columbia), developers may enter into a deposit protection contract with an approved insurer pursuant to which the deposits paid by purchasers of land which is proposed to be subdivided or strata titled may be released to the developer. As a result, the Vendor, at its sole option, may enter into a deposit protection contract as required by such legislation with respect to the Deposit (or any portion thereof) and the Strata Lot. The Deposit (or such portion thereof) shall be released to the Vendor in accordance with such insurance contract or security agreement and the provisions of Sections 3 and 7 shall be deemed to have been amended accordingly. Notwithstanding the aforementioned provisions, if the Vendor enters into a deposit protection contract as contemplated in this Section 3, the Purchaser acknowledges that no interest will accrue or be earned on the Deposit as of the date such deposit protection contract is entered into.

4. Possession, Risk and Adjustment. The Purchaser will assume all taxes, rates, local improvement assessments, water rates and sewage rates, assessments of the strata corporation of which the Strata Lot forms a part, and all other adjustments both incoming and outgoing of whatever nature in respect of the Strata Lot will be made as of the date the balance of the Purchase Price is due (the "Adjustment Date"). If the amount of any such taxes, rates or assessments have been levied in respect of the entire Lands, the

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Vendor shall in its sole discretion allocate such taxes among all of the strata lots of the Development on the basis of the applicable unit entitlement figure in each case. The Strata Lot is to be at the risk of the Vendor to and including the day preceding the Completion Date, and thereafter at the risk of the Purchaser. So long as the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Strata Lot have been paid in full, the Purchaser may have possession of the Strata Lot on the day following the Completion Date (the "Possession Date"). The Purchaser acknowledges that the Vendor may not appear on title as the registered owner of the Strata Lot and agrees, notwithstanding any provisions to the contrary herein or in the *Property Law Act* (or successor statutes), to accept a Form A of the Strata Lot and other closing documents executed by a party other than the Vendor.

The Purchaser is responsible for all utility charges as of the Possession Date and must ensure that they notify the necessary utility companies to have the utilities transferred into their name on Possession. In the event the Purchaser does not transfer the utilities into their name as of the Possession Date, any charges to the Vendor that should be the Purchaser's responsibility will be paid to the Vendor in full within 5 business days of notification. If said amount is not paid within the 5 business days, a \$50.00 charge will be applied to the outstanding amount.

5. **Builders' Lien Holdback.** That portion, if any, of the balance of the Purchase Price required by law to be held back by the Purchaser in respect of builders' lien claims (the "Lien Holdback") will be paid to the Vendor's Solicitors on the Completion Date. The Lien Holdback will be held in trust for the Purchaser pursuant to the *Strata Property Act* (British Columbia) and *Builders Lien Act* (British Columbia) (or successor statutes) solely in respect of lien claims registered in the applicable Land Title Office in connection with work done for the Vendor. The Vendor's Solicitors are authorized but not required to invest the Lien Holdback in an interest bearing trust account and 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 which is 55 days after the date that the balance of the Purchase Price become due as aforesaid, the Lien Holdback plus interest, if any, accrued thereon, less the amount of any builders' lien claim filed against the Strata Lot of which the Purchaser or the Purchaser's Solicitors notify the Vendor's Solicitors in writing by 1:00 p.m. on that day.

6. **Disclosure Statement.** The Purchaser acknowledges that the Purchaser has received a copy of the disclosure statement for the Development including all amendments thereto, if any, filed up to the date hereof (collectively the "Disclosure Statement") and has been given a reasonable opportunity to read the Disclosure Statement and the execution by the Purchaser of this Agreement will constitute a receipt in respect thereof. The Disclosure Statement contains provisions explaining the obligations of the owner for the Strata Lot to pay monthly contributions to the common expenses of the Strata Corporation (Strata Fees).

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

- a) terminate this Agreement by written notice to the Purchaser and, in such event, the Deposit and all accrued interest thereon will be absolutely forfeited to the Vendor without prejudice to the Vendor's other remedies and the Vendor's solicitors are hereby irrevocably authorized and directed by the Purchaser to pay the amount held by them and any such interest as may have accrued thereon to the Vendor upon written demand therefore by the Vendor; or
- b) elect to extend the Completion Date to a certain date determined by the Vendor, time to remain of the essence hereof, and subject to the Vendor's right in its sole discretion, to grant further extensions to a certain date each time, in which event the Purchaser will pay to the Vendor, in addition to the Purchase Price, interest on the unpaid portion of the Purchase Price and other unpaid amounts payable hereunder at the rate of 2% per month (24% per annum), calculated daily and compounded monthly not in advance, from the date upon which such portion and amounts were due to the date upon which such portion and amounts are paid.

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The Vendor may cancel this Agreement pursuant to subsection 7(a) at any time after extending the Completion Date pursuant to subsection 7(b) if the Purchaser fails to complete on or before such extended date.

