

DISCLOSURE STATEMENT

DEVELOPER:

NAME:

Bulmers Pointe Limited Partnership

ADDRESS FOR SERVICE IN BRITISH COLUMBIA:

c/o Roco Development Ltd.
Cassidy & Company
330 – 522 Seventh Street
New Westminster, British Columbia V3M 5T5

BUSINESS ADDRESS:

Suite 900, 600 – 6th Avenue SW
Calgary, Alberta T2P 0S5

REAL ESTATE BROKERAGE:

NAME:

Ross Lake at RE/MAX RHC Realty

BUSINESS ADDRESS:

601 Baker Street
Nelson, British Columbia V1L 4J3

DATE: July 31, 2007

“THIS DISCLOSURE STATEMENT HAS BEEN FILED WITH THE SUPERINTENDENT OF REAL ESTATE, BUT NEITHER THE SUPERINTENDENT, NOR ANY OTHER AUTHORITY OF THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA, HAS DETERMINED THE MERITS OF ANY STATEMENT CONTAINED IN 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 CONTRACT TO LEASE BY SERVING WRITTEN NOTICE ON THE DEVELOPER OR THE DEVELOPER'S BROKERAGE, WITHIN 7 DAYS AFTER THE LATER OF THE DATE THE CONTRACT WAS ENTERED INTO OR THE DATE THE PURCHASER OR LESSEE RECEIVED A COPY OF THIS DISCLOSURE STATEMENT.

A PURCHASER MAY SERVE NOTICE OF RESCISSION BY DELIVERING A COPY OF THE NOTICE IN PERSON OR BY REGISTERED MAIL TO

- (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 THE DEVELOPER'S TRUSTEE MUST PROMPTLY RETURN THE DEPOSIT TO THE PURCHASER.

THE DEVELOPER MARKETS THE PROPOSED DEVELOPMENT UNITS UNDER THE DISCLOSURE STATEMENT FOR A PERIOD OF NO MORE THAN 9 MONTHS FROM THE DATE THE DISCLOSURE STATEMENT WAS FILED WITH THE SUPERINTENDENT, UNLESS AN AMENDMENT TO THE DISCLOSURE STATEMENT THAT SETS OUT PARTICULARS OF A SATISFACTORY FINANCING COMMITMENT IS FILED WITH THE SUPERINTENDENT DURING THAT PERIOD.

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 OUR PARTICULARS OF A SATISFACTORY FINANCING COMMITMENT, CONTAINS THE FOLLOWING TERMS:

- (a) IF AN AMENDMENT TO THE DISCLOSURE STATEMENT THAT SETS OUT PARTICULARS OF A SATISFACTORY FINANCING COMMITMENT 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;**
- (b) 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 A SATISFACTORY FINANCING COMMITMENT IS NO MORE THAN 10% OF THE PURCHASE PRICE; AND**
- (c) 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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DEFINITION OF TERMS

“Act” means the Strata Property Act S.B.C. 1998 c.43 as amended.

“Bare Land Strata Lot” or “Bare Land Strata Lots” means the bare land strata lots which are the subject of this Disclosure Statement.

“Common Asset”, “Common Expenses”, “Common Property” and “Limited Common Property” have the meanings ascribed to them in the Act.

“Developer” means Bulmers Pointe Limited Partnership.

“Development” means the residential bare land strata project which is the subject of this Disclosure Statement.

Part 1 THE DEVELOPER

1.1 Incorporation Details

The Development is beneficially owned by the Developer which is a limited partnership registered in Alberta. The Developer is registered as a limited partnership in British Columbia under No. 07-0442390.

The General Partner of the Developer is Roco Development Ltd. (the “General Partner”) which is an Alberta company extra-provincially registered in British Columbia under No. A0070012.

Legal title to the Development is held in trust for the Developer by R.W. Brinkerhoff Holdings Ltd. (the “Trustee”) which is an Alberta company registered extra-provincially in British Columbia under No. A0062148.

1.2 Assets of Developer

The Developer is a sole purpose limited partnership registered in Alberta created specifically for the Development and it has no other assets other than the property which is the subject of the Development.

