

DISCLOSURE STATEMENT

THE ROCK BLUFF AT TURNER HEIGHTS

3820 - 20 Street NE
Salmon Arm, British Columbia

Date of Disclosure Statement: July 22, 2019

DEVELOPER

Name: Turner-Marsh-West Holdings Ltd.

Address for Service
in British Columbia: PO Box 67, 51 - 3 Street NE
Salmon Arm, British Columbia
V1E 4N2

Business Address: 3820 - 20 Street NE
Salmon Arm, British Columbia
V1E 2G9

Real Estate: The Developer intends to use its own in-house sales staff or such other real estate agents as the Developer may retain from time to time to market the strata lots which are the subject of this Disclosure Statement. The Developer's in-house sales staff and employees are not licensed under the *Real Estate Services Act* and are not acting on behalf of the Purchaser.

DISCLAIMER

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.

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

RIGHT OF RESCISION

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 purchase or lessee received a copy of this Disclosure Statement.

The rescision notice may be served by delivering, or sending by registered mail, a signed copy of the notice 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.

ESTIMATED DATE FOR ISSUANCE OF DEVELOPMENT PERMIT

he Developer estimates that the date when development permit for the Development will be issued is, in accordance with the requirements of the *Real Estate Development Marketing Act* Amended Policy Statement 5, 9 months or less from the date of the filing of this Disclosure Statement with the Superintendent of Real Estate.

The Developer will market the proposed development units for a period of no more 9 months from the date of the filing of this Disclosure Statement with the Superintendent of Real Estate, unless an amendment to this Disclosure Statement, that sets out particulars of the issued development permit, is filed with the Superintendent of Real Estate during that 9 month period. The Developer must also either:

- (i) prior to the expiry of the 9 month period, file with the superintendent an amendment to this Disclosure Statement that sets out particulars of the issued development permit;**
- (ii) upon the expiry of the 9 month period, immediately cease marketing the development and confirm in a written undertaking to the superintendent that all marketing of the development has ceased and will not resume until after the necessary amendment has been filed, failing which a cease marketing order or other order may be issued by the superintendent to the developer without further notice.**

Additionally, the Developer must provide written notice without delay to the superintendent if, during the 9 month period, all units in the development property being marketed under this Policy Statement are sold or the Developer has decided not to proceed with the Development.

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 this Disclosure Statement that sets out particulars of the issued development permit shall contain the following terms:

- (i) The purchaser may cancel the purchase agreement for a period of seven days after receipt of an amendment to the disclosure statement that sets out particulars of the issued development permit if the layout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the development permit;**
- (ii) If an amendment to the Disclosure Statement that sets out particulars of an issued development permit is not received by the purchaser within 12 months after the initial Disclosure Statement was filed, the purchaser may at his or her option cancel the purchase agreement at any time after the end of that 12 month period until the required amendment is received by the purchaser, at which time the purchaser may cancel the purchase agreement for a period of seven days after receipt of that amendment only if the layout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the development permit;**
- (iii) The amount of the deposit to be paid by a purchaser who has not yet received an amendment to the Disclosure Statement that sets out particulars of the issued development permit is no more than 10% of the purchaser price; and**
- (iv) All deposits paid by a purchaser, including interest earned if applicable, will be returned promptly to the purchaser upon notice of cancellation from the purchaser.**

DEVELOPER'S FINANCING

The Developer has not yet obtained a financing commitment for the Development. The estimated date for obtaining a satisfactory financing commitment, in accordance with the requirements of the *Real Estate Development Marketing Act* Policy Statement 6 is 9 months or less from the date of the filing of this Disclosure Statement with the Superintendent of Real Estate.

The Developer will market the proposed development units for a period of no more 9 months from the date of the filing of this Disclosure Statement with the Superintendent of Real Estate, unless an amendment to this Disclosure Statement, that sets out particulars of a satisfactory financing commitment, is filed with the Superintendent of Real Estate during that 9 month period.

Any purchase agreement used by the Developer, with respect to any development unit offered for sale before the purchaser's receipt of an amendment to this Disclosure Statement that sets out particulars of a satisfactory financing commitment shall contain the following terms:

- (i) 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;**
- (ii) 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 purchaser price; and**
- (iii) All deposits paid by a purchaser, including interest earned if applicable, will be returned promptly to the purchaser upon notice of cancellation from the purchaser.**

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EXHIBITS

- A Sketch Plan showing the Development
- B Draft Statutory Building Scheme
- C Proposed Form V, Schedule of Unit Entitlement
- D Proposed Form Y, Owner Developers' Notice of Different Bylaws
- E Proposed Budget
- F Form J, Rental Disclosure Statement
- G Form of Purchase Agreement

1 The Developer

1.1 Turner-Marsh-West Holdings Ltd. (hereinafter referred to as the "Developer") is a British Columbia company incorporated on July 24, 2018 under incorporation number BC1173082.

1.2 The Developer was formed specifically for the purpose of developing the strata lots which are the subject of this Disclosure Statement. The Developer does not have any assets other than the development property itself.

1.3 The address of the Developer's registered and records office is:

PO Box 67, 51 - 3 Street NE
Salmon Arm, British Columbia, V1E 4N2

1.4 The director of the Developer is as follows:

Jorden Michael Brautigam
Krista Dawn Brautigam

1.5 Background

- (i) The Developer is a newly incorporated company and has no previous experience in the development industry. However, the directors and shareholders of the Developer have approximately seven (7) years combined prior experience in project management, and residential construction and renovation, and land development, including the subdivision of lots in Quesnel, BC.
- (ii) Neither the Developer, nor any principal holder of the Developer, nor any director or officer of the Developer or principal holder has, within the ten years before the date of the Developer's declaration attached to this Disclosure Statement, been subject to any penalties or sanctions imposed by a court or regulatory authority, relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud.
- (iii) Neither the Developer, nor any principal holder of the Developer, nor any director or officer of the Developer or principal holder has, within five years before the date of the Developer's declaration attached to this Disclosure Statement, declared bankruptcy or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its/his assets.
- (iv) No director, officer or principal holder of the Developer, nor any director or officer of the principal holder has, within the five years prior to the date of the Developer's declaration attached to this Disclosure Statement, been a director, officer or principal holder of any other developer that, while that person was acting in that capacity:
 - (a) was subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgage of land, or to theft or fraud, or
 - (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

1.6 Conflicts of Interest

There are no existing or potential conflicts of interest among the Developer, manager, any director, officer and principal holder of the Developer and manager, any directors and officers of the principal holders, and any person providing goods or services to the Developer, manager or holders of the development units in connection with the Development which could reasonably be expected to affect a purchaser's purchase decision

2 General Description

2.1 General Description of the Development

The Property (as defined in Paragraph 4.1 below), which is approximately 1.47 hectares in size, is the site of the proposed twelve (12) lot bare land strata development (the "Development"). The Property is located at 3820 - 20 Street NE, in the City of Salmon Arm, in the Province of British Columbia. The bare land strata lots will be owned by purchasers individually, together with a proportionate share of the common property (the "Common Property") which will be owned by the owners of the Strata Lots, as tenants-in-common.

The improvements to the bare land strata lots will not be shown on the bare land strata plan and will not form part of the Common Property. Any building or part of a building located within the boundaries of a Strata Lot is real property and wholly owned by the strata lot owner. Therefore, care and maintenance of the exterior walls and entrances will be the responsibility of the individual Strata Lot owner.

Each of the Strata Lots in the Development will be created upon deposit of a Strata Plan at the Kamloops Land Title Office. The deposit of the Strata Plan for the Development will also create a Strata Corporation (the "Strata Corporation") which will be owned by the owners of the Strata Lots and which will be the registered owner of the Common Property.