- 8. Entire Agreement/Representations.** The Purchaser acknowledges and agrees that this Agreement constitutes the entire agreement between the parties with respect to the sale and purchase of the Strata Lot and supersedes any prior agreements, negotiations or discussions, whether oral or written, of the Vendor and the Purchaser, and that there are no representations, warranties, conditions or collateral contracts, expressed or implied, statutory or otherwise, or applicable hereto, made by the Vendor, its agents or employees, or any other person on behalf of the Vendor, other than those contained herein and in the Disclosure Statement, including, without limitation, arising out of any sales brochures, models, websites, representative view sets, showroom displays, photographs, illustrations or renderings or other marketing materials provided to the Purchaser or made available for his viewing. In particular the Purchaser acknowledges and agrees that the materials specifications, details, dimensions and floor plans set out in any materials viewed by the Purchaser are approximate and subject to change without notice in order to comply with building site conditions and municipal, structural and Vendor and/or architectural requirements.
- 9. Construction.** The Strata Lot is as shown on the preliminary plans attached to the Disclosure Statement given to the Purchaser (the "Preliminary Plans"). The Vendor may make alterations to the features and layout of the Strata Lot without compensation to the Purchaser. The Vendor reserves the right to alter the common property of the Development at any time and from time to time, if, in its sole opinion, such alteration or alterations improve the structural integrity of the Development, its mechanical systems, its ability to withstand water penetration or aesthetics. The proposed dimensions, lots lines and location of the strata lots in the Development are set out in the Preliminary Plan. The actual size, dimensions and/or configuration of the strata lots, balconies, patios and/or decks and/or other limited common property as set forth in the final strata plan (the "Final Strata Plan") for the Development may vary from what is depicted on the Preliminary Plan. The areas and dimensions of the strata lots in the Development set out in the marketing materials referred to in Section 8 are approximate and are provided for information purposes only and are not represented as being the actual final areas and dimensions of the strata lots (including the Strata Lot) in the Development. In the event of any discrepancy between the area, size, dimensions, location and/or configuration of the strata lots, balconies, patios and/or decks and/or other limited common property in the Preliminary Plan and/or any architectural plans relating to the Development and/or any marketing materials and the Final Strata Plan, the Final Strata Plan will prevail.
- 10. Issuance of Building Permit.**
- a) The Purchaser may cancel this Contract of Purchase and Sale for a period of seven days after receipt of an amendment to the Disclosure Statement that sets out particulars of the issued building permit if the layout or size of the applicable strata lot, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the Development is materially changed by the issuance of the building permit.
 - b) If an amendment to the Disclosure Statement that sets out particulars of an issued building permit is not received by the Purchaser within 12 months after the initial Disclosure Statement was filed, the Purchaser may at the Purchaser's option cancel this Contract of Purchase and Sale at any time after the end of that 12 month period until the required amendment is received by the Purchaser, at which time the Purchaser may cancel this Contract of Purchase and Sale for a period of seven days after receipt of that amendment only if the layout or size of the applicable strata lot, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the Development, is materially changed by the issuance of the building permit.
 - c) The amount of the deposit to be paid by a purchaser who has not yet received an amendment to the Disclosure Statement that sets out particulars of an issued building permit shall not exceed more than 10% of the Purchase Price.
 - d) All deposits paid by the Purchaser, including interest earned if applicable, will be returned promptly to the Purchaser upon notice of cancellation from the Purchaser.

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- 12. Inspection.** The Purchaser or his representative and a representative of the Vendor will inspect the Strata Lot at a reasonable time designated by the Vendor by written notice or by telephone prior to the Completion Date. The Purchaser may at his option forfeit this inspection and will be deemed to be satisfied with and to have accepted the physical condition of the Strata Lot (including the existing kitchen, bathroom and other installations, equipment, appliances and furnishings) on the Completion Date. At the conclusion of such inspection, a conclusive list of any defects or deficiencies (the "Deficiencies") will be prepared which are to be rectified by the Vendor. The parties will sign the list and the Purchaser will be deemed to be satisfied with and to have accepted the physical condition of the Strata Lot (including the existing kitchen, bathroom and other installations, equipment, appliances and furnishings) subject only to the Deficiencies. The Purchaser covenants and agrees to complete the purchase of the Strata Lot on the Completion Date on the terms and conditions herein contained notwithstanding that the Deficiencies may be rectified subsequent to the Completion Date. The Purchaser will not be allowed to have access to the Strata Lot except for this inspection prior to the possession date. No holdback will be made on closing in respect of the Deficiencies or other deficiencies.
- 13. Costs.** The Purchaser will pay all costs in connection with the sale and purchase of the Strata Lot (including property transfer tax and any federal and provincial sales, goods and services, value added or other tax required to be paid by the Purchaser in connection with the purchase and sale of the Strata Lot and the equipment and appliances included with the Strata Lot), other than the costs of the Vendor incurred in clearing title to the Strata Lot. Without limiting the generality of the foregoing, the Purchaser agrees that the Purchase Price does not include GST and that, if and to the extent required under Part IX of the *Excise Tax Act* (Canada), he will remit to the Vendor on the Completion Date any GST that may be eligible under Part IX of the *Excise Tax Act* (Canada) in respect of the transaction contemplated herein, and the Vendor agrees that it will remit such funds or otherwise account for such funds to Canada customs and Revenue Agency ("Revenue Canada") in accordance with its obligations under Part IX of the *Excise Tax Act* (Canada). Notwithstanding the foregoing, if the Purchaser is a corporation which is registered for GST purposes and, on or before the Completion Date, the Purchaser provides the Vendor with a certificate as to the GST registered status of the Purchaser containing the Purchaser's GST registration number, the Purchaser will not be required to pay the GST to the Vendor but will be entitled to self-assess the GST and account for the same directly to Revenue Canada.
- 14. Assignment.** Unless the Vendor consents and such consent is in compliance with the following paragraph, the Vendor will not be required to convey the Strata Lot to anyone other than the Purchaser named herein. The Vendor may, at its option, charge an administration fee equal to 1.5% of the Purchase Price as consideration for agreeing to an assignment of the Purchaser's interest in the Strata Lot or in this Agreement and for any associated legal and administrative costs, except that there will be no such charge if the assignee is the Purchaser's spouse, parent, child, grandparent or grandchild. Following any assignment, the assignor will not be relieved of his obligations hereunder but will continue to remain liable to perform all obligations of the Purchaser under this Agreement. The Purchaser will not advertise or solicit offers from the public with respect to the resale of the Strata Lot by the Purchaser before the Completion Date without the express written consent of the Vendor, which consent may be arbitrarily withheld.