1.3 Developer’s registered and records office

The principal office in Alberta for the Developer is Suite 900, 600 – 6th Avenue SW, Calgary, Alberta and the mailing and delivery address in British Columbia is c/o Roco Development Ltd., Cassidy & Company, 330 – 522 Seventh Street, New Westminster, British Columbia V3M 5T5.

The mailing address in Alberta for the General Partner is Suite 900 – 600 6th Avenue SW, Calgary, Alberta T2P 0S5 and the mailing and delivery address of its attorney in British Columbia is Cassidy & Company, 330 – 522 Seventh Street, New Westminster, British Columbia V3M 5T5.

The mailing address in Alberta for the Trustee is 1750, 530 – 8th Avenue SW, Calgary, Alberta T2P 3S8 and the mailing and delivery address of its attorney in British Columbia is Gowling LeFleur Henderson LLP, 2300 – 1055 Dunsmuir Street, Vancouver, British Columbia V7X 1J1.

1.4 Directors of the General Partner of the Developer

The director of the General Partner of the Developer is Patrick Ryan O'Connor.

Part 2 GENERAL DESCRIPTION

2.1 General Description of the Development

The Development is a development consisting of 34 Bare Land Strata Lots.

The Developer is marketing 33 Bare Land Strata Lots under this Disclosure Statement. One lot (Strata Lot 34) will be owned by the Strata Corporation (the "Caretaker's Lot").

The civic location of the Development is in proximity to Argenta, British Columbia on Argenta – Johnsons Landing Road adjacent to Kootenay Lake.

Attached as Exhibit "A" is a sketch plan for the Development showing the layout of the Development and the dimensions and areas of the Bare Land Strata Lots which are the subject of this Disclosure Statement.

2.2 Permitted Use

The Development is unzoned. The Bare Land Strata Lots may be used for residential purposes.

2.3 Building Construction

A building permit is required from Regional District of Central Kootenay (the "Regional District"). The issuance of a building permit is subject to compliance with the Riparian Area Review described in Section 4.6(b).

The Developer will register a statutory building scheme in the form attached as Exhibit "B" against title to the Bare Land Strata Lots.

Part 3
STRATA INFORMATION

3.1 Unit Entitlement

The Unit Entitlement of each Bare Land Strata Lot is a figure indicating its share in the Common Property of the Development and the Common Expenses and liabilities of the Strata Corporation.

Attached as Exhibit "C" is the proposed Form V indicating the method of calculating Unit Entitlement.

3.2 Voting Rights

Each Bare Land Strata Lot will have one vote in the Strata Corporation.

3.3 Common Property and Facilities

- (a) Common Property in the Development (excluding limited common property).

The common property will consist of roads and services and a garden ("Common Garden") and greenspace area. The Developer may construct a helicopter pad on the Common Property.

- (b) Common Facilities in the Development.

There are no common facilities in the Development.

The Developer may apply for a water lot lease in Kootenay Lake adjacent to the Development to construct boat moorage for the Development and sublease boat slips to Purchasers. The Developer has not determined whether it will proceed with such application.

- (c) Common Assets in the Development.

The Caretaker's Lot will be owned by the Strata Corporation and will be transferred to it upon registration of the Strata Plan for the Development. The Developer will construct on the Caretaker's Lot, at its cost, a residence for a caretaker (the "Caretaker's Residence"). The caretaker will be retained by the Strata Corporation as an independent contractor to oversee the property and carry out such duties as may be prescribed from time to time by the Strata Corporation.

3.4 Limited Common Property

None.

3.5 By-Laws and Rules and Regulations

The bylaws proposed by the Development are the Standard Bylaws contained in the Act, except for those amendments set out in Form Y which is attached as Exhibit "D".

3.6 Parking

Owners will park on their respective Bare Land Strata Lots and there will be no visitors parking on the Common Property.

3.7 Budget

The following expenses are paid by the Strata Corporation and their cost will be prorated to the owners of the Bare Land Strata Lots and included in the monthly assessment:

- Road Maintenance
- Snow Removal
- Landscaping
- Common Garden
- Septic System
- Water
- Caretakers Lot (taxes)
- Caretaker expenses
- Administrative/Meeting
- Insurance
- Management

An estimated budget for Phase 1 for a typical full year of operating expenses of the Strata Corporation, based on estimated current costs, is attached as Exhibit "E". The estimated costs are based on costs experienced by existing comparable projects and projections by the Developer.

