

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.

The Developer reserves the right to complete either option to solve the alluvial fan hazard issue.

The Developer anticipates that the Approving Officer may impose conditions relating to building set backs or areas where no construction is permitted. If this occurs, the Developer will file an amendment to this Disclosure Statement disclosing such information.

A copy of the Geotechnical Report is available from the Developer for inspection by each Purchaser.

(b) a study to determine the impact of the Development on the existing riparian habitat which study resulting in a report prepared by Masse & Miller Consulting Ltd. and dated May, 2007 (the "Riparian Area Review").

The Riparian Assessment identifies riparian zones from a minimum of 12 metres from the high water mark to 30 metres where no development is to take place.

The Riparian Area Review has been accepted by the Department of Fisheries and Oceans.

The Developer will register against title to the Bare Land Strata Lots a Section 219 Covenant which will create riparian set backs where no construction can occur in compliance with the Riparian Assessment recommendations.

As noted in Section 2.3, where an application of a building permit is made by a Purchaser to the Regional District, the Developer anticipates compliance with some or all of the terms of the Riparian Assessment.

A copy of the Riparian Assessment is available from the Developer for inspection by each Purchaser.

(c) The Developer will undertake a Hydrology Study which will detail safe building areas and engineering guidelines for building foundations. When completed, this study will be available for review by Purchaser.

Part 5 CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

Construction of the Development has commenced and the estimated date for substantial completion of construction is December 31, 2007 provided the Common Garden and Caretaker's Residence is estimated to be completed by December 31, 2008.

5.2 Warranties

None.

Part 6
APPROVALS AND FINANCES

6.1 Development Approval

The Developer has obtained the Preliminary Layout Approval and a copy is attached as Exhibit "G".

6.2 Construction Financing

The Developer has obtained a commitment for a Mortgage in the principal amount of \$2,150,000.

This commitment for the Mortgage provides that the advances beyond \$1,430,000 are conditional upon the Developer entering into 2 purchase agreements with purchasers (the "Funding Condition").

The Developer anticipates satisfying the Funding Condition and any other conditions to the advance of the Construction Facility by August 31, 2007.

The lender under the Mortgage will provide a partial discharge of the Mortgage upon payment of net sales proceeds from the sale of any Bare Land Strata Lot.

Part 7
MISCELLANEOUS

7.1 Deposits

Deposits received from Purchasers will be held in trust by the Developer's real estate brokerage and such monies will be held in trust by this person in the manner required by the Real Estate Development Marketing Act until the strata plan for the development is deposited in the applicable Land Title Office, the Bare Land Strata Lot is capable of being lawfully occupied and a Form A Transfer transferring title of the Bare Land Strata Lot to the Purchaser is registered in the applicable Land Title Office.

7.2 Purchase Agreement

The Developer proposes to use the form of Purchase Agreement attached as Exhibit "H" with such amendments it elects to make, in its sole discretion.

7.3 Developer's Commitments

None.

7.4 Other Material Facts

(a) **First Annual General Meeting:** Under Section 16 of the Act, the Developer must hold the first Annual General Meeting within 6 weeks of the earlier of the date on which 50% plus one of the Bare Land Strata Lots have been conveyed to Purchasers and the date that is 9 months after the first conveyance of a Bare Land Strata Lot to a Purchaser. If that meeting is not held by then, Section 3 of the Regulations to the Act requires the Developer to pay to the Strata Corporation \$1000 for a delay of up to 30 days and a further \$1000 for each additional delay of 7 days.

(b) **Documents to be delivered to the Strata Corporation:** Sections 20(2) and 35 of the Act list all of the documents that a developer must provide to the Strata Corporation at the first Annual General Meeting. The documents set out in Section 20(2) of the Act include copies of:

- (i) all contracts entered into by the Strata Corporation;
- (ii) any Disclosure Statement filed under the *Real Estate Development Marketing Act* and any Rental Disclosure Statement;
- (iii) the registered strata plan from the Land Title Office; and
- (iv) names and addresses of contractors, subcontractors and persons primarily responsible for supplying labour or materials to the Development.

(c) **Material Contracts:**

None.

7.5 Exhibits

- | | |
|-----|------------------------------------|
| “A” | Sketch Plan |
| “B” | Statutory Building Scheme |
| “C” | Form V Unit Entitlement |
| “D” | Form Y Bylaws |
| “E” | Proposed Budget |
| “F” | Form J Rental Disclosure Statement |
| “G” | Preliminary Layout Approval |

"H"

Purchase Agreement

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 defenses 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 BY THE *REAL ESTATE DEVELOPMENT MARKETING ACT* OF BRITISH COLUMBIA AS OF July 31, 2007.

BULMERS POINTE LIMITED PARTNERSHIP

by its General Partner, Roco Development Ltd.:

Per:


Authorized Signatory and Director

Directors of General Partner


Patrick Ryan O'Connor

SOLICITOR'S CERTIFICATE

In the matter of the *Real Estate Development and Marketing Act* and the Disclosure Statement of Bulmers Pointe Limited Partnership (the "Developer") dated July 31, 2007.

I, ANTHONY H.S. KNIGHT, Solicitor, a member of the Law Society of British Columbia, having read over the above described Disclosure Statement dated July 31, 2007 made any required investigations in public offices, and reviewed same with the Developer therein names, hereby certify that the facts contained in Paragraphs 4.1, 4.2 and 4.3 of the Disclosure Statement are correct.

DATED at Vancouver, British Columbia this 3rd day of August, 2007.



ANTHONY H.S. KNIGHT

Exhibit "B"

LAND TITLE ACT

FORM 35

(SECTION 216(1))

DECLARATION OF BUILDING SCHEME

NATURE OF INTEREST:

CHARGE: BUILDING SCHEME WITH PRIORITY OVER MORTGAGE

HEREWITH FEE OF:

\$35.00

ADDRESS OF PERSON ENTITLED TO BE REGISTERED:

LANG MICHENER LLP
BARRISTERS & SOLICITORS
1500 - 1055 W. GEORGIA STREET
VANCOUVER, BRITISH COLUMBIA
V6E 4N7
Attention: A. H. S. Knight
(689 - 9111)

◆
Tel: ◆
Fax: ◆
Email: ◆

Signature of Solicitor

◆ (Inc. No. ◆), ◆, British Columbia ◆, DECLARES:

- 1. It is the registered owner in fee-simple of the land described in Schedule "A" hereto (hereinafter singularly called "Lot" and collectively "Lots").
2. It hereby creates a building scheme relating to the Lots.
3. A sale of any of the Lots is subject to the restrictions enumerated in the schedule attached or annexed hereto.
4. The restrictions shall be for the benefit of all Lots.