Without the Vendor's prior consent, any assignment of the Purchase Agreement is prohibited.

An assignment under the Real Estate Development Marketing Act is a transfer of some or all of the rights, obligations and benefits under a purchase agreement made in respect of a strata lot in a development property, whether the transfer is made by the purchaser under the purchase agreement to another person or is a subsequent transfer.

Each proposed party to an assignment agreement must provide the developer with the information and records required under the Real Estate Development Marketing Act.

Before the Developer consents to an assignment of a purchase agreement, the Developer will be required to collect information and records under the Real Estate Development Marketing Act from each proposed party to an assignment agreement, including personal information, respecting the following:

- (a) the party's identity;

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- (b) the party's contact and business information;
- (c) the terms of the assignment agreement.

Information and records collected by the developer must be reported by the developer to the administrator designated under the Property Transfer Tax Act. The information and records may only be used or disclosed for tax purposes and other purposes authorized by section 20.5 of the Real Estate Development Marketing Act, which includes disclosure to the Canada Revenue Agency.

- 15. **Successors & Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- 16. **Marketing Program.** The Purchaser agrees that the Vendor may continue to carry out construction work on the Development after the completion of the purchase of the Strata Lot by the Purchaser. The Purchaser acknowledges and accepts that such work may cause inconvenience to the use and enjoyment of the Strata Lot. The Purchaser will not impede or interfere with the Vendor's completion of construction of other strata lots, the common property or the Development. The Purchaser acknowledges that the Vendor may retain strata lots in the Development for use as sales and administrative office and/or display suites for marketing purposes or otherwise. The Purchaser agrees that for so long as the Vendor is the owner of any strata lots in the Development, the Vendor may carry out marketing, promotional and sales activities within the common property (including parking stalls and recreational facilities) of the Development or strata lots owned or leased by the Developer, including, without limitation, maintaining display suites, other display areas, parking areas and signage (including signage on the exterior of the Development) and permitting public access to same for the purpose of marketing any unsold strata lots. In addition, the Developer may conduct tours of the Development from time to time with prospective purchasers and hold events and other activities within the Development in connection with the marketing and sales activities.
- 17. **Condition Removal.** Notwithstanding anything herein contained to the contrary, if the Purchaser's or the Vendor's obligation to purchase or sell the Strata Lot is subject to any conditions precedent then the conditions shall be set out in Addendum "B" attached to this Contract. If written waiver is not provided by the party whom the condition is to benefit within the time indicated for such, then this Agreement shall terminate and the Deposit together with any accrued interest thereon less the Stakeholder's reasonable administration fee shall be promptly refunded to the Purchaser.
- 18. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of British Columbia.
- 19. **Contractual Rights.** This offer and the agreement which results from its acceptance creates contractual rights only and not any interest in land. The Purchaser will acquire an interest in land only upon completion of the purchase and sale contemplated herein.

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S.L. No. _____ Unit No. _____

20. Purchaser's Solicitors. The Purchaser's solicitors are:

Name: _____

Address: _____

Telephone Number: _____

Fax Number: _____

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ADDENDUM "B"

The Contract of Purchase and Sale is subject to the following conditions precedent:

A) Vendor's Conditions:

1. _____

2. _____

3. _____

These conditions are for the sole benefit of the Vendor

B) Purchaser's Conditions:

1. _____

2. _____

3. _____

These conditions are for the sole benefit of the Purchaser.

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LAKE COUNTRY VILLAS

DISCLOSURE STATEMENT AMENDMENT

DATE OF DISCLOSURE STATEMENT: May 20, 2022

DATE OF THIS AMENDMENT: November 1, 2022

DEVELOPER: 1238118 B.C. Ltd.
(the “Developer”)

BUSINESS ADDRESS: 1352 Mine Hill Drive
Kelowna, British Columbia
V1P 1S5

ADDRESS FOR SERVICE: Benson Law LLP
270 Highway 33 West
Kelowna, British Columbia
V1X 1X7

MARKETING: Re/Max Kelowna
100 – 1553 Harvey Ave.
Kelowna, British Columbia
V1Y 6G1
Realtor: Scott Aaltonen

“This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent of Real Estate, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether 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.”

RIGHT OF RESCISSION

Under Section 21 of the *Real Estate Development Marketing Act*, the purchaser or lessee of a development unit may rescind (cancel) the contract of purchase and sale or to lease by serving written notice on the Developer or the Developer's brokerage, within 7 days after the later of the date of the contract was entered into or the date the purchaser or lessee received a copy of this Disclosure Statement.

A purchaser may serve a notice of rescission by delivering a signed copy of the notice in person or by registered mail:

- (a) the Developer at the address shown in the Disclosure Statement received by the purchaser,
- (b) the Developer at the address shown in the purchaser's purchase agreement,
- (c) the Developer's brokerage, if any, at the address shown in the Disclosure Statement received by the purchaser; or
- (d) the Developer's brokerage, if any, at the address shown in the purchaser's purchase agreement.