Exhibit "E" also sets out the estimated monthly assessment for each Bare Land Strata Lot.

The Developer will establish the contingency reserve fund by making a contribution to the fund at the time of the first conveyance of a Bare Land Strata Lot to a purchaser. The amount of the contribution shall be 5% of the Strata Corporation's interim budget.

Under Section 7 of the Act, the Developer must pay the Strata Corporations' expenses up to the end of the month in which there is the first conveyance of a Bare Land Strata Lot to a purchaser.

Under Section 14 of the Act, after that month and before the first annual budget take effect, if the Strata Corporation's expenses exceed the estimated expenses in the interim budget then the developer must pay the excess to the Strata Corporation. In addition to paying the amount of the excess expenses, where those excess expenses are more than 10% or 20% of the amounts estimated in the interim budget, Section 3.1(l) of the Regulations to the Act requires a developer to respectively pay to the Strata Corporation a further amount equal to either 2 or 3 times the amount of the excess.

Each Purchaser will be responsible to pay for real property taxes levied against his or her Bare Land Strata Lots as well as for hydro, water, cablevision, and telephone services provided directly to the Bare Land Strata Lot.

Each Purchaser will pay for his or her share of costs relating to water and sewage disposal which will form part of monthly assessments in the manner contemplated in Sections 3.8(a) and (c) respectively.

3.8 Utilities and Services

(a) Water – Water will be provided to the Development by a water utility (“Water Utility”) to be incorporated and duly licensed by the Developer. The water system (“Water System”) will be constructed by the Developer at its cost. Each owner will pay an annual fee (the “Annual Water Fee”) to the Water Utility such fee being prescribed by the Comptroller of Water Rights. Water will be pumped from Kootenay Lake to a treatment building which will contain a 50,000 gallon reservoir. The water will be treated and distributed to the Development. The Water System will be constructed to the boundary of each Bare Land Strata Lot. The estimated date for completion of construction of the Water System is July 1, 2008. The Developer will, if required, register a statutory right of way over the Common Property and Bare Land Strata Lots to construct, maintain, operate and repair the Water System (the “Water System Right of Way”) concurrently with registration of the strata plan for the Development.

After 50% of the Bare Land Strata Lots are transferred to Purchasers, the Utility will apply for an exception from the regulation requiring the Utility to establish a Revenue Deficit Trust Fund (the “Fund”) of 2 years' approved operation, maintenance and general expenses whereupon the Fund will be returned to the Developer.

The shares in the Water Utility will be transferred to the Strata Corporation by the Developer after the Fund is returned to the Developer.

(b) Electricity – Electrical service (“Electrical Service”) will be provided by BC Hydro, by means of an above ground or underground electrical distribution line which will be constructed by the Developer, at its cost, to the boundary of each Bare Land Strata Lot.

(c) Sewage – The Developer will construct or cause to be constructed, at its cost, on the Common Property an onsite septic disposal system (the “Septic Facility”) which will

treat sewage from the Bare Land Strata Lots and will at its cost, obtain all required approvals for the construction and operation of the Septic Facility.

The Strata Corporation will own, operate, maintain, repair and replace the Septic Facility.

Each Owner will be required to install on its Bare Land Strata Lot, at its cost and prior to commencement of construction of improvements on any Bare Land Strata Lot, a 1000 gallon septic holding tank (the "Tank") designed by the Developer or its consultants together with a chamber and pump with controls in accordance with applicable governmental and regulatory standards. Liquid waste will be pumped by the Septic System to a drainage field on the Common Property. Solid waste will be pumped out of the Tank by each Owner, at its cost, as and when required from time to time.

The estimated date for completion of construction of the Septic Facility is July 1, 2008.

The Developer will, if required, register an easement over the Common Property and Bare Land Strata Lots where required to provide access to the Developer to construct, maintain, operate and repair the Septic Facility (the "Septic Facility Easement") concurrently with registration of the strata plan for the Development.