Officer Signature(s)

Execution Date

Party(ies) Signature(s)

Name:

Table with 3 columns: Y, M, D. Value 07 in the Y column.

◆ by its authorized signatory(ies)

Name:

Name:

Lawyer /Notary Public

SCHEDULE OF RESTRICTIONS

1. Unless specifically permitted in writing by Roco Development Ltd. (the “Company”) no person will commence any improvements of any sort, including, without limitation, any:

- (a) excavation or removal of any fill or ground cover;
- (b) application for development approval or a building permit;
- (c) construction of any buildings or other structures or improvements of whatsoever nature;
- (d) construction of docks or wharves adjacent to or within Kootenay Lake; or
- (e) landscape treatment;

(collectively or individually herein referred to as “Improvements”)

on any of the Lots without first complying with the provisions set out herein and in the Design Guidelines (as hereinafter defined) and obtaining all approvals contemplated hereunder from the Company.

2. Prior to making any Improvements, the plans and specifications (the “Plans and Specifications”) therefor shall be submitted to the Company along with the appropriate review fee (as provided for in the Design Guidelines), or its designated approving agent (“Designated Approving Agent”) from time to time (the Company and designated approving agent being hereinafter referred to as the “Company” where the context so requires) for the Company’s prior written approval.

3. The Company shall receive and consider the Plans and Specifications and a construction schedule in a timely manner and either grant or reject approval of such Plans, or make recommendations for alterations of such Plans, provided always that the Company shall not act arbitrarily.

4. Plans submitted to the Company shall be prepared in accordance with, and shall comply in all respects with, the Design Guidelines as determined and modified from time to time by the Company in its sole discretion (the “Design Guidelines”).

5. No alterations or modifications to any Improvements constructed on any Lot which has been approved by the Company pursuant to the terms hereof shall be made without the approval in writing of the Company and the approval criteria and procedures herein shall apply to all such alterations and modifications.

6. If any person commences construction of any Improvements on any of the Lots after complying with the requirements set out herein, such person shall not discontinue the construction of such Improvements but will continue diligently to complete the same in all

respects in accordance with the approved Plans and Specifications provided however that such person will not be in breach of this restriction if such construction is interrupted by reason of strike, lockout, labour dispute, act of God, inability to obtain labour or materials or both, enemy or hostile action, civil commotion, fire or other casualty provided that such person takes such steps as are available to it to minimize the effect of such occurrences and diligently recommences construction after each such occurrence.

7. Once commenced, all construction including all exterior finishing must be completed within 2 years from the date of commencement.

8. Following approval of the Plans and Specifications, no construction of Improvements will be commenced or carried out on any of the Lots except in:

- (a) accordance with the approved Plans and Specifications;
- (b) compliance with all applicable laws, ordinances, rules, regulations or orders of governmental or municipal authorities;
- (c) compliance with any building set back requirements of the Developer or any governmental or regulatory authority;
- (d) compliance with a Riparian Area Review prepared by Masse & Miller and dated May, 2007; and
- (e) compliance with a Geotechnical Report prepared by Golder & Associates and dated June 6, 2007.

9. The provisions hereof will be in addition to, but not in substitution for, any generally applicable laws, ordinances, rules, regulations or orders of governmental or municipal authorities.

10. The elevation of Kootenay Lake varies over the normal course of a year and:

- (a) the maximum elevation of Kootenay Lake since 1975 was 534.25 metres above sea level; and
- (b) Owners of Lots must take fluctuating elevations of Kootenay Lake into account when designing their Improvements and the minimum building elevation established by survey is 536.5 metres above sea level; and

11. No person carrying out any works upon any Lot shall damage roads, driveways, landscape elements, telephone lines, electrical distribution equipment or other utilities (the "Services") and if any damage occurs or is caused:

- (a) the Company may either repair such damage and charge the Owner of the Lot (an "Owner") all costs incurred inclusive of an administration fee of 15% of such costs or deliver written notice to the owner of the Lot to repair and replace the Services if so damaged; and

(b) if the Owner of the Lot refuses or neglects to repair or replace the Services, the Company may undertake such repairs and replacement and the Owner of the Lot shall indemnify the Company against the cost of all repairs (inclusive of an administration fee of 15% of such costs) which the Company shall make.

12. The Company shall have the irrevocable license from the date hereof until such date as the Approving Officer for the Ministry of Transportation (the "Approving Officer") issues the final acceptance certificates in respect of the subdivision in which the Lot is located ("Certificates"), to enter upon any Lot for the purpose of exercising its rights pursuant to paragraphs 9 and 10 and to perform any work which may be required by Approving Officer for the issuance of Certificates

13. Each Owner is hereby given notice that the Company is undertaking a subdivision and:

(a) with regard to the subdivision, there will be, from time to time, related construction noise, dust and dirt tracks on roadways in proximity to the Lots increased traffic flow, equipment, crew and other disturbances and inconveniences related to the long term subdivision plan;

(b) with regard to the construction, operation and maintenance, there will be, from time to time, noise, increased traffic flow, equipment, crew and other disturbances and inconveniences related to construction, operation and maintenance at various hours during any 24 hour period,

and such activities shall not constitute a nuisance.

The Company shall act reasonably in any interference with any Owner's access to their Lot that may be required for such purposes so that such interference is as minimal (with respect to degree and duration) as is reasonable under the particular circumstances.

14. No mobile homes, tents, caravans or other temporary dwellings shall be permitted on any Lot at any time unless authorized in writing by the Company for the only purpose of accommodation that is required on site during the course of construction. Each request will be on a case by case basis by the Company, and if granted, shall automatically expire upon the completion of construction.

15. Septic disposal is provided by a Community Septic System (the "Septic System") and no other septic system shall be constructed and:

(a) each owner, at its own expense, will install a 1000 gallon concrete approved septic tank and be responsible for installing and managing a pump system to deliver septic effluent to the Septic System pursuant to the engineering requirements of the Company;

(b) holding tanks will be serviced and emptied by each Owner as required; and

(c) pursuant to the Waste Management Permit issued for the Septic System, the discharge of waste water must be controlled, and accordingly:

- (i) no Improvement erected on a Lot shall have a garburator or a toilet system other than a low flow toilet system which requires no more than 2.9 imperial gallons to flush; and
- (ii) no Owner may discharge any hot tub, swimming pool, ornamental pool or similar reservoir of water into the Septic System.

16. A Community Water System (the "Water System") will deliver treated water to each Lot and no other water system shall be constructed and no Improvement shall have shower heads and faucets on sinks installed other than low flow shower heads and mixing or aerator faucets.

17. No Improvements for commercial practices will be made on any Lot and no commercial businesses shall be operated on any Lot without the prior written consent of the Company.

18. No Improvement shall be used for any other purpose other than as a private residence or hobby area, except for arts, crafts and professional occupations engaged in solely by the residents of the Improvement.