The Developer must promptly place purchasers' deposits with a brokerage, lawyer or notary public who must place the deposits in a trust account in a savings institution in British Columbia. If a purchaser rescinds their purchase agreement in accordance with the Act and regulations, the Developer or Developer's trustee must promptly return the deposit to the purchaser.

1. The Developer has obtained a building permit for the Development. Delivery of this Amendment to the Purchaser satisfies the conditions of the Developer set out in Section 10 of the Purchase Agreement and Policy Statement 5.
2. The Disclosure Statement dated May 20, 2022, is amended as follows:
 - a. Policy Statement #5 on Pages 3 and 4 of the Disclosure Statement is deleted in its entirety;
 - b. Section 6.1 of the Disclosure Statement is replaced with the following:

“Development Approval

The Developer received building permits from the District of Lake Country on October 5, 2022, under numbers BP20228491, BP20228490, BP20228493, BP20228492, BP20228538, BP20228539, and BP20228540”;
 - c. The Purchase Agreement attached as Exhibit “I” to the Disclosure Statement is replaced with the Purchase Agreement attached hereto as Exhibit “I”;
 - d. Section 7.2(d) of the Disclosure Statement is deleted in its entirety.
 - e. Section 7.2(e) of the Disclosure Statement is replaced with the following:

“There is a termination provision in section 16 of the Addendum “A” to the Purchase Agreement that provides for termination of the Purchase Agreement in the event that either the Vendor or the Purchaser does not waive any conditions precedent for their benefit as set out in Schedule “C” within the time indicated for such waiver.”
 - f. Section 7.2(g) of the Disclosure Statement is replaced with the following:

“Section 13 of Addendum “A” to the Purchase Agreement provides that any assignment of the Purchase Agreement without the Developer’s prior consent is prohibited.

An assignment under the Real Estate Development Marketing Act is a transfer of some or all of the rights, obligations and benefits under a purchase agreement made in respect of a strata lot in a development property, whether the transfer is made by the purchaser under the purchase agreement to another person or is a subsequent transfer.

Each proposed party to an assignment agreement must provide the Developer with the information and records required under the Real Estate Development Marketing Act.

Before the Developer consents to an assignment of a purchase agreement, the Developer will be required to collect information and records under the Real Estate Development Marketing Act from each proposed party to an assignment agreement,

including personal information, respecting the following:

- (a) the party's identity;
- (b) the party's contact and business information;
- (c) the terms of the assignment agreement.

Information and records collected by the Developer must be reported by the Developer to the administrator designated under the *Property Transfer Tax Act*. The information and records may only be used or disclosed for tax purposes and other purposes authorized by section 20.5 of the *Real Estate Development Marketing Act*, which includes disclosure to the Canada Revenue Agency.

If the Developer does consent to an assignment and such consent is in compliance with the foregoing paragraph, the Developer may charge an administration fee of 1.5% of the Purchase Price for any assignment of the Purchase Agreement.”

DEEMED RELIANCE

Section 22 of the *Real Estate Development Marketing Act* provides that every Purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement, 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 Disclosure Statement are liable to compensate the Purchaser for any misrepresentation, subject to any defences available under Section 22 of the Act.

DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required the *Real Estate Development Marketing Act* of British Columbia as of November 1, 2022.

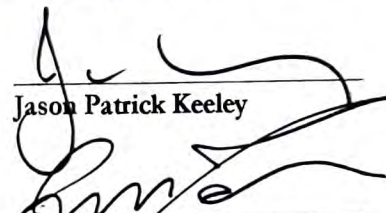
1238118 B.C. Ltd.

Per: 

Jason McCormick
Authorized Signatory

The Directors of 1238118 B.C. Ltd. in their personal capacity:


Randy Michael Sean Therrien


Jason Patrick Keeley

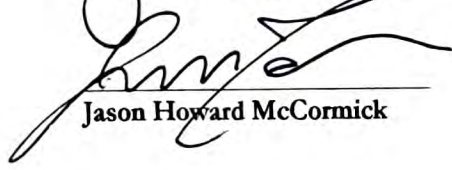

Jason Howard McCormick

EXHIBIT "I"
Purchase Agreement

Salesperson: _____

Offer to Purchase and Agreement of Purchase and Sale
("Purchase Agreement")

VENDOR:
1238118 B.C. Ltd.
c/o 270 Highway 33 West
Kelowna, BC, V1X 1X7

VENDOR'S SOLICITORS:
Benson Law LLP
270 Highway 33 West
Kelowna, BC, V1X 1X7
Attention: Robert Tonsoo

PURCHASER(S):
Full Name: _____
(Mr. Miss Ms. Mrs.)
Occupation: _____
Address: _____

City: _____
Province: _____ **Postal Code:** _____
Tel: _____ **Bus:** _____
Fax: _____ **Sin :** _____
Email: _____

Full Name: _____
(Mr. Miss Ms. Mrs.)
Occupation: _____
Address: _____

City: _____
Province: _____ **Postal Code:** _____
Tel: _____ **Bus:** _____
Fax: _____ **Sin :** _____
Email: _____

I/WE THE ABOVE PURCHASER(S) HEREBY OFFER to purchase Strata Lot _____ (the "Strata Lot") as more specifically described in the proposed strata plan (the "Strata Plan") attached as an exhibit to the Disclosure Statement (hereinafter defined) and also described as Unit _____, _____, Lake Country, BC at the price and on the terms and conditions contained herein.