(d) Natural gas – Natural gas is not provided.

(e) Fire protection – Fire protection is not provided however fire hydrants shall be installed by the Developer, at its cost, on the Common Property.

(f) Telephone – Telephone and other communication services ("Telephone Service") will be provided by Telus by means of an underground telecommunications distribution line which will be constructed by the Developer, at a location to be determined by the Developer.

(g) Cablevision – Cablevision and related communication services are not available and will not be provided.

(h) Access – Access to the Development is by way of public road and by way of roads to be constructed on the Common Property.

3.9 Strata Management Contracts

The Developer will manage the Strata Corporation and its affairs until the first annual general meeting at which time the Strata Corporation will decide upon the ongoing management of the Strata Corporation.

The Strata Corporation will retain the Caretaker as contemplated in paragraph 3.3(c).

3.10 Insurance

The Developer will obtain insurance on the Common Property and Common Assets.

The Developer will obtain liability insurance to insure the strata corporation against liability for property damage and bodily injury in an amount of \$5,000,000.

Each Purchaser will be responsible for insuring the improvements constructed on, and contents within, his Bare Land Strata Lot and to provide public liability and property damage in amounts determined from time to time by the Strata Corporation with the Strata Corporation as a named insured.

3.11 Rental Disclosure Statement

A developer will not restrict the rental of Bare Land Strata Lots in the Development. The Developer will file a Form J, Rental Disclosure Statement with the Superintendent of Real Estate and a copy is attached as Exhibit "F".

Part 4 TITLE AND LEGAL MATTERS

4.1 Legal description:

Nelson Trail Assessment Area
PID: 016-430-565 District Lot 7827 Kootenay District

(the "Lands").

4.2 Ownership

The Developer is the beneficial owner of the Lands.

Legal title to the Lands is held by R.W. Brinkerhoff Holdings Ltd. in trust for the Developer.

4.3 Existing Encumbrances and Legal Notations

(a) Existing encumbrances:

None

(b) Legal Notations

(i) Section 102 Forest Act See DF W15482 Filed 06/08/1987 Forest (Notices) Reg. This was a notice establishing a right of way for Salisbury Bulmer Forest Service Road in 1987 under the Forest Act.

(ii) Re: Clauses (E) and (F) Sec. 23 (1) Land Title Act See DF. S19151 Filed 28/07/1983 Highways (Notices) Regulations. This was the establishment of a

public highway for Argenta-Johnsons Landing Road 10 in 1983 pursuant to the Highway Act.

4.4 Proposed Encumbrances:

(i) such Section 219 Covenants, Statutory Rights of Way, Restrictive Covenants and Easements as may be required under the PLA referred to in Section 6.1 (including without limitation, the Water System Right of Way and Septic Facility Easement) or as may otherwise be required by the Developer in conjunction with the Development.

(ii) the Comptroller of Water Rights may require the Developer to register a Rent Charge in favour of the Water Utility to secure payment of the Annual Water Fee.

4.5 Outstanding or Contingent Litigation or Liabilities

None.

4.6 Environmental Matters (flooding, soil, other)

The Developer undertook:

(a) The Approving Officer requested that a geotechnical study be completed to assess the alluvial fan hazard that could originate from Bulmer Creek. This report dated June 6, 2007 (the "Geotechnical Report") was completed by Golder Associates and is available for review by Purchasers.

The Geotechnical Report provides 2 options for dealing with the alluvial fan hazard:

(i) the Developer would complete a hydrologic study for the Bulmer Creek fan area. This study would determine the location of suitable building sites. It would specify foundation types for the proposed houses and where there was the potential for flooding from an alluvial fan event the study would recommend basement elevations be raised at least 1m above the existing ground level;

(ii) the Developer would construct mitigative works in the Bulmer Creek channel above the Argenta Johnson's Landing road. These mitigative works would keep debris material from an alluvial fan event in the channel of Bulmer Creek and would allow house foundations to be constructed so they were 0.3m above the existing ground level. Should the mitigative works be approved the Developer would create a local Regional District service area for the lots and the Regional District would be responsible for completing annual inspections and maintenance of the mitigative works.