19. Residential renting of the primary residence is permitted provided that guest houses can only be rented in conjunction with the rental of the primary residence and further provided that there is only one rental per Lot at any one time. In this context, a "rental" includes any visitor or guest that is paying or offering other consideration for use of the Lot and/or any Improvements on the Lot regardless of whether or not there is a written rental agreement in place with the Owner to govern such arrangements.

20. No Improvements shall be occupied by a person or persons until such Improvement is complete and final approval has been obtained from the Company and applicable regulatory authority.

21. All Owners, tenants, occupiers or visitors shall ensure that all domestic animals in their possession, care of control are leashed when on beaches, common property and otherwise are contained to their own Lot, except in the case of dogs, in which case all dogs are permitted to be off leash on all beaches and common property provided that: (i) the dog does not constitute a danger to the physical safety of persons other than the owner of the dog; (ii) the owner of the dog restricts the dog's access to Lots owned by other persons (other than on easements for the common trail system that traverse Lots); and (iii) the owner of the dog collects and disposes of the dog's refuse as part of its own household garbage disposal system, as and when it occurs on beaches, the common property and, in the case of easements referred to in the foregoing section (ii), on Lots owned by other persons.

22. No Owner, tenants, occupiers or visitors shall keep or permit to be kept animals of any kind or description whatsoever except for usual domesticated pets as particularly specified in the bylaws.

23. No pigeon coops or other facilities for birds or fowl are to be maintained or kept on any Lot and no farm animals or livestock are to be kept on any Lot.
24. No garden storage sheds or green houses shall be permitted on any Lots unless situated in yard areas with low visibility from the foreshore and any such sheds and green houses will be built which are architecturally compatible with the main residence and are subject to the Design Guidelines and approval by the Company.
25. Trash cans used by Owners on their Lots must be bear resistant and stored in enclosed or screened areas so that they remain undisturbed by wildlife or domestic animals. No garbage facilities or garbage collection services shall be provided by the Company. Each Owner is responsible for ensuring that all waste originating from its Lot including but not being limited to household garbage is disposed of regularly and in a legal manner. With respect to household garbage, this means transporting it to a municipal dump or other legally recognized waste disposal site outside of the Development and disposing of it there, including incurring any costs of so doing.
26. There shall be no littering on beaches or other common property. Owners, tenants, occupiers and visitors shall be responsible for collecting, removing and disposing of any garbage or other waste originating or emanating from them on any of the beaches or the common property as part of its own household garbage disposal system as and when it occurs and for the benefit of all other users of the beach or part of the common property concerned.
27. No composting is to be conducted by any person on any Lot. Owners, tenants, occupiers and visitors are expected to adopt "bear safe" practices and the Company reserves the right to prohibit or regulate any other activity or practice by any one or more Owner which may attract bears or other dangerous wildlife.
28. Construction of foreshore docks and temporary seasonal floating docks are not allowed under any circumstances. Mooring balls and swim platforms are allowed if they are approved by the Company and properly maintained.
29. No jet skis or other similar personal watercraft are permitted to be launched or docked on any beach or floating dock under any circumstances from or adjacent to the Common Property. Owners, tenants, occupiers and visitors are not permitted to operate a jet ski or other similar personal watercraft within 100 metres of the shoreline of the Development.
30. The common trail system and community forest is for non motorized use only except for construction, maintenance, safety or marketing purposes as instituted by the Company. Horses and horseback riding is not permitted on the Common Property.
31. In that the Development is in the wildfire interface area and may be subject to wildfires, each Owner shall review the Firesmart Manual as amended from time to time which is available from Ministry of Forests and each Owner will implement and maintain appropriate fire protection measures, at its sole expense, on their Lots and with respect to their own Improvements.

32. Fires shall only be permitted on beaches and Lots upon such dates of the year which are sanctioned by the Ministry of Forests or other applicable governmental authority.
33. No parking is permitted, nor may goods of any kind be stored, on the driveways or the Common Property.
34. Other than by the Company or those authorized by the Company, there shall be no parking of any heavy trucks, machinery or other similar equipment either on any Lot or adjacent street to any Lot, except for the purposes of construction of Improvements and then only until completion of the particular job for which the truck, machinery or equipment was required. In any event, any such truck, machinery or equipment must be removed promptly after the construction of the Improvement has been completed.
35. No hunting or discharging a firearm or archery is permitted on any Lot or the Common Property under any circumstances.
36. Firewood may be collected from the forested area of the Common Property with the prior written consent of the Company provided Owners will follow proper forestry codes of practice in this regard and further provided only dead fall or dead standing trees may be taken for firewood.
37. In the event of breach of any one or more of the restrictions herein contained, the Company shall have the right but not the obligation to enter upon the Lot and take whatever steps are necessary to cure such breach at the expense of the owner of the Lot being in breach and any cost and expenses related thereto shall constitute a charge upon the owner's lot and may be corrected by the Company as justly due and owing.
38. Nothing herein contained shall be construed or implied as imposing upon the Company, its agents, directors or employees, any liability in the event of non-compliance or non-fulfillment of any of the terms, restrictions and benefits set forth herein and no liability or responsibility whatsoever shall be incurred by the Company, its agents, directors or employees in performance or non-performance of their rights and obligations herein.
39. No Lot shall be subdivided under any circumstances. No Lot shall be altered in its boundaries without the prior written consent of the Company. No Improvements shall be conducted outside the building site designated by the Company without the prior written consent of the Company.
40. No inoperable, derelict or abandoned vehicles or holiday, utility or other trailers shall be parked, stored or left in any common area or on any Lot.
41. Licensed or unlicensed campers, mobile homes, motor homes, travel trailers and/or tents are not permitted, except in a closed garage.
42. Except as required by the Company for marketing activities, signs, billboards and advertising or any kind is not permitted at Bulmer's Pointe without the Company's written consent.

43. No flammable substances shall be stored at Bulmer's Pointe. Propane barbecue ovens shall be restricted to the patio areas of each Lot. No open fire pits are permitted.

44. Campfires are permitted provided they are in accordance with provincial legislation. Burning of garbage, waste or surplus construction materials is not permitted.

45. Nuisances or annoyances that disturb property owners and their guests, or that diminish or depreciate any land, building or occupant's recreational experience or comfort at Bulmer's Pointe are not permitted. This includes undue noise, unruly gatherings or loud use of radio, television, musical instruments and other devices.