1.01 PURCHASE PRICE AND DEPOSITS

The purchase price (the "Purchase Price") for the Strata Lot is the sum of:

\$ _____, and additionally, the Purchaser must pay GST upon completion, over and above the Purchase Price

The Purchase Price is payable in lawful money of Canada as follows:

- a) a deposit (the "Deposit") of 10% of the Purchase Price payable within 48 hours of waiver of all conditions set out in Addendum "B" hereto; \$ _____
- b) the balance of the Purchase Price, subject to adjustments described herein (the "Balance") shall be paid on the Completion Date (as hereinafter defined) \$ _____

All deposits shall be made payable to BENSON LAW LLP "in trust".

1.02 The Purchase Price includes the following equipment, appliances and furnishings:

- [a] one refrigerator
- [b] one stove
- [c] one dishwasher
- [d] one washer/dryer pair
- [e] built-in vacuum
- [f] air conditioning

INITIALS

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- 1.03 Completion, Possession and Adjustment Dates: See Paragraph 4 of Addendum "A" attached hereto.
- 1.04 The Purchaser acknowledges having received and having had sufficient opportunity to read the Disclosure Statement prepared by the Vendor with respect to the building project containing the Strata Lot, prior to entering into this Offer.

THE TERMS AND CONDITIONS ATTACHED HERETO AS ADDENDUM "A" AND ADDENDUM "B" ARE PART OF THIS AGREEMENT. READ THEM CAREFULLY BEFORE YOU SIGN.

The Purchaser hereby confirms that he/she/they has/have read this Purchase Agreement including the attached Addendum "A" and further confirm that other than the warranties and representations and the terms and conditions contained in writing therein and in the Disclosure Statement, NO REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS MADE BY ANY PERSON OR AGENT NOT CONTAINED HEREIN SHALL BE BINDING UPON THE VENDOR.

This Purchase Agreement will be open for acceptance by the Vendor up to and including 5:00 PM PST time on the _____ day of _____, 20__ and upon acceptance by the Vendor will be a binding agreement for the purchase and sale of the Strata Lot on the terms and conditions herein contained.

THE PURCHASER HAS EXECUTED THIS AGREEMENT this _____ day of _____, 2__.

Witness

Purchaser

Witness

Purchaser

THIS PURCHASE AGREEMENT is accepted by the Vendor this _____ day of _____, 20__, and receipt of the Initial Deposit is hereby acknowledged.

1238118 B.C. Ltd.

Per: _____
Authorized Signatory

ADDENDUM "A"

1. **Completion date.** The Purchaser will deliver the balance of the purchase price at the Purchaser's expense by way of a solicitor's **CHEQUE** or **BANK DRAFT**, to **Benson Law LLP by NO LATER THAN 2:00 p.m. on the Completion Date** (the "Completion Date"). The Completion Date will be the 21st day after the Vendor or the Vendor's Solicitors notifies the Purchaser or the Purchaser's solicitors (the "Purchaser's Solicitors") that the Strata Lot is ready to be occupied. Whether the Strata Lot is ready to be occupied refers to the Strata Lot and not any other strata lot or common property within the Development and the Strata Lot will be deemed to be ready to be occupied on the Completion Date if the District of Lake Country has given oral or written permission to occupy the Strata Lot, whether such permission is temporary, conditional or final. If the Completion Date is a Saturday, Sunday, holiday or a day upon which the applicable Land Title Office is not open for business, the Completion Date shall be the immediate following business day. The notice of the Completion Date delivered from the Vendor or the Vendor's solicitor 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. If the Strata Lot is not ready to be occupied on the Completion Date so established, then the Vendor may delay the Completion Date from time to time as required, by notice of such delay to the Purchaser or the Purchaser's solicitors. If the Completion Date has not occurred or been established as set out in this Section by _____ (the "Outside Date"), then this Contract will be terminated, the Deposit and any interest thereon will be returned to the Purchaser and the parties will be released from all of their obligations hereunder, provided that:

- a) if the Vendor is delayed from completing construction of the Strata Lot as 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, climactic condition, interference of the Purchaser, or any other event of any nature whatsoever beyond the reasonable control of the Vendor, then the Outside Date will be extended for a period equivalent to such period of delay; and
- b) the Vendor may, at its option, exercisable by notice to the Purchaser, in addition to any extension pursuant to subsection 1(a) and whether or not any delay described in subsection 1(a) has occurred, elect to extend the Outside Date for up to 180 days.

The Vendor confirms that it currently estimates that the Completion Date will occur on or about _____. The Purchaser acknowledges that this date has been provided by the Vendor as a matter of convenience only, is not meant to be legally binding upon the Vendor and that the actual Completion Date will be established in the manner set out above.

2. **Conveyance.** A Vendor's Statement of Adjustments and a freehold transfer for the Strata Lot and, if required by the Vendor, a certificate as to the GST/HST registered status of the Purchaser are to be delivered at the Purchaser's expense to the office of the Vendor's Solicitor, **Benson Law LLP** located at **270 Highway 33 West, Kelowna, British Columbia, V1X 1X7 (250-491-0206)** by the Purchaser's Solicitors **3 full business days** prior to the Completion Date. The Vendor will execute and deliver such statement of adjustments, transfer and certificate (if required) to the Purchaser's solicitors prior to the Completion Date on the condition that, forthwith upon the Purchaser's solicitors obtaining a post registration index search from the applicable Land Title Office indicating that, in the ordinary course of Land Title Office procedure, the Purchaser will become the registered owner of the Strata Lot (subject only to the Permitted Encumbrances and charges for which the Purchaser is responsible), the Purchaser will cause payment of the balance of the Purchase Price due on the Completion Date to be made by the Purchaser's Solicitors to the Vendor's Solicitors. The transfer of the Strata Lot will also be subject to the Vendor's financing arranged in connection with the Development or any builders' lien claims provided that the Vendor's Solicitors undertake to clear title to the Strata Lot of all encumbrances related to such financing and such builders' liens claims within a reasonable period of time after receiving the balance of the Purchase Price due on the Completion Date. The Purchaser acknowledges that the Vendor's financing may remain as a charge against the common property of the

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Development until the Vendor has completed the sale of the balance of the strata lots in the Development whereupon the Vendor covenants such financing will be discharge entirely.

