

DISCLOSURE STATEMENT FOR



**THE CRESCENT**  
ON MCRAE



A UNIQUE ENCLAVE OF TOWNHOME RESIDENCES  
IN TRADITIONAL SHAUGHNESSY STYLE

1450 McRae Avenue, Vancouver, B.C.

DEVELOPER: **Arthur Bell Holdings Ltd.**

ADDRESS FOR SERVICE IN  
BRITISH COLUMBIA: 1801 – 4555 Kingsway  
Burnaby, B.C. V5H 4T8

BUSINESS ADDRESS OF  
DEVELOPER: 411 – 1788 West 5<sup>th</sup> Avenue  
Vancouver, B.C. V6J 1P2

REAL ESTATE BROKERAGE: As of the date hereof, the Developer has not retained the services of an outside real estate agent and intends to market the Development itself in which case the Developer's employees may not be licensed under the *Real Estate Act* and are not acting on behalf of the Purchaser. The Developer, in its sole discretion, retains the right, from time to time, during the marketing of the Development to market the Development itself and/or retain such other real estate agent or agents as the Developer deems advisable in order to assist the Developer in marketing the Development.

DATE OF DISCLOSURE  
STATEMENT: May 29, 2012

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: \_\_\_\_\_ [print name of Purchaser] who has confirmed that fact by initialing in the space provided here \_\_\_\_\_.

**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.

Prepared by  
**DIRK C.A. DE VUYST & ASSOCIATES LAW CORPORATION**  
1801 – 4555 Kingsway, Burnaby, B.C. V5H 4T8



### **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 a notice of rescission by delivering a signed 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.

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- EXHIBIT “A” – Proposed Strata Plan
- EXHIBIT “B” – Proposed Form V Schedule of Unit Entitlement (paragraph 3.1)
- EXHIBIT “C” – Proposed Interim Budget
- EXHIBIT “D” – Proposed Monthly Maintenance Fees
- EXHIBIT “E” – Proposed Form Y – Owner Developer’s Notice of Different Bylaws
- EXHIBIT “F” – Parking Facility and Storage Lease
- EXHIBIT “G” – Parking Stall Assignment Agreement
- EXHIBIT “H” – Strata Property Act Form J – Rental Disclosure Statement
- EXHIBIT “I” – Handling Deposits – Sections 18 and 19 of *Real Estate Development Marketing Act*
- EXHIBIT “J” – Form of Agreement of Purchase and Sale
- EXHIBIT “K” – Form of Strata Management Agreement
- EXHIBIT “L” - Depreciation Report – Section 94 of the *Strata Property Amendment Act* and Regulation 6.2

## DEFINITIONS AND EXHIBITS

### Definitions:

In this disclosure statement:

“**Approving Officer**” means the approving officer under the *Land Title Act* for the City of Vancouver;

“**Additional Mortgage**” has the meaning given in paragraph 4.4(a);

“**Budget**” means the budget prepared by the Developer for the Development to be constructed on the Lands and attached hereto as **Exhibit “C”**;

“**Bylaws**” means the bylaws as described in paragraph 3.6 hereof;

“**City**” means the City of Vancouver;

“**Construction Mortgage**” has the meaning given in paragraph 6.2;

“**Crown Provincial**” means Her Majesty the Queen in right of the Province of British Columbia;

“**Developer**” means **Arthur Bell Holdings Ltd.**;

“**Development**” has the meaning given in paragraph 2.1;

“**Land Title Office**” means the New Westminster/Vancouver Land Title Office;

“**Lands**” means the lands described in paragraph 4.1;

“**Real Estate Development Marketing Act**” means the *Real Estate Development Marketing Act* S.B.C. 2004, Chapter 41;



**“Regulation”** means the *Strata Property Act* Regulation, B.C. Reg. 43/2000, as amended;

**“Section 219 Covenant”** means a covenant entered into by the Developer pursuant to Section 219 of the *Land Title Act*, R.S.B.C. 1996, c. 250, as amended;

**“Strata Corporation”** means the strata corporation formed upon filing in the Land Title Office of the Strata Plan for the subdivision of the Lands;

**“Strata Lots”** means the residential strata lots created upon the filing in the Land Title Office of the Strata Plan which subdivides the Lands into fifteen (15) strata lots and common property and **“Strata Lot”** means any one of them;

**“Strata Plan”** means the proposed strata plan of the Development attached as **Exhibit “A”**;

**“Strata Property Act”** means the *Strata Property Act*, S.B.C. 1998, Chapter 43, as amended;

### Statutory Definitions

Words and phrases defined in the *Strata Property Act* and used in this disclosure statement have the meanings given in the *Strata Property Act* unless inconsistent with the subject matter or context.