Attached as Exhibit "A" to this Disclosure Statement is a copy of Plan EPP86391 showing the location of the Property and a sketch plan showing the layout of the Development and the dimensions or areas of the bare land Strata Lots, limited common property and Common Property. This preliminary sketch plan will be amended to reflect any changes which the Developer deems necessary or appropriate and the actual bare land Strata Lots, limited common property, and Common Property may, when completed, vary somewhat from what is depicted on the sketch plans.

2.2 Permitted Use

The Property is zoned pursuant to the City of Salmon Arm Zoning Bylaw No. 2303 as Residential Suite Zone (R-8) which permits the use of a *secondary suite* contained within a *single family dwelling* or a *detached suite* contained within an *accessory building* (for ease of use, all words appearing in italics are defined terms under this the City of Salmon Arm Zoning Bylaw No. 2303).

Under the R- 8 zoning, all twelve (12) Strata Lots will be permitted to be used for residential purposes. No Strata Lots may be used for commercial or other purposes not ancillary to residential purposes. There may be other permissible uses of the Property beyond those intended by the Developer. Further information about zoning requirements and permissible uses can be obtained from the Development Services Department of the City of Salmon Arm located at 500 - 2 Avenue NE, Salmon Arm, British Columbia.

2.3 Building Construction

Purchasers of Strata Lots will be responsible for construction of any improvements on their Strata Lot. A building permit issued by the City of Salmon Arm will be required for each house constructed on a Strata Lot.

A Statutory Building Scheme which contains certain rules, restrictions, requirements and other provisions which will affect all owners of Strata Lots in the Development will be registered against the title to all of the Strata Lots. A copy of the draft Statutory Building Scheme is attached as Exhibit "B" to this Disclosure Statement.

2.4 Phasing

Not applicable

3 Strata Information

3.1 Unit Entitlement

The unit entitlement of each of the Strata Lots establishes each owner's share of the Common Property and other assets of the Strata Corporation, and is the figure by reference to which the owner's contribution to common expenses of the Strata Corporation is calculated. The unit entitlement of any strata lot in a bare land strata development must be equal, regardless of the size of those lots. A draft copy of the proposed Form V, Schedule of Unit Entitlement, setting out the unit entitlement of each of the Strata Lots contained in the Development is attached as Exhibit "C" to this Disclosure Statement.

Section 278 of the Strata Property Act provides that every owner's share of the property and assets of the Strata Corporation in the event of a winding up will be determined on the basis of municipally assessed values, or appraised values, if there are no municipal assessments.

3.2 Voting Rights

Pursuant to Section 53(1) of the *Strata Property Act*, each of the Strata Lots is entitled to one vote in the Strata Corporation.

3.3 Common Property and Facilities

Common Property within the Development consists of the roadways, sidewalks and landscaped areas. Common Property also includes any items defined as "common property" in the Strata Property Act. There are no common facilities planned for the Development and the Strata Corporation will not, when it is first created, hold any common assets.

Maintenance and repair of the Common Property and Common Assets will be a common expenses of all owners of the Strata Lots. The proportionate share of the common expenses attributable to each of the Strata Lots is determined on the basis of unit entitlement.

Purchasers should note that the Strata Corporation may, in accordance with the provisions of Part 7 of the *Strata Property Act*, repeal and amend all bylaws and adopt new bylaws and rules and regulations which, amongst other things, govern the use of any of the Strata Lots and Common Property.

3.4 Limited Common Property

Not applicable.

3.5 Bylaws

The Bylaws of the Strata Corporation will be the Standard Bylaws under the Strata Property Act, which includes restrictions on pets, and general restrictions on the use of the Strata Lots, supplemented by the additional bylaws as set out on the Form Y, Owner Developers' Notice of Different Bylaws attached as Exhibit "D" hereto, unless and until amended in accordance with the provisions of Part 7 of the Strata Property Act. Purchasers should note that all bylaws are subject to change from time to time in accordance with the provisions of Part 7 of the Strata Property Act.

3.6 Parking

Vehicles must be parked in the owner's garage or on the owner's driveway. There will be no parking provided on the Common Property other than as may be permitted by the Strata Corporation from time to time. Guest parking is available on 20 Street NE.

3.7 Budget

The Strata Corporation will be responsible for the items set out in the proposed budget which is attached as Exhibit "E" to this Disclosure Statement. All items represent estimated annual expenses, based on information obtained by the Developer, or on costs for similar developments. The appropriate level of the Contingency Reserve Fund will be decided by the Strata Corporation, and future levies for the Contingency Reserve Fund will vary. The Developer will, in accordance with the requirements of Section 12 of the Strata Property Act, contribute 5% of the Strata Corporation's interim budget within 12 months of the strata plan being deposited at the Kamloops Land Title Office. The estimated monthly payment amounts to be made by the owners of the Strata Lots under the budget in effect until the first annual general meeting of the Strata Corporation can be determined by allocating the total estimated expenses under the budget according to the unit entitlement of each of the Strata Lots.

Under Section 7 of the Strata Property Act, a Developer must pay the Strata Corporation's expenses up to the end of the month in which the first conveyance of a strata lot to a purchaser takes place. Under Section 14 of the Strata Property Act, after that month and before the first annual budget takes effect, if the Strata Corporation's expenses exceed the estimated expenses in the interim budget, 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(1) of the Strata Property Act Regulations requires the Developer to pay a further amount, equal to two or three times the amount of the excess respectively, to the Strata Corporation.

Each Owner of a Strata Lot will be individually responsible for the payment of property taxes for their own Strata Lot as well as for payment of water, hydro, cablevision, telephone and appropriate insurance coverage for the house constructed on their own Strata Lot.

3.8 Utilities and Services

The Developer will obtain the necessary permits and will install the following utilities to the Development:

A. Water

Water supply is from the City of Salmon Arm.

B. Electricity

The strata lots will be serviced with electricity provided by British Columbia Hydro and Power Authority. The Developer will install electric power lines to the lot lines. The installation of power lines from the lot lines to the improvements to be built on a strata lot and the payment of connection charges is the responsibility of the purchaser.

C. Sewerage

Sanitary sewer disposal will be from the City of Salmon Arm. The installation of sewer lines to improvements to be built on a strata lot and the payment of connection charges is the responsibility of the purchaser.

D. Natural Gas

The Development will be serviced with natural gas provided by FortisBC. The Developer will install natural gas pipelines to the lot lines. The installation of lines to the improvements to be built on a strata lot and the payment of connection charges is the responsibility of the purchaser.

E. Fire Protection

Fire protection will be provided by the City of Salmon Arm.

F. Telephone and Telecommunications

The Strata Lots will be connected to telephone and telecommunications service provided by Telus Communications Inc. The Developer will install telephone and telecommunications lines to the lot lines. The installation of telephone and telecommunications lines to the improvements to be built on a strata lot and the payment of connection charges is the responsibility of the purchaser.

G. Access

Access to the Property will be from 20 Street NE, in Salmon Arm, British Columbia.

H. Garbage Removal

Garbage removal will be provided by the City of Salmon Arm.

The Developer anticipates that all permits for servicing of the Development will be obtained by June 17, 2019 and that the services will be completely installed by October 31, 2019.

3.9 Strata Management Contracts

The Developer has not entered into, and does not intend to enter into, any strata management contract that will bind the Strata Corporation.

3.10 Insurance

Public liability insurance, in an amount not less than \$2,000,000.00, and property insurance on assets owned by the Strata Corporation will be obtained by the Developer in the name of the Strata Corporation in accordance with the requirements of Sections 149 and 150 of the *Strata Property Act*.

3.11 Rental Disclosure Statement

The Developer intends to sell all of the Strata Lots. However, the Developer reserves the right to rent or lease all of the Strata Lots not sold in any phase. A copy of the Form J, Rental Disclosure Statement which the Developer will be filing with the Superintendent of Real Estate is attached hereto as Exhibit "F".

3.12 First Annual General Meeting of the Strata Corporation

Section 16 of the *Strata Property Act* requires the Developer to hold the first annual general meeting of the Strata Corporation within six weeks of the earlier of:

- (i) the date on which 50% plus one of the strata lots have been conveyed to purchasers;
- (ii) the date that is nine months after the first conveyance of a strata lot to a purchaser.