46. Except in emergencies, vehicle maintenance and repair shall not be carried out at Bulmer's Pointe.

47. In order to minimize the demands on the environment at Bulmer's Pointe, the following sustainability design guidelines are required:

- (a) all homes shall have instant hot water heating or high efficiency boilers, low-water use appliances and fixtures and energy-efficient lighting;
- (b) outside irrigation must use harvested rainwater and catchment areas must be established and may be used in conjunction with water supplied by the local water utility;
- (c) homeowners will be encouraged to incorporate the following into the design and construction of their homes:
 - (i) solar panel systems;
 - (ii) locally supplied products and labour services;
 - (iii) eco-certified building materials;
 - (iv) leadership in Energy and Design (LED) green building standards;
 - (v) CSA ENERGY STAR-rated appliances;
 - (vi) timber certified by Forest Stewardship Council; and
 - (vii) geotechnical heating and cooling system.

48. During the development on each Lot, the Owner shall construct not less than 2 parking spaces located so as to be shielded from lakeside views.

49. If any provision or provisions set out herein are found by any Court of competent jurisdiction to be illegal, invalid or for any reason unenforceable or void then such provision or provisions will be deleted herefrom (except where such provision or provisions are by cross-reference incorporated into another provision and such other provision is not similarly found to be illegal, invalid or otherwise unenforceable or void) and the provisions hereof will be construed as though such provision or provisions go deleted where never included herein. Such

finding shall not affect nor in any way negate or derogate from the legality, validity or enforceability of any other provisions set out herein.

50. The provisions hereof have been instituted for the general benefit of all Owners of all Lots from time to time and each such Owner, in agreeing to buy any Lot or Lots acknowledges such general benefit and the personal benefit attaching to that Lot purchased and agrees that notwithstanding the other provisions herein contained, their being in violation of the restrictions herein set out will constitute an injury and damage to all the Owners of the Lots from time to time impossible to measure monetarily and, as a result, any or all the other Owners of the Lots from time to time shall, in addition to all of the other remedies in law and in equity or herein, be entitled to a decree or order restraining or enjoining any breach of any of the provisions hereof and any owner in breach of any such provisions and named in an application for such an order will not plead in defense thereto that there would be an adequate remedy at law.

51. Any Owner of a Lot in breach of the provisions hereof will indemnify and save harmless the Company or any owner or Owners of any Lot who commence any proceedings to enforce the provisions hereof and such indemnity will extend to all loss, costs, claims and damages including, without limitations solicitors' costs as actually paid, arising as a result of the breach of the provisions hereof or the enforcement of the same.

52. The Company and Designate will not be liable for, and each of the owners of the Lots from time to time will indemnify and save harmless the Company and Designate in respect of, any loss, cost, claim and damage arising out of the approval or deemed approval of any Plans and Specifications in accordance herewith and the Company and Designate will not be liable for:

- (a) any failure to enforce any of the provisions herein contained; or
- (b) any diminution in value of any Lot as a result of the creation of, or modification or amendment to, any Design Guidelines.

and any failure to enforce any provision in any one or more cases shall not in any way affect or preclude the ability of the Company to enforce or not enforce such provision in any other case or cases.

53. The provisions hereof will run with and bind all of the Lots and every part thereof, and render the Owner, each purchaser, lessee, sublessee and occupant, and each successor in title, future purchaser, lessee, sublessee and occupant of any Lot or Lots or any part thereof subject to the restrictions herein set out and confer on them the benefits herein set out.

54. Each Owner, upon acquisition of a Lot, irrevocably constitutes and appoints the Company, with full power of substitution, as his agent and true and lawful attorney to act on behalf of and with full power and authority in such owner's name, place and stead to consent from time to time to any modification or discharge of this building scheme, as to such Lots and as to such matters, as the Company in its sole discretion shall determine from time to time.

55. Any consent or approval to be given by the Company hereunder shall be in the Company's sole and absolute discretion unless otherwise provided herein.

56. After construction of Improvements on all Lots, the Developer will designate the Strata Corporation as the Designated Approving Agent.

SCHEDULE "A"

PID NUMBER

LEGAL DESCRIPTION

Strata Lot 1

Strata Lot 2

Strata Lot 3

Strata Lot 4

Strata Lot 5

Strata Lot 6

Strata Lot 7

Strata Lot 8

Strata Lot 9

Strata Lot 10

Strata Lot 11

Strata Lot 12

Strata Lot 13

Strata Lot 14

Strata Lot 15

Strata Lot 16

Strata Lot 17

Strata Lo 18

Strata Lot 19

Strata Lot 20

Strata Lot 21

Strata Lot 22

Strata Lot 23

Strata Lot 24

Strata Lot 25

Strata Lot 26

Strata Lot 27

Strata Lot 28

Strata Lot 29

Strata Lot 30

Strata Lot 31

Strata Lot 32

Strata Lot 33

Strata Lot 34

Exhibit "C"

For Disclosure Purposes Only

Strata Property Act
FORM V
SCHEDULE OF UNIT ENTITLEMENT
(Sections 245 (a), 246, 264)

Re: Strata Plan NES _____ ,
being a strata plan of **District Lot 7827 Kootenay District**

STRATA PLAN CONSISTING ENTIRELY OF RESIDENTIAL STRATA LOTS

The unit entitlement for each residential strata lot is one of the following [*check appropriate box*], 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

OR

- (b) a whole number that is the same for all of the residential strata lots as set out in section 246(3)(a)(ii) of the *Strata Property Act*.

OR

- (c) a number that is approved by the Superintendent of Real Estate in accordance with section 246(3)(a)(iii) of the *Strata Property Act*.

Signature of Superintendent of Real Estate

Strata Lot No.	Sheet No.	Habitable Area in m ²	Unit Entitlement	%* of Total Unit Entitlement**
1	1		1	
2	1		1	
3	1		1	
4	1		1	
5	1		1	
6	1		1	
7	1		1	
8	1		1	
9	1		1	
10	1		1	
11	1		1	
12	1		1	
13	1		1	
14	1		1	
15	1		1	
16	1		1	
17	1		1	
18	1		1	
19	1		1	
20	1		1	
21	1		1	
22	1		1	
23	1		1	
24	1		1	
25	1		1	
26	1		1	
27	1		1	
28	1		1	
29	1		1	
30	1		1	
31	1		1	
32	1		1	
33	1		1	
34	1		1	
Total number of lots: 34			Total unit entitlement: 34	

- * expression of percentage is for informational purposes only and has no legal effect
- ** not required for a phase of a phased strata plan

Date: _____ [*month, day, year*].

Signature of Owner Developer

BULMERS POINTE LIMITED PARTNERSHIP by its General Partner,
Roco Development Ltd.