### List of Exhibits

The exhibits attached to this disclosure statement are:

- EXHIBIT “A” – Proposed Strata Plan
- EXHIBIT “B” – Proposed Form V Schedule of Unit Entitlement (paragraph 3.1)
- EXHIBIT “C” – Proposed Interim Budget
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1. DEVELOPER

- 1.1 (a) Name: **Arthur Bell Holdings Ltd.**
- (b) Jurisdiction of Incorporation: Alberta under Corporate Identification #20207235
- (c) Date of:  
Incorporation: April 2, 1979  
Date of Extra-provincial  
Registration in B.C.: July 25, 1979  
Extra-provincial Reg.: #A0015524

1.2 Purpose and Assets

The Developer has existed since 1979, owns commercial revenue properties and was not specifically incorporated for the purpose of acquiring the Lands.

1.3 Registered and Records Office Address

The address of the registered and records office for the Developer is:

1801 – 4555 Kingsway  
Burnaby, B.C.  
V5H 4T8

1.4 Director

The sole Director of the Developer is:

Brian Bell

1.5 Developer, Directors and Officers Disclosure of Experience

- 1.5.1 The following is a description of the nature and extent of the experience that the Developer and its officer and director have in the real estate development industry:

- (a) Brian Bell is the sole director of the Developer. Mr. Bell has been actively involved in the real estate development industry since 1976 and has developed, constructed and sold over 1000 strata lots/properties in primarily land subdivision projects in the Lower Mainland of British Columbia. Mr. Bell has also owned, developed and constructed in excess of 500,000 square feet of commercial real estate in British Columbia and Alberta.

1.5.2 Developer's Knowledge of Penalties or Sanctions

To the best of the Developer's knowledge, the Developer, any principal holder or any director or officer of the Developer or principal holder thereof, within 10 years before the date of the Developer's declaration attached to this Disclosure Statement, has not 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.

1.5.3.1 Disclosure of Knowledge of Insolvency

To the best of the Developer's knowledge, neither the Developer, nor any principal holder of the Developer, nor any director or officer of the Developer, nor principal holder, within the five years before the date of the Developer's declaration attached to this Disclosure Statement, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation related to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

1.5.3.2 To the best of the Developer's knowledge, none of the directors, officers or principal holders of the Developer, or the directors or officers of any principal holder, within the five years prior to the date of the Developer's declaration attached to this Disclosure Statement, has been a director, officer or principal holder of any other developer that, while that person was acting in that capacity, that other developer:

- (a) was subject to any penalties or sanctions imposed by a court or a 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 the mortgages of land or to theft or fraud, or
- (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with the creditors or had a receiver, receiver-manager or trustee appointed to hold its assets.

1.6 Conflicts of Interest

Construction Lender

To the best of the Developer's knowledge, there are no conflicts of interest with respect to the financing, project management, construction or other project components relating to the Development.



- 1.7 The disclosure and information set out in Sections 1.5 and 1.6 of this Disclosure Statement is being provided in compliance with the *Real Estate Development Marketing Act* only. The offering made pursuant to this Disclosure Statement is being made solely by the Developer. Without limiting or affecting the liability provisions under Section 22 of the *Real Estate Development Marketing Act*, no director, officer or principal holder of the Developer nor any director or officer of any principal holder of the Developer nor any entity affiliated with the Developer is participating in the offering contained in this Disclosure Statement in any way.
- 1.8 For the purposes of Sections 1.5, 1.6 and 1.7, “principal holder” means any person holding directly or indirectly more than 10% of any class of voting securities of either Developer.

2. GENERAL DESCRIPTION

2.1 General Description of the Development

- (a) The Development that is the subject of this Disclosure Statement (the “Development”) is located at 1450 McRae Avenue, Vancouver, British Columbia as legally described in paragraph 4.1 hereof. The Developer intends to subdivide the Lands into fifteen (15) residential Strata Lots and common property by filing in the Land Title Office the Strata Plan, the proposed form of which is attached hereto as **Exhibit “A”** (the “Proposed Strata Plan”).