If that meeting is not held on time, Section 3.1(2) of the Strata Property Act Regulations requires the Developer to pay the Strata Corporation \$1,000.00 for a delay of up to 30 days, and a further \$1,000.00 for each additional delay of seven days.

3.13 Documents to be delivered by the Developer to the Strata Corporation

Section 20(2) and 35 of the *Strata Property Act* require that the Developer deliver certain documents to the Strata Corporation. The Developer will, in accordance with these requirements, deliver copies of the following documents to the Strata Corporation:

- (i) all plans required to obtain a building permit and any amendments to the building permit plans;
- (ii) any document in the Developer's possession that indicates the location of pipes, wires, cables, chutes, ducts, or other service facilities that are not shown on a plan;
- (iii) all contracts entered into by the Strata Corporation;
- (iv) any Disclosure Statement filed under the *Real Estate Development Marketing Act* and any Rental Disclosure Statement;
- (v) the registered strata plan from the Land Title Office;
- (vi) the names and addresses of contractors, subcontractors and persons primarily responsible for supplying labour or materials to the project;
- (vii) the names and addresses of any technical consultants, including building envelope specialists, if any;
- (viii) the name and address of any project manager;
- (ix) all warranties, manuals, schematic drawings, operating instructions, service guides, manufacturers' documentation and other similar information relating to common property or common assets; and
- (x) any other records required to be provided by the Developer by the *Strata Property Act* or Regulations.

4 Title and Legal Matters

4.1 Legal Description

The legal description of the property where the Development will occur is:

PID: 030-812-313
Lot 2 Section 25 Township 20 Range 10 W6M KDYD Plan EPP86391
(the "Property").

4.2 Ownership

Legal title to the Property is currently held by Krista Dawn Brautigam, a Director of the Developer, pursuant to a Bare Trust Agreement. The Developer is the beneficial owner of the Property.

4.3 Existing Encumbrances and Legal Notations

The encumbrances and legal notations presently registered against the title to the Property are as follows:

- (i) Mortgage CA6869980 in favour of Salmon Arm Savings and Credit Union. This mortgage was granted by the Developer to the Lender on June 16, 2018 and will be paid out and discharged shortly.
- (ii) Covenant CA7544402 and Priority Agreement CA7544403 in favour of the City of Salmon Arm. The Covenant prohibits development of or construction on the Property unless such development or improvements are proceeded with under the supervision of a qualified geotechnical engineer in compliance with the geotechnical report attached to the Covenant. The Priority Agreement grants the Covenant priority over Mortgage CA6869980. A copy of the Covenant and the related plan are available from the Developer upon request.

- (iii) Covenant CA7544405 and Priority Agreement CA7544406 in favour of the Agricultural Land Commission. The Covenant prohibits removal or disturbance of any soil or natural vegetation in that part of the Property shown on Plan EPP86393. The Priority Agreement grants the Covenant priority over Mortgage CA6869980. A copy of the Covenant and the related plan are available from the Developer upon request.
- (iv) Covenant CA7544408 and Priority Agreement CA7544409 in favour of the Agricultural Land Commission. The Covenant prohibits construction of any dwellings on that portion of the Property shown on Plan EPP86392. The Priority Agreement grants the Covenant priority over Mortgage CA6869980. A copy of the Covenant and the related plan are available from the Developer upon request.
- (v) Covenant CA7544410 and Priority Agreement CA7544411 in favour of the City of Salmon Arm. The Covenant prohibits any buildings, improvements or other structures from being built, constructed or located on the Property, or any further subdivision of the Property, until such time as the Property is fully serviced and trail works have been completed to the standards of the City of Salmon Arm. The Priority Agreement grants the Covenant priority over Mortgage CA6869980. A copy of the Covenant is available from the Developer upon request.
- (vi) Statutory Right of Way CA7544413 and Priority Agreement CA7544414 in favour of the City of Salmon Arm. The Statutory Right of Way grants the City of Salmon Arm the right to lay down, install, construct, entrench, maintain, inspect, alter, remove, replace or otherwise establish a walkway area for public pedestrian use over that part of the Property shown on Plan EPP86391. The Priority Agreements grants the Statutory Right of Way priority over Mortgage CA6869980. A copy of the Statutory Right of Way and the related plan are available from the Developer upon request.

4.4 Proposed Encumbrances

Encumbrances which are to be proposed to be registered against the title to the Property are as follows:

- (i) Easements for access, water, storm sewer, hydro, telephone, cablevision and sanitary sewer in favour of the remainder of the Property charging the common property created upon the registration of the Strata Plan (as required). The Developer intends to file partial discharges of these easements, as appropriate, upon the registration of subdivision plans for subsequent development of the remainder of the Property and these easements can be fully discharged once the Development is complete. Copies of these Easements will be made available by the Developer upon request.
- (ii) Any easements required for utilities or access in favour of the Development charging the remainder of the Property.
- (iii) Any rights of way, easements, restrictive covenants, covenants, dedications and other rights and restrictions required by the City of Salmon Arm, British Columbia Hydro and Power Authority, Telus Communications Inc., the Province of British Columbia, or any other governmental authority or public utility.
- (iv) Pursuant to the provisions of Section 69 of the Strata Property Act, any implied easements which may be necessary for the passage or provision of water, storm and sanitary sewer, electricity, telephone and other services existing within one or more of the Strata Lots as an appurtenance to the Common Property and also to every other Strata Lot capable of enjoying the easements. The Developer may elect to register a specific easement(s) in connection with any such services in order to clearly identify their location. Any purchaser interested in the specific location of these services can obtain a copy of a plan showing their location from the Developer.
- (v) Easements for access, water, storm sewer, hydro, telephone, cablevision and sanitary sewer in favour of the Strata Lots charging the remainder of the Property (as required).

- (vi) The Developer will register a Statutory Building Scheme, which contains restrictions and requirements affecting the Strata Lots, as a charge against title to each of the Strata Lots in the Development. A copy of the proposed Statutory Building Scheme which will be registered against title to the Strata Lots is attached as Exhibit "B" to this Disclosure Statement.
- (vii) The Developer will grant a first mortgage (and an assignment of rents, if required) against the Property in favour of the lender providing the construction financing and, if required, a general security interest in the personal property included in the Development, in order to secure a construction loan for the Development (the Construction Mortgage"). Partial discharges of the Construction Mortgage will be made available to the Developer upon receipt of an agreed upon portion of net proceeds from the sale of each of the Strata Lots.

4.5 Outstanding or Contingent Litigation or Liabilities

The Developer is not aware of any outstanding or contingent litigation or liabilities in respect of the Development, the Property, or against the Developer, that may affect the Strata Corporation or the purchasers of the Strata Lots.

4.6 Environmental Matters

All of the Strata Lots are encumbered by Covenant CA7544402 described in paragraph 4.3(ii) above dealing with geotechnical requirements for construction of improvements. The geotechnical report attached to the Covenant does not reveal any material issues with the condition of the soil or sub-soil, but makes recommendations for construction of improvements within the Development. The Developer is not aware of any other material facts relating to flooding or the condition of soil and sub-soil or other environmental factors affecting the Property.

5 Construction and Warranties

5.1 Construction Dates

The estimated date range of commencement and completion of construction of the Development is as follows:

Date range of Commencement of Construction	Date range of completion of construction*
June 17, 2019 - September 17, 2019	September 30, 2019 - December 30, 2019

**being the date that the bare land strata plan is deposited in a land title office.*

5.2 Warranties

N/A

6 Approvals and Finances

6.1 Development Approval

The Developer has received written confirmation from the City of Salmon Arm that a development permit for the Development will be issued if certain conditions within the control of the Developer are met.