If the Purchaser is relying upon a new mortgage to finance the Purchaser 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 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 solicitor's or notary's undertaking to pay the Purchaser Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

3. Deposit. The Deposit shall be dealt with by the Vendor's agent as follows:

- a) The Deposit, or any portion thereof, received under the terms of this Agreement will be held by the Vendor's agent in accordance with the provisions of the *Real Estate Development Marketing Act*. Subject to sub-sections 3(c) and (d) hereof, any interest on the Deposit shall accrue to the benefit of the Purchaser until that date which is no more than fourteen (14) days prior to the Adjustment Date, after which any interest shall accrue to the benefit of the Vendor. Any interest, which accrues to the benefit of the Purchaser, shall be credited against the Purchase Price on the Statement of Adjustments.
- b) If the Purchaser completes the purchase of the Strata Lot on the terms and conditions contained herein, then the Deposit, together with any interest earned thereon, shall be applied to the Purchase Price and be paid to the Vendor;
- c) If the Purchaser fails to complete the purchase of the Strata Lot, then the Deposit and any accrued interest thereon will be absolutely forfeited to the Vendor; or
- d) If the Vendor fails to complete the sale of the Strata Lot, then the Deposit (or that portion of the Deposit paid or due to be paid by the Purchaser under the terms of this Agreement) together with any interest thereon shall be paid to the Purchaser and the Purchaser shall have no further claims against the Vendor.

Notwithstanding the aforementioned, the Purchaser acknowledges and agrees that the Vendor's agent who, as stakeholder, holds the Deposit in trust is permitted to charge an administrative fee equal to the lesser of the interest accrued and earned on the Deposit and \$100.00.

The payment of any funds to the Vendor pursuant to Sections 3 or 7 of this Addendum "A" shall not be deemed to be all inclusive liquidated damages and shall not preclude any further claims or remedies by the Vendor against the Purchaser arising pursuant thereto.

The Purchaser understands that under Section 19 of the *Real Estate Development Marketing Act* (British Columbia), developers may enter into a deposit protection contract with an approved insurer pursuant to which the deposits paid by purchasers of land which is proposed to be subdivided or strata titled may be released to the developer. As a result, the Vendor, at its sole option, may enter into a deposit protection contract as required by such legislation with respect to the Deposit (or any portion thereof) and the Strata Lot. The Deposit (or such portion thereof) shall be released to the Vendor in accordance with such insurance contract or security agreement and the provisions of Sections 3 and 7 shall be deemed to have been amended accordingly. Notwithstanding the aforementioned provisions, if the Vendor enters into a deposit protection contract as contemplated in this Section 3, the Purchaser acknowledges that no interest will accrue or be earned on the Deposit as of the date such deposit protection contract is entered into.

4. Possession, Risk and Adjustment. The Purchaser will assume all taxes, rates, local improvement assessments, water rates and sewage rates, assessments of the strata corporation of which the Strata Lot forms a part, and all other adjustments both incoming and outgoing of whatever nature in respect of the Strata Lot will be made as of the date the balance of the Purchase Price is due (the "Adjustment Date"). If the amount of any such taxes, rates or assessments have been levied in respect of the entire Lands, the

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Vendor shall in its sole discretion allocate such taxes among all of the strata lots of the Development on the basis of the applicable unit entitlement figure in each case. The Strata Lot is to be at the risk of the Vendor to and including the day preceding the Completion Date, and thereafter at the risk of the Purchaser. So long as the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Strata Lot have been paid in full, the Purchaser may have possession of the Strata Lot on the day following the Completion Date (the "Possession Date"). The Purchaser acknowledges that the Vendor may not appear on title as the registered owner of the Strata Lot and agrees, notwithstanding any provisions to the contrary herein or in the *Property Law Act* (or successor statutes), to accept a Form A of the Strata Lot and other closing documents executed by a party other than the Vendor.

The Purchaser is responsible for all utility charges as of the Possession Date and must ensure that they notify the necessary utility companies to have the utilities transferred into their name on Possession. In the event the Purchaser does not transfer the utilities into their name as of the Possession Date, any charges to the Vendor that should be the Purchaser's responsibility will be paid to the Vendor in full within 5 business days of notification. If said amount is not paid within the 5 business days, a \$50.00 charge will be applied to the outstanding amount.

- 5. **Builders' Lien Holdback.** That portion, if any, of the balance of the Purchase Price required by law to be held back by the Purchaser in respect of builders' lien claims (the "Lien Holdback") will be paid to the Vendor's Solicitors on the Completion Date. The Lien Holdback will be held in trust for the Purchaser pursuant to the *Strata Property Act* (British Columbia) and *Builders Lien Act* (British Columbia) (or successor statutes) solely in respect of lien claims registered in the applicable Land Title Office in connection with work done for the Vendor. The Vendor's Solicitors are authorized but not required to invest the Lien Holdback in an interest bearing trust account and 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 which is 55 days after the date that the balance of the Purchase Price become due as aforesaid, the Lien Holdback plus interest, if any, accrued thereon, less the amount of any builders' lien claim filed against the Strata Lot of which the Purchaser or the Purchaser's Solicitors notify the Vendor's Solicitors in writing by 1:00 p.m. on that day.