An owner of a Strata Lot will own a proportionate share of the Common Property, Common Assets and Common Facilities (as those terms are hereinafter defined) of the Strata Corporation as a tenant-in-common in accordance with the unit entitlement of the owner’s Strata Lot. The Strata Lots offered for sale by the Developer pursuant to this Disclosure Statement will be contained in three (3) buildings being:

|                              |   |
|------------------------------|---|
| Number and Type of Building: | One stand alone Townhome and two (2) cluster townhome buildings |
| i) Type of Construction:     | Poured in place Steel Reinforced Concrete                       |
| ii) Number of Strata Lots:   | 15  |
| iii) Type of Strata Lots:    | No. of Strata Lots:   |
| 2 bedroom                    | 5   |
| 2 bedroom and den            | 3   |
| 3 bedroom                    | 2   |
| 3 bedroom and den            | 5   |

TOTAL STRATA LOTS **15**

The Developer reserves the right to increase or decrease the size of the Strata Lots from that shown on the Proposed Strata Plan attached hereto as **Exhibit “A”**. As a consequence of any such changes, the Unit Entitlement (as defined in section 3.1 hereof) figures in respect of any of the Strata Lots may be adjusted.



Common Facilities

- The Development will contain a Landscaped Water Feature
- Enterphone System
- Gated Parkade
- Car Wash Stall
- Common Mail Room

Common Assets - None

(c) Proposed Strata Plan

The Proposed Strata Plan is attached as **Exhibit “A”**. The Strata Plan shows the layout of the Development and the dimensions or areas of the Strata Lots, limited common property, and common property. There may be minor variations in the final areas and dimensions of the finished Strata Lots from those shown on the Proposed Strata Plan.

2.2 Permitted Use

The zoning applicable to the Development is CD-1 specific to project. The intended usage of the Strata Lots is residential. The use and any restriction on use of the Strata Lots within Development is governed by the zoning bylaws of the City, the existing charges and encumbrances described in paragraph 4.3 hereof, the proposed charges and encumbrances described in paragraph 4.3 (c) hereof (if any), the *Strata Property Act* and the proposed Bylaws of the Strata Corporation.

2.3 Phasing

The Development will be constructed at once and is **not** part of a phased development as defined under Part 13 of the *Strata Property Act*.

3. **STRATA INFORMATION**

3.1 Unit Entitlement

In section 1(1) of the *Strata Property Act* “unit entitlement” of a strata lot is defined as meaning the number indicated in the Form V Schedule of Unit Entitlement established under section 246 of the *Strata Property Act* and that is used in calculations to determine the strata lot’s share of:

- (a) the common property and common assets, and
- (b) the common expenses and liabilities of the Strata Corporation.

Pursuant to section 246(3) of the *Strata Property Act*, the unit entitlement of each Strata Lot in the Development will be calculated by the habitable area, in square meters, of the Strata Lot, as determined by a British Columbia land surveyor, rounded to the nearest whole number. Section 14.2 of the *Strata Property Act* Regulations defines “habitable area” as meaning the area of a residential strata lot which can be lived in, but does not include patios, balconies, garages, parking stalls, or storage areas other than closet space. The data for the proposed Form V

Schedule of Unit Entitlement is attached as **Exhibit “B”**. The actual unit entitlement may vary slightly from the figures shown in **Exhibit “B”** when the final strata survey plans are completed after construction.

### 3.2 Voting Rights

As the Development contains only residential strata lots, each strata lot will have one (1) vote.

### 3.3 Interest on Destruction

In accordance with the *Strata Property Act*, every owner’s share of the property and assets of the Strata Corporation in the event of its winding up will be determined on the basis of municipally assessed values, or appraised values, if there are no municipal assessments.

The Strata Corporation may be voluntarily wound up and the strata plan cancelled on application to the registrar by the owners, acting in unison. In the event of a winding up the strata plan would be cancelled, the Strata Corporation dissolved and each owner’s interest in the owner’s strata lot, in the common property and in the common assets of the Strata Corporation would be converted to an interest as a tenant in common with the other owners, in shares established pursuant to conversion schedule based on the following formula:

$$\frac{\text{Most recent value of the owner's strata lot}}{\text{Most recent assessed value of the strata lots in the strata plan; excluding any strata lots held on behalf of the Strata Corporation}}$$

In the absence of a municipal assessment, value may be established by an independent appraisal, subject to approval by 3/4 of the owners at a meeting of the Strata Corporation.