6.2 Construction Financing

The Developer has not yet obtained a financing commitment for the construction of the Development. When a financing commitment is obtained, this financing, together with the Developer's own funds, will pay for the servicing and construction of the Development. The Developer expects to grant the security described in Paragraph 4.4 (vii) above to secure this financing.

7 Miscellaneous

7.1 Deposits

All deposits received from purchasers (collectively the "Deposits") shall be held in the trust account of the selling agent, the conveyancing lawyer, or the conveyancing notary public, in a manner required by the *Real Estate Development Marketing Act* until the strata plan for the Development is deposited in the Land Title Office, the Strata Lot purchased is capable of being lawfully occupied, and the title contracted for is registered in the appropriate land title office, or until the Deposit is otherwise paid out in accordance with the *Real Estate Development Marketing Act*.

7.2 Purchase Agreement

- (i) The Developer intends to use the form of Purchase Agreement attached hereto as Exhibit "G". The Purchase Agreement should be read in its entirety by each purchaser.
- (ii) The Purchase Agreement provides that the Purchase Agreement may be terminated for the following reasons:
 - (a) the buyer may rescind the contract of purchase and sale by serving written notice on the developer (or the developer's brokerage, if any) within seven (7) days after the later of the date the contract was entered into or the date the buyer received a copy of the Disclosure Statement;
 - (b) the buyer may rescind the contract of purchase and sale if the buyer does not receive an amendment to the Disclosure Statement that sets out the particulars of an issued development permit for the buyer's Strata Lot within 12 months of when this Disclosure Statement is filed, or if the development permit materially changes the layout or size of the buyer's Strata Lot, the construction of a major common facility (including any recreation centre or clubhouse), or the general layout of the Development;
 - (c) the buyer may rescind the contract of purchase and sale if the buyer does not receive an amendment to the Disclosure Statement that sets out the particulars of a satisfactory financing commitment within 12 months of when this Disclosure Statement was filed;
 - (d) if the buyer fails to pay the deposits required under the Purchase Agreement, then the Developer may, at its option, terminate the Purchase Agreement the Purchase Agreement is terminated;
 - (e) if the buyer fails to pay the Purchase Price in accordance with the Purchase Agreement, then the Developer may, at its option, terminate the Purchase Agreement and, in such case, the buyer's deposit monies are absolutely forfeit to the Developer on account of damages;
 - (f) if any party fails to remove or waive its conditions precedent, the Purchase Agreement is terminated;
 - (g) if the completion date has not occurred by the outside date (as established in the Purchase Agreement) the Purchase Agreement is terminated.
- (iii) Pursuant to the Purchase Agreement, the Developer may extend the closing, possession and adjustment dates from time to time, as required, by giving the Purchaser or the Purchaser's representative notice. There is no right for the Purchaser to refuse such extension(s). In certain circumstances, including natural disaster, act of God, fire, explosion, accident, strike, labour, supply or machine shortages, equipment failures, interference by the Purchaser, or any other factor beyond the control of the Developer, the Developer may extend the outside date by a period equal to the period of delay. In addition, the Developer may, at its option, extend the outside date by up to 120 days, whether or not the outside date has been extended for any other reason.
- (iv) The Purchase Agreement prohibits the Buyer from assigning the Purchase Agreement to a new Buyer.
- (v) There is no provision in the Purchase Agreement for the Buyer or the Developer to receive interest on the deposit monies.

7.3 Developer's Commitments

Not applicable.

7.4 Other Material Facts

The Developer is not aware of any other facts that affect, or could reasonably be expected to affect, the market price, value or use of a Strata Lot or the Property.

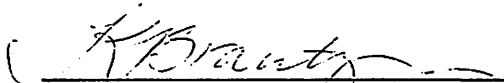
Section 22 of the *Real Estate Development Marketing Act* provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement, if any, and any omission to state a material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

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 22, 2019.

TURNER-MARSH-WEST HOLDINGS LTD.

DIRECTORS

per. 
Authorized Signatory


Krista Dawn Brautigam


Jorden Michael Brautigam

EXHIBIT "A"

Plan EPP86391 and Sketch Plan showing the Development

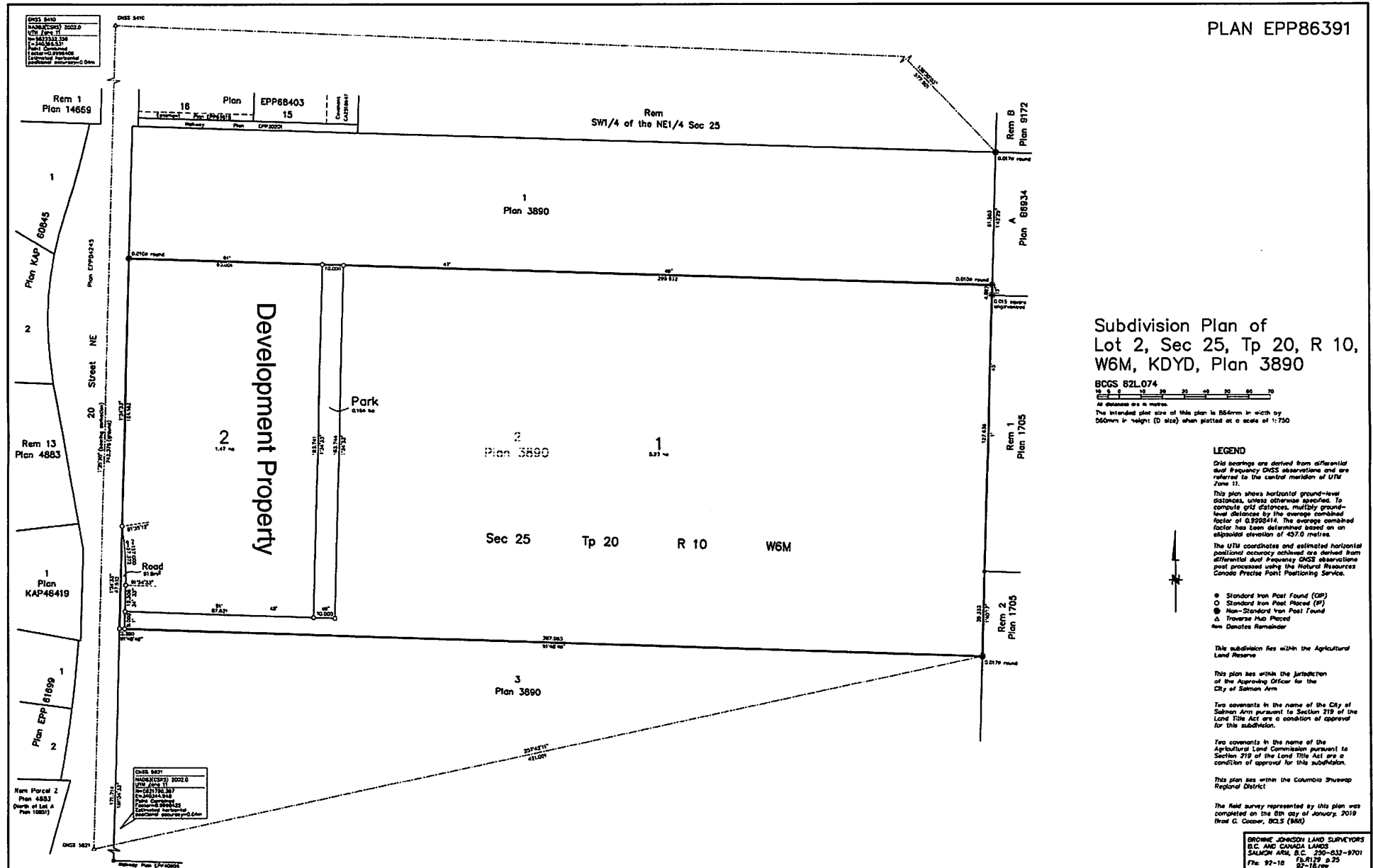


EXHIBIT "B"

Draft Statutory Building Scheme

DECLARATION OF BUILDING SCHEME

NATURE OF INTEREST: CHARGE: BUILDING SCHEME

HEREWITH FEES OF: \$74.16

Address of person entitled to apply to register this building scheme:

2451 - 30 Avenue NE, Salmon Arm, BC V1E 2Z7

Full name, address, telephone number of person presenting application:

Elizabeth Sadorsky, BROOKE DOWNS VENNARD LLP

Lawyers, PO Box 67,

Salmon Arm, British Columbia, V1E 4N2

832-9311

Signature of Solicitor

I/We, Krista Dawn Brautigam, declare that:

1. I/We are the registered owner in fee simple of the lands and premises more particularly described in the Schedule of Lands hereto annexed (hereinafter called the "Lots").
2. I/We hereby create a building scheme relating to the Lots.
3. A sale of any of the Lots is subject to the restrictions enumerated in the Schedule of Restrictions attached or annexed hereto.
4. The restrictions shall be for the benefit of the Lots.
5. I/We hereby expressly reserve the right to exempt any of the Lots remaining undisposed of at the time of exemption from all or any of the restrictions and benefits enumerated in the Schedule of Restrictions.