Per: _____
Authorized Signatory

Exhibit "D"

Strata Property Act

FORM Y

OWNER DEVELOPERS' NOTICE OF DIFFERENT BYLAWS

(Sections 245(d), Regulations section 14.6(2))

Re: Strata Plan _____ [the registration number of the strata plan], being a strata plan of

PID

016-403-565

District Lot 7827 Kootenay District

The following or attached bylaws differ from the Standard Bylaws to the *Strata Property Act*, as permitted by section 120 of the Act:

1. **Payment of Strata Fees.** Bylaw 1 of the Schedule of Standard Bylaws is amended as follows:

- (a) Bylaw 1 is renumbered as Bylaw 1(1); and
- (b) Bylaw 1(2) is inserted following Bylaw 1(1) as follows:

“(2) If an owner is late in paying his or her strata fees, the owner must pay to the strata corporation interest on the late payment at the Prime Rate as hereinafter defined plus 5 percentage points per annum, compounded annually, and calculated on a monthly basis commencing from the date the payment was due and continuing until the last day of the month in which it is paid.”

For the Purposes of this Bylaw, “Prime Rate” means that annual rate of interest (commonly called the prime rate) charged by Royal Bank of Canada at its main branch, Vancouver, British Columbia from time to time and designated by it as the prime rate (or if Royal Bank of Canada shall cease to quote such rate, such rate as is quoted by any other Canadian Chartered Bank designated by the Landlord, or if all Canadian Chartered Banks cease to quote such rate, the last quoted rate by Royal Bank of Canada or if applicable, the designated Canadian Chartered Bank), and if such rate shall be changed during any day the rate payable hereunder shall be the rate applicable at the commencement of such day, the intention being that the interest rate applicable and payable hereunder shall fluctuate from time to time as and when the prime rate fluctuates.

2. **Pets.** Bylaw 3(3) of the Schedule of Standard Bylaws is deleted and replaced with the following:

“(3) (a) All dogs are permitted to be off leash on all beaches and the common property and on land that is a common asset provided that:

- (i) the dog does not constitute a danger to the physical safety of persons other than the owner of the dog;
- (ii) the owner of the dog does not allow the dog access to strata lots (other than on easements for walking, hiking and biking trails that traverse strata lots);
- (iii) the owner of the dog collects and disposes of the dog's refuse as part of its own household garbage disposal system, as and when it occurs on beaches, the common property or any strata lots; and
- (iv) it is understood that the strata council shall have the right to determine that a dog owner should lose these off leash privileges temporarily or permanently based on a significant contravention of any one or more of the above noted stipulations, in which case, non-compliance by the owner of the dog shall constitute a Bylaw contravention to be dealt with as provided in these Bylaws."

3. **Additional Use of Property.** The following Bylaws are inserted into the Schedule of Standard Bylaws in Bylaw 3:

"3.5 Subject only to Bylaw 3(3) of this Form Y Owner Developer's Notice of Different Bylaws, all owners, tenants, occupants or visitors must ensure that all domestic animals permitted under these Bylaws are leashed or secured when on beaches, common property or on land that is a common asset, and otherwise, that they are contained to their own strata lot."

4. **Council Member in Default.** Bylaw 10 of the Schedule of Standard Bylaws is amended by inserting the following as Bylaw 10(3):

"(3) No person may be elected to council or continue to be on council if the strata corporation is entitled to register a lien under the Act against a strata lot in which that person has an interest."

5. **Maximum Fine.** Bylaw 23 of the Schedule of Standard Bylaws is deleted and replaced with the following:

"23(1) 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.

(2) The strata corporation may impose a fine on an owner or tenant for a continuing contravention of a bylaw or rule every 7 days.

(3) Additional assessments, fines authorized by these bylaws, banking charges, filing costs, expenses, interest charges and any other expenses incurred by wither the strata corporation to enforce these bylaws, as they may be amended from time to time, or any rule which may be established from time to time by the council pursuant to the Act or

these bylaws, shall become part of the assessment of the owner responsible and shall become due and payable on the first day of the month next following, except that any amount owing in respect of a fine or the cost of remedying the contravention of a bylaw will be calculated as a separate component of such assessment and the strata corporation may not register a lien against such separate component.”

6. **Voting.** Bylaw 27 of the Schedule of Standard Bylaws is amended by inserting the following as Bylaw 27(8):

“(8) An owner may not exercise the owner’s vote in respect of the owner’s strata lot if the strata corporation is entitled to register a lien under the Act against that owner’s strata lot, except on matters requiring a unanimous vote.”

7. **Miscellaneous Additions.** The following bylaws are inserted into the Schedule of Standard Bylaws following Bylaw 30:

“31. **SMALL CLAIMS ACTIONS**

Notwithstanding any provision of the Act, the strata corporation may proceed under the *Small Claims Act* (British Columbia) against an owner or other person to collect money owing to the strata corporation, including money owing as a fine, without requiring authorization by a resolution passed by a $\frac{3}{4}$ vote of the strata corporation.

32. **LEASING REQUIREMENTS**

An owner must:

- (a) provide the strata corporation with a true and complete copy of every written tenancy agreement (as defined in the *Residential Tenancy Act* (British Columbia) as amended or replaced); and
- (b) cause the tenant to execute a Form K – Notice of Tenant’s Responsibilities as provided in the *Strata Property Act* (British Columbia), as amended or replaced, prior to his or her occupation of the strata lot and provide the strata corporation with a copy thereof.”

Date: _____, 2007.

BULMERS POINTE LIMITED PARTNERSHIP by its General Partner,
Roco Development Ltd.

Per:

Authorized Signatory

Exhibit "E"

Estimated Budget

ROADS	Maintenance	\$ 2,000
	Snow Removal	\$ 2,000
	Entry Feature	\$ 200
COMMON PROPERTY	Landscaping	\$ 1,000
	Common Garden	\$ 5,000
	Fences	\$ 500
SEPTIC SYSTEM		\$12,000
CARETAKER	Taxes	\$ 2,000
	Expenses	\$12,000
	Security Monitoring	\$ 2,000
WATER SYSTEM		\$15,000
General	Administration/meeting	\$ 1,000
	Insurance	\$ 2,000
	Management	\$ 1,000
	Sub Total	\$57,700
Contingency – 5%		\$ 2,885
	Total Expenses	\$60,585
	Per Lot /34	\$ 1,781.91
	Per Month /12	\$ 148.49
	+ 1/33 of Caretaker Lot /33	\$ 4.50
Total Cost per lot/per month		\$ 152.99

Estimated Budget and Estimated Monthly Assessments

Strata Lot Number	Unit Entitlement	Estimated Monthly Assessment
1	1	152.99
2	1	152.99
3	1	152.99
4	1	152.99
5	1	152.99
6	1	152.99
7	1	152.99
8	1	152.99
9	1	152.99
10	1	152.99
11	1	152.99
12	1	152.99
13	1	152.99
14	1	152.99
15	1	152.99
16	1	152.99
17	1	152.99
18	1	152.99
19	1	152.99

20	1	152.99
21	1	152.99
22	1	152.99
23	1	152.99
24	1	152.99
25	1	152.99
26	1	152.99
27	1	152.99
28	1	152.99
29	1	152.99
30	1	152.99
31	1	152.99
32	1	152.99
33	1	152.99
34	1	152.99
Totals:	34	

Exhibit "F"

Strata Property Act

FORM J

RENTAL DISCLOSURE STATEMENT

(Section 139)

Re: PID: 016-430-565 District Lot 7827 Kootenay District

- 1 The development described above includes 34 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.