### 3.4 Common Property

The common property includes any part of the Development shown as such on the Proposed Strata Plan that is not part of a Strata Lot (the “Common Property”). Reference must be made to the Proposed Strata Plan, but the Common Property may include such things as: roofs, external walls, parking stalls and structures, landscaped areas, a generator, bicycle/storage lockers, electrical rooms and electrical equipment, garbage bin area, mail box area, garbage chutes and compactor, a recycling room and vehicular and pedestrian access routes.

Each of the owners of the Strata Lots will be entitled to a proportionate share of the Common Property, the Common Facilities, and other assets of the Strata Corporation, which the owners of the Strata Lots will own as tenants-in-common.

### 3.5 Limited Common Property

Limited Common Property is an area within the Common Property that may be used exclusively by one or more Strata Lot owners and such owners are responsible for maintaining and repairing the Limited Common Property which they use, except such maintenance and repair for which the Strata Corporation is responsible as required under the *Strata Property Act*;

The Developer may designate Limited Common Property as shown on the Proposed Strata Plan attached hereto as **Exhibit “A”** upon tendering the Strata Plan for registration.

The open balcony, roof, deck or patio area, as the case may be, of each Strata Lot in the Development will be designated as Limited Common Property unless shown otherwise on the Proposed Strata Plan. Such designation may only be removed in accordance with the provisions of the *Strata Property Act*.

Each owner of a Strata Lot must repair and maintain all of the Limited Common Property appurtenant to its Strata Lot, but the duty to repair and maintain does not include repair and maintenance of the following (which are the responsibility of the Strata Corporation):

- (1) repair and maintenance that in the ordinary course of events occurs less than once a year;
- (2) the structure of a building;
- (3) the exterior of a building;
- (4) chimneys, stairs, balconies and other things attached to the exterior of a building;
- (5) doors, windows and skylights (including the casings, the frames and the sills of such doors, windows and skylights) on the exterior of a building or that front on the common property (including, without limitation, the entrance doors to strata lots); and
- (6) fences, railings and similar structures that enclose patios, balconies and yards.

The Developer will designate the following common property as either limited common property or common property by designations on the Strata Plan when it is deposited in the Land Title Office:

- (1) Certain parking stalls and storage lockers as shown on the Proposed Strata Plan, the use of which is to be assigned by the Developer to the owners of the Strata Lots pursuant to paragraphs 3.7 and 3.8 hereof, will be designated as common property for all of the Strata Lots but subject to the Parking Facility and Storage Lease.
- (2) Certain visitor parking stalls as shown on the Proposed Strata Plan to be allocated by the Developer for the use of visitors to the Strata Lots will be designated as common property for all of the Strata Lots but subject to the Parking Facility and Storage Lease.
- (3) Stairways, vestibules and other areas as shown on the Proposed Strata Plan will be designated as common property for all of the Strata Lots.
- (4) Balconies, decks and patios as shown on the Proposed Strata Plan are limited common property for use of the Strata Lots as indicated.

The actual areas of limited common property may vary somewhat in size and shape from the areas shown on the Proposed Strata Plan attached hereto as **Exhibit "A"** when the final strata plan is filed in the Land Title Office. Such designations of limited common property as set forth in the final Strata Plan filed in the Land Title Office may only be removed in accordance with sections 75(1) and 257 of the *Strata Property Act*. Those sections provide that a resolution

approving the removal must be passed by a unanimous vote at an annual or special general meeting.

3.6 Bylaws

The Bylaws of the Strata Corporation will be the Bylaws attached to the Proposed Form Y – Owner Developer’s Notice of Different Bylaws which is attached to this Disclosure Statement as **Exhibit “E”**.