Officer Signature

Execution Date

Party Signature(s)

Y	M	D
19		

Krista Dawn Brautigam

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part V of the Land Title Act as they pertain to the execution of this instrument.

CONSENT AND PRIORITY OF CHARGEHOLDER

We, **SALMON ARM SAVINGS AND CREDIT UNION**, the holder of Mortgage CA6869980, consent to the registration of the above Declaration of Building Scheme and agree that it shall have priority over the charges registered in our favour.

Officer Signature

Execution Date

Y	M	D
19		

Party Signature(s)

SALMON ARM SAVINGS AND
CREDIT UNION by its authorized
signatories:

Print name

Print name

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part V of the Land Title Act as they pertain to the execution of this instrument.

SCHEDULE OF LANDS

Parcel Identifier

Strata Lot 1 Section 25 Township 20 Range 10 W6M KDYD Strata Plan EPS_____

Parcel Identifier

Strata Lot 2 Section 25 Township 20 Range 10 W6M KDYD Strata Plan EPS_____

Parcel Identifier

Strata Lot 3 Section 25 Township 20 Range 10 W6M KDYD Strata Plan EPS_____

Parcel Identifier

Strata Lot 4 Section 25 Township 20 Range 10 W6M KDYD Strata Plan EPS_____

Parcel Identifier

Strata Lot 5 Section 25 Township 20 Range 10 W6M KDYD Strata Plan EPS_____

Parcel Identifier

Strata Lot 6 Section 25 Township 20 Range 10 W6M KDYD Strata Plan EPS_____

Parcel Identifier

Strata Lot 7 Section 25 Township 20 Range 10 W6M KDYD Strata Plan EPS_____

Parcel Identifier

Strata Lot 8 Section 25 Township 20 Range 10 W6M KDYD Strata Plan EPS_____

Parcel Identifier

Strata Lot 9 Section 25 Township 20 Range 10 W6M KDYD Strata Plan EPS_____

Parcel Identifier

Strata Lot 10 Section 25 Township 20 Range 10 W6M KDYD Strata Plan EPS_____

Parcel Identifier

Strata Lot 11 Section 25 Township 20 Range 10 W6M KDYD Strata Plan EPS_____

Parcel Identifier

Strata Lot 12 Section 25 Township 20 Range 10 W6M KDYD Strata Plan EPS_____

THE ROCK BLUFF AT TURNER HEIGHTS

SCHEDULE OF RESTRICTIONS

1. Use of Lots

1.1 No Lot shall be used for any purpose other than for residential use only.

2. Construction Schedule

2.1 Commencement

The construction of any dwelling house ("Dwelling") on a Lot shall not be commenced unless it is commenced within twenty-four (24) months of the date of completion of the purchase of that Lot by the owner of the Lot.

2.2 Completion

No Dwelling shall be constructed on any of the Lots unless the exterior is fully completed within twelve (12) months of commencement of construction, weather permitting and if weather causes a delay in the building schedule, as soon as possible thereafter.

3. Site Requirements

3.1 Buildings

No trailer, mobile home, package home, manufactured home, modular home or any similar type of building shall be constructed, placed or permitted to be placed on any Lot. No Dwelling may be constructed or placed on any Lot unless the Dwelling is constructed on the Lot.

3.2 Floor Area

No single-storey residence may be constructed on any of the Lots unless the total finished main floor living area, excluding the garage, is at least 1,400 square feet in size. No two-storey residence may be constructed on any of the Lots unless the total finished living area, excluding the garage and the basement, is at least 1,800 square feet in size.

3.3 Driveways

No access driveway shall be constructed on any of the Lots between the Dwelling and the common access road unless it is constructed with asphalt or reinforced concrete and finished in exposed aggregate, broom or concrete stamp.

3.4 Landscaping

No front yard landscaping shall remain incomplete for a period exceeding twelve months of the occupancy of the Dwelling on any of the Lots. No landscaping, including hedges, but excluding native trees, shall be permitted to limit or interfere with the view of Shuswap Lake of any other Lot.

3.5 Fencing

No fencing shall be constructed in excess of four (4) feet in height along the front or back yards of any of the Lots, and no side yard fence shall be constructed in excess of six (6) feet in height. No fencing shall be permitted to limit or interfere with the view of Shuswap Lake of any other Lot.

No fence shall be constructed on any of the Lots unless it is constructed of cast iron, wood, aluminum, composite materials or glass. No chain link fencing is permitted.

3.6 Garages/Sheds

No garage shall be constructed on any Lot except an enclosed garage for not less than two standard passenger size motor vehicles. No carports or garages without doors shall be constructed on any Lot. No plastic, metal or fabric garden sheds or temporary structures shall be constructed, placed or permitted to be placed on the Servient Tenement. For the purpose of this restriction, a temporary structure is any building, structure or improvement that is readily movable and used or intended to be used for a period not exceeding 90 consecutive days.

4. Architectural Requirements

4.1 Roof Materials

No Dwelling shall be constructed on any of the Lots with a roof finished in any material other than cedar, slate, concrete or clay tile, hybrid composite, textured steel, aluminum shingles or architectural asphalt minimum 50-year shingles.

4.2 Exterior Materials

No exterior face of any Dwelling on any of the Lots will be finished in any material or combination of materials other than fibre cement siding, stucco, brick or stone, or natural wood siding; no vinyl or aluminum siding shall be utilized on any dwelling on any of the Lots.

5. General Requirements

5.1 There shall not be stored, kept nor permitted to be stored or kept on any of the Lots any debris, wrecked or partially wrecked motor vehicles, salvage materials or goods intended for commercial use or sale, nor shall any waste or refuse be kept or stored on any of the Lots other than normal household garbage in proper containers which shall be shielded from public view.

EXHIBIT "C"

Proposed Form V, Schedule of Unit Entitlement

STRATA PROPERTY ACT
FORM V
SCHEDULE OF UNIT ENTITLEMENT
(Sections 245(a), 246, 264)

RE: Strata Plan _____, being a strata plan of:

Parcel Identifier: 030-812-313

Lot 2 Section 25 Township 20 Range 10 W6M KDYD Plan EPP86391 (the "Property")

BARE LAND STRATA PLAN

The unit entitlement for each bare land strata lot is one of the following [check appropriate box], as set out in the following table:

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

OR

☐ (b) a number that is approved by the Superintendent of Real Estate in accordance with Section 246(6)(b) of the *Strata Property Act*.