- 6. **Disclosure Statement.** The Purchaser acknowledges that the Purchaser has received a copy of the disclosure statement for the Development including all amendments thereto, if any, filed up to the date hereof (collectively the "Disclosure Statement") and has been given a reasonable opportunity to read the Disclosure Statement and the execution by the Purchaser of this Agreement will constitute a receipt in respect thereof. The Disclosure Statement contains provisions explaining the obligations of the owner for the Strata Lot to pay monthly contributions to the common expenses of the Strata Corporation (Strata Fees).

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- 7. **Time of Essence.** Time will be of the essence hereof and unless all payments on account of the Purchase Price, together with adjustments thereto as provided herein and all other amounts payable hereunder are paid when due, then the Vendor may, at its option:
 - a) terminate this Agreement by written notice to the Purchaser and, in such event, the Deposit and all accrued interest thereon will be absolutely forfeited to the Vendor without prejudice to the Vendor's other remedies and the Vendor's solicitors are hereby irrevocably authorized and directed by the Purchaser to pay the amount held by them and any such interest as may have accrued thereon to the Vendor upon written demand therefore by the Vendor; or
 - b) elect to extend the Completion Date to a certain date determined by the Vendor, time to remain of the essence hereof, and subject to the Vendor's right in its sole discretion, to grant further extensions to a certain date each time, in which event the Purchaser will pay to the Vendor, in addition to the Purchase Price, interest on the unpaid portion of the Purchase Price and other unpaid amounts payable hereunder at the rate of 2% per month (24% per annum), calculated daily and compounded monthly not in advance, from the date upon which such portion and amounts were due to the date upon which such portion and amounts are paid.

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The Vendor may cancel this Agreement pursuant to subsection 7(a) at any time after extending the Completion Date pursuant to subsection 7(b) if the Purchaser fails to complete on or before such extended date.

8. **Entire Agreement/Representations.** The Purchaser acknowledges and agrees that this Agreement constitutes the entire agreement between the parties with respect to the sale and purchase of the Strata Lot and supersedes any prior agreements, negotiations or discussions, whether oral or written, of the Vendor and the Purchaser, and that there are no representations, warranties, conditions or collateral contracts, expressed or implied, statutory or otherwise, or applicable hereto, made by the Vendor, its agents or employees, or any other person on behalf of the Vendor, other than those contained herein and in the Disclosure Statement, including, without limitation, arising out of any sales brochures, models, websites, representative view sets, showroom displays, photographs, illustrations or renderings or other marketing materials provided to the Purchaser or made available for his viewing. In particular the Purchaser acknowledges and agrees that the materials specifications, details, dimensions and floor plans set out in any materials viewed by the Purchaser are approximate and subject to change without notice in order to comply with building site conditions and municipal, structural and Vendor and/or architectural requirements.
9. **Construction.** The Strata Lot is as shown on the preliminary plans attached to the Disclosure Statement given to the Purchaser (the "Preliminary Plans"). The Vendor may make alterations to the features and layout of the Strata Lot without compensation to the Purchaser. The Vendor reserves the right to alter the common property of the Development at any time and from time to time, if, in its sole opinion, such alteration or alterations improve the structural integrity of the Development, its mechanical systems, its ability to withstand water penetration or aesthetics. The proposed dimensions, lots lines and location of the strata lots in the Development are set out in the Preliminary Plan. The actual size, dimensions and/or configuration of the strata lots, balconies, patios and/or decks and/or other limited common property as set forth in the final strata plan (the "Final Strata Plan") for the Development may vary from what is depicted on the Preliminary Plan. The areas and dimensions of the strata lots in the Development set out in the marketing materials referred to in Section 8 are approximate and are provided for information purposes only and are not represented as being the actual final areas and dimensions of the strata lots (including the Strata Lot) in the Development. In the event of any discrepancy between the area, size, dimensions, location and/or configuration of the strata lots, balconies, patios and/or decks and/or other limited common property in the Preliminary Plan and/or any architectural plans relating to the Development and/or any marketing materials and the Final Strata Plan, the Final Strata Plan will prevail.
11. **Inspection.** The Purchaser or his representative and a representative of the Vendor will inspect the Strata Lot at a reasonable time designated by the Vendor by written notice or by telephone prior to the Completion Date. The Purchaser may at his option forfeit this inspection and will be deemed to be satisfied with and to have accepted the physical condition of the Strata Lot (including the existing kitchen, bathroom and other installations, equipment, appliances and furnishings) on the Completion Date. At the conclusion of such inspection, a conclusive list of any defects or deficiencies (the "Deficiencies") will be prepared which are to be rectified by the Vendor. The parties will sign the list and the Purchaser will be deemed to be satisfied with and to have accepted the physical condition of the Strata Lot (including the existing kitchen, bathroom and other installations, equipment, appliances and furnishings) subject only to the Deficiencies. The Purchaser covenants and agrees to complete the purchase of the Strata Lot on the Completion Date on the terms and conditions herein contained notwithstanding that the Deficiencies may be rectified subsequent to the Completion Date. The Purchaser will not be allowed to have access to the Strata Lot except for this inspection prior to the possession date. No holdback will be made on closing in respect of the Deficiencies or other deficiencies.
12. **Costs.** The Purchaser will pay all costs in connection with the sale and purchase of the Strata Lot (including property transfer tax and any federal and provincial sales, goods and services, value added or other tax required to be paid by the Purchaser in connection with the purchase and sale of the Strata Lot and the equipment and appliances included with the Strata Lot), other than the costs of the Vendor incurred in clearing title to the Strata Lot. Without limiting the generality of the foregoing, the Purchaser agrees that the Purchase Price does not include GST and that, if and to the extent required under Part IX of the *Excise Tax Act* (Canada), he will remit to the Vendor on the Completion Date any GST that may be eligible under Part IX