3.7 Parking

Each Strata Lot will include a private garage within the boundaries and being part of the Strata Lot. The aforesaid private garages will be contained within the secured underground parkade. In addition to the aforesaid private garages, the Development is expected to include approximately twenty (21) parking stalls which the Developer expects to designate as follows:

|    |                                    |
|----|------------------------------------|
| 14 | Unassigned Parking Stalls          |
| 4  | Visitors Parking Stalls            |
| 2  | Handicap Accessible Parking Stalls |
| 1  | Car Wash Stall                     |

With respect to the Unassigned Parking Stalls and the Handicap Accessible Parking Stalls, the Developer may allocate such stalls for the exclusive use of owners of Strata Lots by way of the Developer causing McRae Parking Inc. to grant a partial assignment of the Parking Facility and Storage Lease to such owner as discussed below.

Upon the deposit for registration of the Strata Plan of the Development, the underground parking facility thereof will be designated as common property and/or limited common property as shown on the Strata Plan which will be subject to the Parking Facility and Storage Lease. A copy of the Parking Facility and Storage Lease is attached hereto as **Exhibit “F”**.

The Developer will cause McRae Parking Inc. to grant a partial assignment of the Parking Facility and Storage Lease pertaining to the aforesaid Parking Stalls excluding those contained within the private garages. The form of partial assignment of the Parking Facility and Storage Lease (the “Parking Stall and Storage Assignment Agreement”) is attached hereto as Exhibit “G”. Such assignments will be for such consideration and on such terms as may be established by the Developer from time to time. Any consideration received by the Developer pursuant to the granting of a partial assignment of the Parking Facility and Storage Lease will be retained by the Developer as its absolute property.

Once all the applicable parking stalls have been assigned, the Strata Corporation may request that the owners pass a resolution requiring a 3/4 vote to designate each of the assigned parking stalls as limited common property of the owner of the Strata Lot who, at such time, is entitled to exclusive use of such parking.

The Developer will grant a partial assignment of the handicap parking stalls to the Strata Corporation so that the use thereof amongst the owners, having validly issued handicapped passes, will be managed by the Strata Corporation.

### 3.8 Storage and Bicycle Storage Spaces

Certain Strata Lots have private storage within the boundaries of those Strata Lots. However, the Development will also contain approximately 15 storage lockers (the “Common Storage Spaces”). The Common Storage Spaces to be constructed in the Development have been leased by the Developer to McRae Parking Inc. pursuant to the Parking Facility and Storage Lease. Upon deposit for registration of the Strata Plan of the Development, the Common Storage Areas will be designated as common property as shown on the Strata Plan and will be subject to the Parking Facility and Storage Lease (a copy of which is attached hereto as **Exhibit “F”**).

The Developer will cause McRae Parking Inc. to grant a partial assignment of the said lease pertaining to the Common Storage Lockers to an owner of a Strata Lot for such consideration and on such terms as may be established by the Developer from time to time. The form of partial assignment of the Parking Facility and Storage Lease (the “Parking Stall and Storage Assignment Agreement”) is attached hereto as **Exhibit “G”**. Additional storage lockers may be allocated by the Developer for the exclusive use of owners of Strata Lots by the Developer causing McRae Parking Inc. to grant a partial assignment of the Parking Facility and Storage Lease to such owner. Such assignments will be for such consideration and on such terms as may be established by the Developer from time to time. Any consideration received by the Developer pursuant to the granting of a partial assignment of the Parking Facility and Storage Lease will be retained by the Developer as its absolute property.

### 3.9 Furnishings and Equipment

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

with respect to all Strata Lots:

- |                      |  |
|----------------------|--|
| (a) refrigerator     | (g) hoodfan                                  |
| (b) gas cooktop      | (h) wine cooler                              |
| (c) built-in oven    | (i) air conditioning                         |
| (d) dishwasher       | (j) gas fireplace                            |
| (e) washer and dryer | (k) alarm system                             |
| (f) microwave        | (l) garage door openers with remote controls |

with respect to Strata Lots 11-15, inclusive:

each of these Strata Lots will have an elevator that operates from the underground to the first, second and third levels of each of these Strata Lots.

Heating and air conditioning for the Strata Lots will be supplied via a geothermal pump system which system is backed up with a gas fired heating and electric cooling system, all of which is situated within the mechanical room located within the underground parkade.