None

[Describe all strata lots rented out by owner developer as of the date of this statement.]

- 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 34 residential strata lots, as described below, until the date set out opposite each strata lot's description.

The owner developer reserves the right to rent any and all of the proposed 34 strata lots described above for an indefinite period.

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

Date: _____, 2007.

BULMERS POINTE LIMITED PARTNERSHIP by its General Partner,
Roco Development Ltd.

Per:

Authorized Signatory

06-100



Ministry of
Transportation

**PROPOSED SUBDIVISION
PRELIMINARY LAYOUT APPROVAL**

RE/MAX - RHC Realty
601 Baker Street
NELSON BC V1L 4J3
(Ross Lake)

Your File
Our File 02-010-20156
Date (yyyy/mm/dd) 2006/11/09

Proposed Subdivision of District Lot 7827, Kootenay District.

REVISED

Your proposal for a 34 lot Bare land strata subdivision has received preliminary layout approval, subject to the following condition(s):

1. Written confirmation from the Regional District of Central Kootenay stating the conditions of their bylaws have been addressed. No response has been received from the Regional District of Central Kootenay but it is anticipated the following will be required. The applicant shall enter into a restrictive covenant with the Regional District of Central Kootenay and the Interior Health Authority to establish the conditions:
 - a) No building until the owner has received information from the Interior Health Authority on the potability of a surface or ground water domestic drinking water sources."
 - b) No building in accordance with the flood management bylaw setbacks.
 - c) Proof of water for each lot, either by drilled well or water licence.
2. Written confirmation from the Ministry of Environment confirming the proponent has registered for sewage disposal under the Municipal Sewage Regulations.
3. Submission of engineered as built drawing: prepared and supervised by a qualified professional, to the Approving Officer confirm installation of the sewage system to serve each lot in accordance with the Municipal Sewage Regulation."
4. Submission of water testing in accordance with the Canadian Safe Drinking Water Guidelines.
5. The applicant shall enter into a restrictive covenant with the Regional District of Central Kootenay and the Minister of Transportation to establish the condition: "No building within 15 metres of the natural boundary of Bulmer Creek and no building within 7.5 metres of the natural boundary of Kootenay Lake. (NOTE: these conditions may be combined with the conditions of restriction set out in the Woods report). Covenant to contain priority over any financial charges.
6. Applicant shall enter into a restrictive covenant with the Regional District of Central Kootenay and the Minister of Transportation to establish the condition: "No building or construction nor placement of mobile homes within the area identified as red zone in the report dated April 5, 2006, prepared by Alan Jones, P. Eng., and Chris Stethem & Associates Ltd. Covenant to contain priority over any financial charges. The area of restriction shall be identified on a reference plan. The wording of the covenant and the area shown on the reference plan shall be reviewed by the engineers and the engineer shall confirm in writing that the areas of restriction and covenant wording accurately reflect the recommendations contained in their report dated April 5, 2006.

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WEST KOOTENAY DISTRICT
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7. For the proposed strata lots, the applicant shall enter into a restrictive covenant with the Regional District of Central Kootenay and the Minister of Transportation to establish the conditions:
 - a) "No building, construction or placement of mobile homes within the Bulmer Creek and potential diversion channels shown on Figure 2, plus a 15 metre setback as identified in the June 7, 2006, report prepared by WSA Engineering Ltd.
 - b) No building, construction or placement of mobile homes within areas identified as Class "C" as shown on Figure 2 of the June 7, 2006 report prepared by WSA Engineering Ltd.
 - c) No building, construction, placement of mobile homes or earth and vegetation removal with the remainder of District Lot 7827, lying east of:
 - d) The areas shown as the remainder of the alluvial fan within strata lots 6 through 10 shall have the additional restriction of "the underside of the floor system of any habitable portion of any building shall be a minimum 1 metre above the natural ground surface."
 - d) Covenant to contain priority over any financial charges.
 - e) Written confirmation from WSA Ltd. stating the covenant wording and reference plans set out the conditions of restriction contemplated in their report of June 7, 2006. WSA to also confirm that contrary to their closure statements in their report, the report may also be relied on by the approving officer in determining safe areas for building.
8. For the remainder of the property (DL 7827, KD), the applicant shall enter into a covenant with the Minister of Transportation to establish the condition "no building, construction, placement of mobile homes, movement of earth or vegetation removal until a report has been submitted to the satisfaction of the Approving Officer".
9. Pursuant to Section 8 of the Strata Property Act Regulation 75/78, access to water is provided at the north end of the proposal via a 205 foot dedication as shown on Ward Engineering's drawing #06-100PLA5
10. Argenta-Johnsons Landing Road shall be established 20 metres in width or 3 metres beyond the extremities of cut and fill slopes. Road dedication shall also be provided in accordance with "clauses E & F, Section 23 (1) Land Title Act (See D.F.S. 19151, filed 28/07/1983, Highways (notices) Regulations". The greater of the two dedications shall be provided.
11. The applicant shall submit a copy of the original crown grant for review.
12. The strata roads shall be designed and construction supervised by a qualified professional. Internal road shall be a 2-lane design with a minimum 7 metre top. The qualified professional shall be guided by TAC guidelines and shall certify in writing to the approving officer the road has been completed in accordance with TAC and to good engineering practice.
13. Proposal shall be in accordance with Strata Property Act and regulations

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14. The property being subdivided is within a wildfire interface area and may be subject to a hazard of wildfire. It is therefore recommended that the owner consult the following websites and review the Firesmart Manual for information about reducing the risk, www.for.gov.bc.ca/protect/ or www.partnersinprotection.ab.ca or contact the Ministry of Forests for more information. Appropriate protection measures should be implemented and maintained, and property purchasers should be advised of the risk.

15. Please be advised that your proposal:

- 1) is within an area identified as having a low potential of encountering artifacts.
- 2) was submitted to the **Ministry of Tourism, Sports and the Arts, Archaeology Branch**. Pursuant to the **Heritage Conservation Act**, archaeological sites are protected. Should you have concerns of if any archaeological artifacts are unearthed, the **Archaeology Branch** of the **Ministry of Tourism, Sports and the Arts** must be notified at 250.952.5021.

The approval granted is only for the general layout of the subdivision and is valid for one year from this letter. However, if at any time there is a change in legislation, regulations or bylaws this preliminary layout approval is automatically cancelled.