Signature of Superintendent of Real Estate

Strata Lot #	Sheet No.	Habitable Area Sq. Metres	Unit Entitlement	% *of Total Unit Entitlement**
1			1	
2			1	
3			1	
4			1	
5			1	
6			1	
7			1	
8			1	
9			1	
10			1	
11			1	
12			1	

Total Units: 12

Total Unit Entitlement: 12

* expression of percentage is for informational purposes only and has no legal effect

** not required for a phase of a phased strata plan

Date: July _____, 2019

Signature of Owner Developer

EXHIBIT "D"

Form Y, Owner Developers' Notice of Different Bylaws

**STRATA PROPERTY ACT
FORM Y
OWNER DEVELOPERS' NOTICE OF DIFFERENT BYLAWS**

(Sections 245(d) regulations section 14.6(2))

RE: Strata Plan EPS_____, being a strata plan of:

Parcel Identifier: 030-812-313

Lot 2 Section 25 Township 20 Range 10 W6M KDYD Plan EPP86391

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

1. Sub-section 3(4) of the Standard Bylaws is hereby deleted.
2. Section 5 of the Standard Bylaws is hereby deleted.
3. Sub-sections 8(c) and 8(d) of the Standard Bylaws are hereby deleted and replaced with the following:
 - "(c) An owner must repair and maintain, to the standards set by the Strata Corporation, the owner's strata lot, and any associated limited common property, including:
 - (i) the structure of the building;
 - (ii) the exterior of the building;
 - (iii) chimneys, stairs, balconies and other things attached to the exterior of the building;
 - (iv) doors, windows and skylights on the exterior of the building; and
 - (v) fences, railings and similar structures that enclose patios, balconies and yards."
3. Section 23 of the Standard Bylaws is hereby deleted and replaced with the following:
 - "(23) The maximum amount the strata corporation may fine an owner or tenant for the contravention of a bylaw or rule is:
 - (a) if not otherwise specified in these bylaws,
 - (i) \$200.00 for each contravention of a bylaw, and
 - (ii) \$50.00 for each contravention of a rule,
 - (b) in the case of a bylaw that prohibits or limits rental or a residential strata lot, \$500.00 for each contravention of the bylaw, and

- (c) in the case of a bylaw that prohibits or limits the use of all or part of a residential strata lot for remuneration as a vacation, travel or temporary accommodation, \$1,000.00 for each contravention of the bylaw."

DATE: July 24, 2019

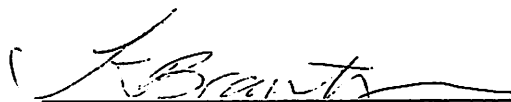

Signature on behalf of Owner Developer

EXHIBIT "E"

Proposed Budget

ESTIMATED BUDGET

Estimated operating budget for one year period

Expenses:

Physical Maintenance:

Landscape/Grounds Maintenance	\$250.00
Repairs and Maintenance	\$500.00
Snow removal	\$6,090.00
Street cleaning	\$300.00
Storm Tank Maintenance	\$500.00

Utilities

Electricity	\$250.00
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Administrative/Other

Bank charges	\$200.00
Insurance	\$1,500.00
Bookkeeping	\$100.00
Postage/Photocopying/Supplies	\$200.00

Contingency Reserve Fund (5.0 - 10.0%)	\$989.00
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Total Estimated Annual Budget	<u>\$10,879.00</u>
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ALLOCATION OF BUDGET AMONGST STRATA LOT OWNERS

Total of monthly strata fees

$\$10,879.00 \div 12 \text{ months} = \906.58 per month

Estimated monthly assessment per unit with 12 units

$\$906.58 \div 12 \text{ (total unit entitlement)} = \75.55 per unit

Exhibit "F"

Form J, Rental Disclosure Statement

Strata Property Act
FORM J
[am. B.C. reg. 312/2009, s. 8.]

RENTAL DISCLOSURE STATEMENT
(Section 139)

Re: Strata Plan EPS_____, being a strata plan of
Lot 2 Section 25 Township 20 Range 10 W6M KDYD Plan EPP86391

This Rental Disclosure Statement is

- ☒ the first Rental Disclosure Statement filed in relation to the above-noted strata plan
- [] a changed Rental Disclosure Statement filed under section 139(4) of the *Strata Property Act*, and the original Rental Disclosure Statement filed in relation to the above-noted strata plan was filed on _____[dd/mmm/yyyy]_____
1. The development described above includes 12 residential strata lots.
2. The residential strata lots described below are rented out by the owner developer as of the date of this statement and the owner developer intends to rent out each strata lot until the date set out opposite its description.

Description of Strata Lot	Date Rental Period Expires*
Nil	Nil

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

3. In addition to the number of residential strata lots rented out by the owner developer as of the date of this statement, the owner developer reserves the right to rent out a further 12 strata lots, as described below, until the date set out opposite each strata lot's description.

Description of Strata Lot	Date Rental Period Expires*
Strata Lots 1 - 12	December 31, 2024

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

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

Date: July 24, 2019


Signature of Owner Developer

EXHIBIT "G"

Purchase Agreement

"THE ROCK BLUFF AT TURNER HEIGHTS"
Contract of Purchase and Sale

BETWEEN:

Turner-Marsh-West Holdings Ltd. (Inc. No. BC1173082)
3820 - 20 Street NE
Salmon Arm, BC V1E 2G9

(the "Vendor")

AND:

Name(s)

Address(s)

Telephone (Home) (Work)

(the "Purchaser")

Re: Proposed Strata Lot ____ (Unit No. ____) Strata Plan EPS ____ (the "Strata Lot") in a development known as "The Rock Bluff at Turner Heights" (the "Development"), constructed on the lands (the "Lands") presently legally described as: PID 030-812-313, Lot 2 Section 25 Township 20 Range 10 W6M KDYD Plan EPP96391

"Purchase Price" \$ _____

1.01 Offer. The Purchaser hereby offers to purchase from the Vendor the Strata Lot for the Purchase Price and upon the terms and conditions set forth herein subject to the encumbrances (the "Permitted Encumbrances") referred to in the Disclosure Statement (as hereinafter defined). The Purchaser acknowledges that the Purchase Price does not include any tax under Part IX of the Excise Tax Act (the "GST") and the Purchaser shall pay the applicable GST to the Vendor on the Completion Date.

The Purchaser also acknowledges purchasing a strata lot which is presently or will be under construction.

1.02 Deposit. The Purchaser will pay a deposit (the "Deposit") by certified cheque, money order or wire transfer to BROOKE DOWNS VENNARD LLP (the "Vendor's Solicitors") in trust as stakeholder, to be held in accordance with the *Real Estate Development Marketing Act* (British Columbia), as follows:

(a) \$ _____ .00 upon acceptance of this offer by the Vendor.

1.03 Completion, Possession and Adjustment Date. See Addendum "A" attached to this offer.

1.04 Conditions and Subject Clauses. See Addendum "B" attached to this offer.

1.05 Included Items. Bare land only.

1.06 Acceptance. This offer will be open for acceptance up to 72 hours from the date of this offer and upon acceptance by the Vendor signing a copy of this offer, there will be a binding agreement of sale and purchase in respect of the Strata Lot for the Purchase Price, on the terms and subject to the conditions set out herein.

THE TERMS AND CONDITIONS ATTACHED TO THIS OFFER AS ADDENDUMS "A" and "B" ARE PART OF THIS AGREEMENT. READ THEM CAREFULLY BEFORE YOU SIGN.

THE PURCHASER HAS EXECUTED THIS AGREEMENT THIS _____ DAY OF _____, 2019.

WITNESS:

PURCHASER(S):

Print Name
(as to all signatures)

The Purchaser's offer to purchase contained herein is accepted by the Vendor at _____ a.m./p.m. this _____ day of _____, 2019.

Turner-Marsh-West Holdings Ltd.

Per: _____
(Authorized signatory)

The Purchaser appoints _____ to act on the Purchaser's behalf in this transaction.