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of the *Excise Tax Act* (Canada) in respect of the transaction contemplated herein, and the Vendor agrees that it will remit such funds or otherwise account for such funds to Canada customs and Revenue Agency ("Revenue Canada") in accordance with its obligations under Part IX of the *Excise Tax Act* (Canada). Notwithstanding the foregoing, if the Purchaser is a corporation which is registered for GST purposes and, on or before the Completion Date, the Purchaser provides the Vendor with a certificate as to the GST registered status of the Purchaser containing the Purchaser's GST registration number, the Purchaser will not be required to pay the GST to the Vendor but will be entitled to self-assess the GST and account for the same directly to Revenue Canada.

- 13. **Assignment.** Unless the Vendor consents and such consent is in compliance with the following paragraph, the Vendor will not be required to convey the Strata Lot to anyone other than the Purchaser named herein. The Vendor may, at its option, charge an administration fee equal to 1.5% of the Purchase Price as consideration for agreeing to an assignment of the Purchaser's interest in the Strata Lot or in this Agreement and for any associated legal and administrative costs, except that there will be no such charge if the assignee is the Purchaser's spouse, parent, child, grandparent or grandchild. Following any assignment, the assignor will not be relieved of his obligations hereunder but will continue to remain liable to perform all obligations of the Purchaser under this Agreement. The Purchaser will not advertise or solicit offers from the public with respect to the resale of the Strata Lot by the Purchaser before the Completion Date without the express written consent of the Vendor, which consent may be arbitrarily withheld.

Without the Vendor's prior consent, any assignment of the Purchase Agreement is prohibited.

An assignment under the Real Estate Development Marketing Act is a transfer of some or all of the rights, obligations and benefits under a purchase agreement made in respect of a strata lot in a development property, whether the transfer is made by the purchaser under the purchase agreement to another person or is a subsequent transfer.

Each proposed party to an assignment agreement must provide the developer with the information and records required under the Real Estate Development Marketing Act.

Before the Developer consents to an assignment of a purchase agreement, the Developer will be required to collect information and records under the Real Estate Development Marketing Act from each proposed party to an assignment agreement, including personal information, respecting the following:

- (a) the party's identity;
- (b) the party's contact and business information;
- (c) the terms of the assignment agreement.

Information and records collected by the developer must be reported by the developer to the administrator designated under the Property Transfer Tax Act. The information and records may only be used or disclosed for tax purposes and other purposes authorized by section 20.5 of the Real Estate Development Marketing Act, which includes disclosure to the Canada Revenue Agency.

- 14. **Successors & Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

- 15. **Marketing Program.** The Purchaser agrees that the Vendor may continue to carry out construction work on the Development after the completion of the purchase of the Strata Lot by the Purchaser. The Purchaser acknowledges and accepts that such work may cause inconvenience to the use and enjoyment of the Strata Lot. The Purchaser will not impede or interfere with the Vendor's completion of construction of other strata lots, the common property or the Development. The Purchaser acknowledges that the Vendor may retain strata lots in the Development for use as sales and administrative office and/or display suites for marketing purposes or otherwise. The Purchaser agrees that for so long as the Vendor is the owner of any strata lots in the Development, the Vendor may carry out marketing, promotional and sales activities within the common property (including parking stalls and recreational facilities) of the Development or strata lots owned or leased by the Developer, including, without limitation, maintaining display suites, other display areas, parking areas and signage (including signage on the exterior of the Development) and permitting public access to same for

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the purpose of marketing any unsold strata lots. In addition, the Developer may conduct tours of the Development from time to time with prospective purchasers and hold events and other activities within the Development in connection with the marketing and sales activities.

- 16. **Condition Removal.** Notwithstanding anything herein contained to the contrary, if the Purchaser's or the Vendor's obligation to purchase or sell the Strata Lot is subject to any conditions precedent then the conditions shall be set out in Addendum "B" attached to this Contract. If written waiver is not provided by the party whom the condition is to benefit within the time indicated for such, then this Agreement shall terminate and the Deposit together with any accrued interest thereon less the Stakeholder's reasonable administration fee shall be promptly refunded to the Purchaser.
- 17. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of British Columbia.
- 18. **Contractual Rights.** This offer and the agreement which results from its acceptance creates contractual rights only and not any interest in land. The Purchaser will acquire an interest in land only upon completion of the purchase and sale contemplated herein.
- 19. **Purchaser's Solicitors.** The Purchaser's solicitors are:

Name: _____

Address: _____

Telephone Number: _____

Fax Number: _____

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ADDENDUM "B"

The Contract of Purchase and Sale is subject to the following conditions precedent:

A) Vendor's Conditions:

1. _____

2. _____

3. _____

These conditions are for the sole benefit of the Vendor

B) Purchaser's Conditions:

1. _____

2. _____

3. _____

These conditions are for the sole benefit of the Purchaser.

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