Submission of Final Plans (Mylar and 5 prints) to be accompanied by a current Tax Certificate (FIN 55), together with a plan examination fee of \$100.00 plus \$100.00 per lot created by the plan and made payable in the form of a cheque to the Minister of Finance and Corporate Relations.

If you have any questions please do not hesitate to call Phil Best at (250) 354-6520.
(Name of Technician)

Cc: RDCK
Health

Yours truly,

Peter Muirhead
Provincial Approving Officer
Ministry of Transportation

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Exhibit "H"

PURCHASE AGREEMENT

TO: BULMERS POINTE LIMITED PARTNERSHIP (the "Vendor") of _____
_____, British Columbia

The undersigned, _____ of _____
(the "Purchaser") hereby offers to purchase from the Vendor proposed bare land strata lot no. _____ (the "Strata Lot") in the development known as _____ (the "Development") and as shown outlined in dark outline on the plan attached as Schedule "A" hereto to be subdivided from lands legally described as PID: 016-460-565 District Lot 7827 Kootenay District.

Part 1

PRICE, CONDITIONS PRECEDENT AND REAL ESTATE ACT

1.1 The price payable for the Strata Lot is \$ _____ (the "Purchase Price") and does not include Goods and Services Tax or Property Transfer Tax which shall be payable by the Purchaser.

1.2 The obligation of the Vendor to complete the sale herein is subject to the Vendor being satisfied in its sole discretion as to the economic feasibility of the Development on or before _____, 2007 and the Developer selling a sufficient number of Strata Lots by _____, 2007 and if the Developer is not so satisfied or has not sold such sufficient number of Strata Lots by such dates, the Developer shall notify the Purchaser in which case this Agreement shall be terminated and the Deposit paid pursuant to Section 2.1(a) will be returned to the Purchaser.

1.3 The obligation of the parties to complete the sale and purchase herein is subject to approval and registration of the bare land strata plan for the Development and a Certificate of Indefeasible Title issuing for the Strata Lot on or before _____, 2007 provided, however, that if approval and registration of the bare land strata plan for the Development or the issuance of a Certificate of Indefeasible Title for the Strata Lot is delayed by reason of strike, lockout, labour dispute, municipal or other regulatory delay, act of God, inability to obtain or transport materials or labour or both, energy or hostile action, civil commotion, weather, fire or other casualty or other cause beyond its control, the date set forth above in this Section will be extended from time to time by the Vendor, at its option, by the period of such delay or delays and this condition precedent cannot be waived by either party and must be satisfied.

1.4 The *Real Estate Development Marketing Act* (British Columbia) provides that the Superintendent of Real Estate (the "Superintendent") will accept a Disclosure Statement for filing prior to the developer obtaining a Satisfactory Financing Commitment (as hereinafter defined) provided that:

- (a) a developer may offer proposed strata lots for sale under a Disclosure Statement for a period of no longer than 9 months of filing of the Disclosure Statement with the Superintendent unless an amendment (the "Amendment") to the Disclosure Statement is filed with the Superintendent that sets out the particulars of the financing commitment that is unconditional and sufficient to finance the construction and completion of the Development (a "Satisfactory Financing Commitment") is filed with the Superintendent during that 9 month period;
- (b) if an Amendment 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 with the Superintendent, the Purchaser may at his or her option cancel this Purchase Agreement at any time after the end of that 12 month period until the required Amendment is received by the Purchaser;
- (c) the amount of the deposit to be paid by a Purchaser who has not yet received an Amendment that sets out particulars of a Satisfactory Financing Commitment is no more than 10% of the purchase price; and
- (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.

1.5 The Vendor has delivered to the Purchaser a copy of the Disclosure Statement of the Vendor dated _____, 2007 together with all Exhibits attached thereto including, without limitation, the Building Scheme, Bylaws and Design Guidelines pertaining to the Development (collectively the "Disclosure Statement") and the Purchaser hereby acknowledges receipt of such Disclosure Statement and that he has been given the opportunity to read and fully understand the Disclosure Statement including the opportunity to obtain independent legal advice prior to signing this Agreement.

1.6 The Vendor will construct and complete the Development and Strata Lot in a good and workmanlike manner substantially in accordance with the plans and specifications (the "Plans") shown to the Purchaser by the Vendor on the date hereof subject to any changes required by any governmental or regulatory authorities provided herein that the Vendor may make minor modifications in design, layout and location of Strata Lots in the Development as, in the sole opinion of the Vendor and/or the architect or other consultant retained by the Vendor, any entity affiliated with the Vendor or the project manager, are desirable and reasonable.

PART 2

PAYMENT AND SECURITY DEPOSIT

2.1 The Purchase Price will be paid:

- (a) as to \$ _____ by way of deposit paid herewith (the "Deposit");
- (b) as to \$ _____ subject to adjustment, on the Closing Date as hereinafter set out.

2.2 The Deposit will be paid to a real estate brokerage designated by the Vendor, in trust, and will be held pursuant to Section 2.3, at the time of acceptance hereof by the Vendor and will be returned to the Purchaser if the conditions precedent in Section 1.2 or 1.3 are not satisfied or waived.

2.3 The Deposit will be:

- (a) repaid to the Purchaser if this Agreement is terminated pursuant to Section 1.2, 1.3 or 1.4;
- (b) retained by the Vendor as part of the Purchase Price if the sale and purchase is completed;
- (c) retained by the Vendor if the Purchaser defaults in completion, which retention will not preclude any claim by the Vendor against the Purchaser for such failure to complete and will not be construed or deemed an election by the Vendor of any remedy available to it as a result of such default by the Purchaser; or
- (d) repaid to the Purchaser if the Vendor defaults in completing the sale and purchase and the repayment to the Purchaser as a consequence of any failure by the Vendor to complete will be paid as liquidated damages as the Purchaser's sole remedy for such failure to complete by the Vendor will preclude any further claim by the Purchaser against the Vendor for such default.

2.4 The Deposit and other monies received from the Purchaser will be held in trust in the manner required by the *Real Estate Development Marketing Act* until such time as:

- (a) a strata plan in respect of the Development (the "Strata Plan") is deposited in the applicable Land Title Office (the "Land Title Office"); and
- (b) an instrument evidencing the interest of the Purchaser in the Strata Lot has been filed for registration in the applicable Land Title Office and delivered to the Purchaser.