THE ROCK BLUFF AT TURNER HEIGHTS

ADDENDUM "A"

1. **Completion Date.** The Purchaser will deliver the balance of the purchase price, at the Purchaser's expense, by way of a solicitor's trust cheque to Brooke Downs Vennard LLP by **NO LATER THAN 3:00 p.m. on the Completion Date** (the "Completion Date"). The Completion Date will be that date specified by the Vendor which is between 7 and 25 business days after the Vendor provides notice to the Purchaser or the Purchaser's solicitors (the "Purchaser's Solicitors") that the strata plan is registered. If the Completion Date is a Saturday, Sunday, holiday or a day upon which the applicable Land Title Office is not open for business, the Completion Date shall be the immediate following business day. The notice of the Completion Date delivered from the Vendor or the Vendor's Solicitors to the Purchaser or the Purchaser's Solicitors may be based on the Vendor's estimate as to when the strata plan will be registered. If the Strata Lot is not ready to be conveyed on the Completion Date so established, then the Vendor may delay the Completion Date from time to time as required, by notice of such delay to the Purchaser or the Purchaser's Solicitors. If the Completion Date has not occurred by December 31, 2026 (the "Outside Date"), then this Contract will be terminated, the Deposit will be returned to the Purchaser and the parties will be released from all of their obligations hereunder, provided that:
- (a) if the Vendor is delayed from completing construction of the Strata Lot as a result of earthquake, flood or other act of God, fire, explosion or accident, howsoever cause, act of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, supplies, materials or equipment, delay or failure by carriers or contractors, breakage or other casualty, climactic condition, interference of the Purchaser, or any other event of any nature whatsoever beyond the reasonable control of the Vendor, then the Outside Date will be extended for a period equivalent to such period of delay; and
 - (b) the Vendor may, at its option, exercisable by notice to the Purchaser, in addition to any extension pursuant to subsection 1(a) and whether or not any delay described in subsection 1(a) has occurred, elect to extend the Outside Date for up to 120 days.

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

2. **Conveyance.** A vendor's statement of adjustments and a freehold transfer for the Strata Lot and, if required by the Vendor, a certificate as to the GST registered status of the Purchaser are to be delivered at the Purchaser's expense to the office of the Vendor's solicitors Brooke Downs Vennard LLP (the "Vendor's Solicitors") located at 51 - 3rd Street NE, PO Box 67, Salmon Arm, BC, V1E 4N2 (Ph. 250-832-9311) by the Purchaser's Solicitors at least 3 full business days prior to the Completion Date. The Vendor will execute and deliver such statement of adjustments, transfer and certificate (if required) to the Purchaser's Solicitors prior to the Completion Date on the condition that, forthwith upon the Purchaser's Solicitors obtaining a post registration index search from the applicable Land Title Office indicating that, in the ordinary course of Land Title Office procedure, the Purchaser will become the registered owner of the Strata Lot (subject only to the Permitted Encumbrances and charges for which the Purchaser is responsible), the Purchaser will cause payment of the balance of the Purchase Price due on the Completion Date to be made by the Purchaser's Solicitors to the Vendor's Solicitors. The transfer of the Strata Lot will also be subject to the Vendor's financing arranged in connection with the Development or any builder's lien claims provided that the Vendor's Solicitors undertake to clear title to the Strata Lot of all encumbrances related to such financing and such builders' liens claims within a reasonable period of time after receiving the balance of the Purchase Price due on the Completion Date. The Purchaser acknowledges that the Vendor's financing may remain as a charge against the common property of the Development until the Vendor has completed the sale of the balance of the strata lots in the Development whereupon the Vendor covenants such financing will be discharged entirely.

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S.L. No. _____ Unit No. _____

THE ROCK BLUFF AT TURNER HEIGHTS

ADDENDUM "A"

If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Vendor until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Purchaser has: (a) made available for tender to the Vendor that portion of the Purchase Price not secured by the new mortgage; and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration; and (c) made available to the Vendor a solicitor's or notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

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

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

Notwithstanding the foregoing, the Purchaser acknowledges and agrees that the solicitor who holds the Deposit in trust, namely: Brooke Downs Vennard LLP, is permitted to charge an administrative fee equal to \$100.00.

The payment of any funds to the Vendor pursuant to Sections 4 or 7 hereof shall be liquidated damages, the parties agreeing that such amount constitutes a genuine pre-estimate of the damages which the Vendor will suffer as a consequence of the Purchaser's default.

The Purchaser understands that under Section 19 of the *Real Estate Development Marketing Act* (British Columbia), developers may enter into a deposit protection contract with an approved insurer pursuant to which deposits paid by purchasers of land which is proposed to be subdivided or strata titled may be released to the Developer. As a result, the Vendor, at its sole option, may enter into a deposit protection contract as required by such legislation with respect to the Deposit (or any portion thereof) and the Strata Lot. The Deposit (or such portion thereof) shall be released to the Vendor in accordance with such insurance contract or security agreement and the provisions of Sections 4 and 6 shall be deemed to have been amended accordingly.

5. Possession, Risk and Adjustment. The Purchaser will assume all taxes, rates, local improvement assessments, water rates and scavenging rates, assessments of the strata corporation of which the Strata Lot forms a part, and all other adjustments both incoming and outgoing of whatever nature in respect of the Strata Lot will be made as of the date the balance of the Purchase Price is due. If the amount of any such taxes, rates or assessments have been levied in respect of the entire Lands (as defined in the Disclosure Statement), the Vendor shall in its sole discretion allocate such taxes first between the Remainder and the Strata Plan (as defined in the Disclosure Statement); secondly, the portion thereof which shall be allocated to the Strata Lot shall be determined by prorating the amount allocated to the Strata Plan among all of the strata lots in the Development on the basis of the applicable unit entitlement figure in each case. The Strata Lot is to be at the risk of the Vendor to and including the day preceding the Completion Date, and thereafter at the risk of the Purchaser. So long as the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Strata Lot have been paid in full, the Purchaser may have possession of the Strata Lot on the day following the Completion

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S.L. No. _____ Unit No. _____

THE ROCK BLUFF AT TURNER HEIGHTS

ADDENDUM "A"

Date (the "Possession Date"). The Purchaser acknowledges that the Vendor may not appear on title as the registered owner of the Strata Lot and agrees, notwithstanding any provisions to the contrary herein or in the *Property Law Act* (British Columbia), or successor statutes, to accept a Form A Transfer of the Strata Lot and other closing documents executed by a party other than the Vendor.

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

6. **Builders' Lien Holdback.** That portion, if any, of the Purchase Price required by law to be held back by the Purchaser in respect of builders' lien claims (the "Lien Holdback") will be paid to the Vendor's Solicitors on the Completion Date. The Lien Holdback will be held in trust for the Purchaser pursuant to the *Strata Property Act* (British Columbia) and *Builders Lien Act* (British Columbia), or successor statutes, solely in respect of lien claims registered in the applicable Land Title Office in connection with work done at the behest of the Vendor. The Vendor's Solicitors are authorized to pay to the Vendor (or as directed by the Vendor), on the date (the "Release Date") which is the earlier of: (i) the date on which the time for filing a claim of lien under the Builders Lien Act expires; and (ii) the date which is 55 days after the date that the balance of the Purchase Price becomes due as aforesaid, the Lien Holdback plus interest, if any, accrued thereon, less the amount of any builders' lien claim filed against the Strata Lot of which the Purchaser or the Purchaser's Solicitors notify the Vendor's Solicitors in writing by 1:00 p.m. on the Release Date. It will be the Purchaser's Solicitors responsibility to search for any liens and to advise the Vendor's Solicitors of same. In the absence of any such notification, the Vendor's Solicitors are authorized to release the Lien Holdback without further authorization after 1:00 p.m. on the Release Date.
7. **Disclosure Statement.** The Purchaser acknowledges that the Purchaser has received a copy of the disclosure statement for the Development including all amendments thereto, if any, filed up to the date hereof (collectively the "Disclosure Statement") and has been given a reasonable opportunity to read the Disclosure Statement and the execution by the Purchaser of this Agreement will constitute a receipt in respect thereof. This Disclosure Statement contains provisions explaining the obligations of the owner for the Strata Lot to pay monthly contributions to the common expenses of the Strata Corporation (Strata Fees). As the Disclosure Statement referred to above was filed prior to having a firm financing commitment for the Development, and prior to the issuance of a development permit, the Vendor is required to file an amendment or amendments (the "Amendment(s) to the Disclosure Statement") setting out particulars setting out particulars of a firm financing commitment once it is obtained, and in addition, is required to set out the particulars of the issued development permit, and:
 - a) The purchaser may cancel the purchase agreement for a period of seven days after receipt of an amendment to the disclosure statement that sets out particulars of the issued development permit if the layout or size of the applicable building unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the development permit;
 - b) If an amendment to the Disclosure Statement that sets out particulars of the issued development permit is not received by the purchaser within 12 months after the initial Disclosure Statement was filed, the purchaser may at his or her option cancel the purchase agreement at any time after the end of that 12 month period until the required amendment is received by the purchaser, at which time the purchaser may cancel the purchase agreement for a period of seven days after receipt of that amendment only if the layout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the development permit;

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THE ROCK BLUFF AT TURNER HEIGHTS

ADDENDUM "A"

- c) 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
 - d) 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 the issued development permit is no more than 10% of the purchase price; and
 - e) 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.
8. **Time of Essence.** Time will be of the essence hereof and unless all payments on account of the Purchase Price, together with adjustments thereto as provided herein and all other amounts payable hereunder, are paid when due, then the Vendor may, terminate this Agreement by written notice to the Purchaser or the Purchaser's Solicitors and, in such event, the Deposit will be absolutely forfeited to the Vendor as liquidated damages (the Vendor and Purchaser hereby agreeing that such amount constitutes a genuine pre-estimate of the damages which the Vendor will suffer as a consequence of the Purchaser's default and the Vendor shall be entitled to pay such amount upon written demand therefore by the Vendor. The Purchaser agrees that the Vendor will be entitled absolutely to any deposit and hereby irrevocably appoints the Vendor as its agent to advise the deposit-holder to pay the sum forfeited to the Vendor.
9. **Entire Agreement/Representations.** The Purchaser acknowledges and agrees that this Agreement constitutes the entire agreement between the parties with respect to the sale and purchase of the Strata Lot and supersedes any prior agreements, negotiations or discussions, whether oral or written, of the Vendor and the Purchaser, and that there are no representations, warranties, conditions or collateral contracts, expressed or implied, statutory or otherwise, or applicable hereto, made by the Vendor, its agents or employees, or any other person on behalf of the Vendor, other than those contained herein and in the Disclosure Statement, including, without limitation, arising out of any sales brochures, models, websites, representative view sets, showroom displays, photographs, illustrations or renderings or other marketing materials provided to the Purchaser or made available for his/her viewing. In particular, the Purchaser acknowledges and agrees that the materials, specifications, details, dimensions and floorplans set out in any materials viewed by the Purchaser are approximate and subject to change without notice in order to comply with building site conditions and municipal, structural and Vendor and/or architectural requirements.
10. **Construction.** The Purchaser is aware area measurements are approximate and based on drawings and measurements, final strata plans and surveyed areas may vary. The Strata Lot is as shown on the preliminary strata plan (the "Preliminary Plan") forming part of the Disclosure Statement. The Vendor may make alterations to the layout of the strata plan and the Strata Lot which are desirable in the discretion of the Vendor. The Vendor reserves the right to alter the common property of the Development at any time and from time to time if, in its sole opinion, such alteration or alterations improve the integrity of the Development. The proposed dimensions, lot lines and location of the strata lots in the Development are set out in the Preliminary Plan. The actual size, dimensions and/or configuration of the strata lots, limited common property and common property as set forth in the final strata plan (the "Final Strata Plan") of the Development may vary from what is depicted on the Preliminary Plan. The areas and dimensions of the strata lots in the Development set out in the marketing materials referred to in section 14 are approximate and are provided for information purposes only and are not represented as being the actual final areas and dimensions of the strata lots (including the Strata Lot) in the Development. In the event of any discrepancy between the area, size, dimensions, location and/or configuration of the strata lots, and/or other limited common property and/or common property in the Preliminary Plan and the Final Strata Plan, the Final Strata Plan will prevail.

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ADDENDUM "A"

11. **Costs.** The Purchaser will pay costs in connection with the sale and purchase of the Strata Lot (including property transfer tax and any federal and provincial sales, good and services, value added or other tax required to be paid by the Purchaser in connection with the purchase and sale of the Strata Lot and the equipment and appliances included with the Strata Lot), other than the costs of the Vendor incurred in clearing title to the Strata Lot. Without limiting the generality of the foregoing, the Purchaser agrees that, unless otherwise specified in this Contract, the Purchase Price does not include any tax payable under the Part IX of the *Excise Tax Act* and that, if and to the extent required under Part IX of the *Excise Tax Act* (Canada) in respect of the transaction contemplated herein, he/she will remit to the Vendor on the Completion Date any tax that may be payable under Part IX of the *Excise Tax Act* (Canada) in respect of the transaction contemplated herein, and the Vendor agrees that it will remit such funds or otherwise account for such funds to the Canada Revenue Agency ("CRA") in accordance with its obligations under Part IX of the *Excise Tax Act* (Canada). Notwithstanding the foregoing, if the Purchaser is a corporation which is registered for GST purposes and, on or before the Completion Date, the Purchaser provides the Vendor with a certificate as to the GST registered status of the Purchaser containing the Purchaser's GST registration number, the Purchaser will not be required to pay the GST to the Vendor but will be entitled to self-assess the GST and account for the same directly to CRA.
12. **Assignment.** The Purchaser may not assign his/her interest in the Strata Lot or in this Agreement. Further, the Purchaser will not list the Strata Lot for sale with a Realtor, or advertise or solicit offers from the public with respect to the resale of the Strata Lot by the Purchaser before the Completion Date.
13. **Successors & Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
14. **Adjacent Development.** The Purchaser acknowledges that he/she is purchasing the Strata Lot with full and complete awareness that, and the Purchaser unconditionally accepts and agrees that, the Vendor and others intend to develop sites and install roads and services adjacent to and in the vicinity of the Development and, in that regard, there will be, from time to time, related construction, noise, dust and dirt tracks on roadways in the vicinity of the Strata Lot. The Purchaser further acknowledges and agrees that the Vendor may continue to carry out construction work on the Development after the completion of the purchase of the Strata Lot by the Purchaser. The Purchaser acknowledges and accepts that all such work may cause inconvenience to the use and enjoyment of the Strata Lot.
15. **Marketing Program.** The Purchaser acknowledges that the Vendor may retain strata lots in the Development for use as sales and administrative offices and/or display suites for marketing purposes or otherwise. The Purchaser agrees that for so long as the Vendor is the owner of any strata lots in the Development, the Vendor may carry out marketing, promotional and sales activities within the common property (including parking stalls and recreational facilities) of the Development or strata lots owned or leased by the Developer, including, without limitation, maintaining display suites, other display areas, parking areas and signage (including signage on the exterior of the Development) and permitting public access to same for the purpose of marketing any unsold strata lots. In addition, the Developer may conduct tours of the Development from time to time with prospective purchasers and hold events and other activities within the Development in connection with the marketing and sales activities.
16. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia.
17. **Contractual Rights.** This offer and the agreement which results from its acceptance creates contractual rights only and not any interest in land. The Purchaser will acquire an interest in land upon completion of the Purchase and sale contemplated herein.

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THE ROCK BLUFF AT TURNER HEIGHTS

ADDENDUM "B"

CONDITIONS

This offer is subject to the following conditions, which must be waived or fulfilled by the ____ day of _____, 2019:

- (a) _____

- (b) _____

- (c) _____

Each condition is for the sole benefit of the party indicated, unless each condition is waived or declared fulfilled by written notice given by the benefitting party to the other party or before the date specified for each condition, this contract will be thereupon terminated and the deposit returnable in accordance with the *Real Estate Act*.

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