PART 3

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS

3.1 The Vendor represents and warrants or covenants and agrees that:

- (a) the Strata Lot will be free and clear of all charges, claims, judgments, tenancies, encumbrances and liens in the Closing Date, except for:
 - (i) the subsisting exceptions and reservations contained in the original, or any subsequent. Crown Grant;
 - (ii) existing restrictive covenants, easements and statutory rights-of-way;
 - (iii) any Statutory Rights-of-Way, Section 219 Covenants, Easements and other non-financial encumbrances required to be registered by the Vendor in conjunction with the Development; and

- (iv) the Statutory Building Scheme, a copy of which is attached as Schedule “B” hereto,

(“Permitted Encumbrances”),

and subject to Section 4.3 (f); and

- (b) the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

3.2 The Purchaser represents and warrants or covenants and agrees that he will not assign its rights under this Agreement to an assignee (an “Assignee”) without the prior written consent of the Vendor, which consent may be withheld by the Vendor in its sole discretion provided that if the Vendor consents to the assignment of this Agreement to an Assignee, as a condition to such assignment:

- (a) the Assignee shall covenant and agree in writing with the Vendor to comply with the terms and conditions of this Agreement; and
- (b) the Purchaser shall remain fully bound by and under the terms of this Agreement.

3.3 In order to ensure compliance with the Vendor’s safety guidelines for the construction site, neither the Purchaser nor the Purchaser’s agents or representatives, will under any circumstances be permitted to inspect the Strata Lot or to enter the construction site prior to the Closing Date.

PART 4

CLOSING AND RISK

4.1 The sale and purchase shall be completed 14 days after notice is given by the Vendor to the Purchaser that the condition precedent in Section 1.3 has been satisfied provided that if the appropriate Land Title Office is not open for business on that date, then the Closing Date will be the first day following that such Land Title Office is open for business (the “Closing Date”).

4.2 The documents of conveyance, being a transfer of freehold in Form A (the “Transfer”) and a statement of adjustments (the “Closing Documents”), will be prepared by and at the expense of, and registered at the expense of, the Purchaser but will be in such form as required by the Vendor and the discharge of any Security (as hereinafter defined) will be done by and at the expense of the Vendor.

4.3 In completing the purchase and sale of the Strata Lot, the following provisions will apply:

- (a) the Purchaser will cause the Closing Documents to be delivered to the Vendor at least 5 days prior to the Closing Date for the purposes of execution;
- (b) on or before the Closing Date, the Vendor will cause its solicitors to deliver to the Purchaser’s solicitors, duly executed by the Vendor, and in registrable form where appropriate, the Closing Documents on such undertakings as are customarily exchanged

between solicitors in Vancouver, British Columbia as are necessary to facilitate the closing procedures as herein set forth;

(c) on or before the Closing Date the Purchaser will deposit, in trust, with its solicitors the amount due to the Vendor pursuant to Section 2.1 (b), as adjusted pursuant to Section 5.1 less the amount to be advanced to the Purchaser on the Closing Date under any mortgage financing arranged by the Purchaser (the "Mortgage");

(d) forthwith following the deposit in Section 4.3 (c) and after receipt by the Purchaser's solicitors of the Closing Documents, the Purchaser will cause its solicitors to file the Transfer in the appropriate Land Title Office concurrently with the Mortgage (if applicable);

(e) forthwith following the filing referred to in Section 4.3 (d) and upon the Purchaser's solicitors receiving from the Land Title Office a post-index search indicating that the Transfer and Mortgage have been accepted for registration subject only to the Permitted Encumbrances and any Security as defined in Section 4.3 (f), the Purchaser will cause the Purchaser's solicitors, forthwith upon receipt by them of the proceeds of the Mortgage, to deliver to the Vendor's solicitors a certified cheque for the amount due the Vendor pursuant to Section 2.1(b); and

(f) if the Strata Lot is encumbered by any security granted by the Vendor (the "Security") that are not Permitted Encumbrances, the Vendor will be entitled to use the proceeds received pursuant to Section 4.3 (e) to obtain a discharge of the Security on or after the Closing Date and will cause its solicitors to undertake to the Purchaser and its solicitors to cause the Security to be discharged from title for the Strata Lot.

4.4 The Strata Lot will be at the risk of the Vendor until the Possession Date and thereafter will be at the risk of the Purchaser.

4.5 If the Purchaser fails to deliver the Closing Documents to the Vendor 5 days prior to the Closing Date as required pursuant to Section 4.3 (a), the Vendor shall be entitled, in its sole discretion, to treat such failure by the Purchaser as a default by the Purchaser in completing its purchase hereunder, affording to the Vendor the right to exercise any or all rights or remedies available to it under this Agreement or at law.

4.6 The Purchaser agrees with the Vendor that if it fails to deliver the required documents to the Vendor pursuant to Section 4.3(a), the Vendor shall not be required to tender the Transfer, a discharge of the Security, or any other documents on the Purchaser in order to preserve its rights under the Agreement, the obligation to tender being hereby specifically waived by the Purchaser.

PART 5

ADJUSTMENTS, POSSESSION AND INSPECTION

5.1 All usual adjustments of taxes, utilities, local improvement assessments and all other charges and costs relating to the Strata Lot, both incoming and outgoing, will be made as at the Possession Date.

5.2 The Purchaser shall take possession of the Strata Lot at the later of 5:00 p.m. on the Closing Date or after payment of the Purchase Price as required herein.

PART 6

PAYMENT, TENDER AND COMMUNICATION

6.1 Any payment required to be made hereunder will be made by certified cheque or bank draft payable to the person to receive such payment and the amount due to the Vendor pursuant to Section 2.1 (b) shall be paid to the Vendor no later than 2:00 p.m. on the Closing Date.

6.2 Any payment and all documents required hereunder will be tendered, and any notice given pursuant hereto will be given by delivering the same to either the person to receive the same or to a solicitor identifying himself as acting for such person.

6.3 Until either party advises the other in writing their addresses for the tender of any payment or documents, or giving of notice, will be the addresses set out on page 1.

PART 7

TIME OF THE ESSENCE

7.1 Time is of the essence in the performance of each obligation under this Agreement.

PART 8

MISCELLANEOUS

8.1 The Purchaser acknowledges and agrees that the Vendor may, at its option, cause the Strata Corporation to enter into agreements, covenants, easements and/or statutory rights of way with and/or in favour of the governmental or regulatory authorities, public utilities or other entities (which may be related to the Vendor) for the provision of utilities and telecommunication services to the Development which agreements may provide that all wires, cables and other equipment located within the Development for the provision of future utilities and telecommunication services to the Development are owned by the provider thereof.

8.2 The Purchaser acknowledges and agrees:

- (a) that the Strata Corporation will be bound by certain obligations of the Vendor including, without limitation, any agreements made or assumed from time to time by or on behalf of the Strata Corporation (collectively referred to as the "Strata Corporation Obligations");
- (b) that the Strata Corporation will assume all costs related to the Strata Corporation Obligations;
- (c) at all times, to act in a manner consistent with the Strata Corporation Obligations;