### 3.10 Budget

An estimated budget of operating expenses for a typical full year of the Strata Corporation is attached as **Exhibit “C”** hereto. The monthly assessment for each of the Strata Lots within the

Development during the initial operating year is set out in **Exhibit “D”** hereto. The actual monthly assessments will be calculated upon the finalization of the unit entitlement as described in paragraph 3.1 above. The Strata Corporation will be required to maintain a Contingency Reserve Fund pursuant to Section 92 of the *Strata Property Act*. The Developer must establish the Contingency Reserve Fund pursuant to Section 12 of the Act and the Strata Lot owners will be required to increase the amount of the said fund in accordance with Section 93 of the Act.

In accordance with section 94 of the *Strata Property Amendment Act, 2009*, it may be necessary for the Strata Corporation to obtain a depreciation report estimating the repair and replacement cost for major items in the strata Corporation and the expected life of those items as detailed in the excerpt from the *Strata Property Amendment Act* attached hereto, together with an excerpt from the Regulations to the *Strata Property Amendment Act*, entitled “Depreciation Report”, as **Exhibit “N”**.

### 3.11 Developer’s Contribution to Contingency Reserve Fund

Under section 12 of the *Strata Property Act*, the Developer must establish a contingency reserve fund by making a minimum contribution to that fund at the time of the first conveyance of a Strata Lot to a purchaser. The minimum contribution to the fund by the Developer is 5% of the estimated operating expenses set out in the Strata Corporation’s interim budget if the first conveyance of a Strata Lot to a purchaser occurs no later than one year after the deposit of the Strata Plan. The amount anticipated to be contributed by the Developer to the contingency reserve fund is accordingly \$20,000.00.

### 3.12 Allocation of Expenses Among Strata Lot Owners:

The Developer will pay the actual expenses of the Strata Corporation that accrue in the period up to the last day of the month in which the first conveyance of a Strata Lot to a purchaser occurs, as required by section 7 of the *Strata Property Act*. Under section 14(1) of the *Strata Property Act*, the Strata Corporation must pay the expenses that accrue in the period beginning the first day of the month following the month in which the first conveyance of a Strata Lot to a purchaser occurs until the date the first annual budget takes effect. During that period, the Strata Lot owners must pay to the Strata Corporation, each month, their monthly share of estimated operating expenses of the Strata Corporation and contribution to the contingency reserve fund as set out in the interim budget. If the expenses accrued by the Strata Corporation for that period are greater than the operating expenses estimated in the interim budget, the Developer will pay the difference to the Strata Corporation within eight weeks after the first annual general meeting, as required by section 14(4) of the *Strata Property Act*. In addition to paying that difference in operating expenses, section 14(5) of the *Strata Property Act* provides that if expenses are 10% or more greater than the operating expenses estimated in the interim budget, the Developer must pay to the Strata Corporation an additional amount calculated according to the Regulation. Section 3.1(1) of the *Strata Property Act* Regulations provides that the additional amount is calculated as follows:

- (a) if the accrued expenses are at least 10% greater but less than 20% greater than the estimated operating expenses, the additional amount is the amount payable under section 14(4) of the *Strata Property Act* multiplied by two;
- (b) if the accrued expenses are at least 20% greater than the estimated operating expenses, the additional amount is the amount payable under section 14(4) of the *Strata Property Act* multiplied by three.



Under section 13 of the *Strata Property Act*, the Developer must:

- (a) prepare an interim budget for the Strata Corporation for the 12 month period beginning the first day of the month following the month in which the first conveyance of a Strata Lot to a purchaser occurs, and
- (b) deliver a copy of the interim budget to each prospective purchaser of a Strata Lot before the prospective purchaser signs an agreement of purchase and sale. A copy of the interim budget is attached hereto as **Exhibit “C”**.

Under section 13(2) of the *Strata Property Act*, the interim budget must include:

- (a) the estimated operating expenses of the Strata Corporation for the 12 month period;
- (b) the contribution to the contingency reserve fund for the 12 month period, which must be at least 5% of the estimated operating expenses, and
- (c) each Strata Lot’s monthly share of the estimated operating expenses and contribution to the contingency reserve fund, calculated in accordance with section 99.

### 3.13 Utilities.

The aggregate cost of the following utilities and maintenance items are paid by the Strata Corporation and the cost will be prorated to the owners of the Strata Lots in accordance with the unit entitlement of the Strata Lots and included in the monthly assessments unless otherwise stated herein: natural gas, garbage removal, utilities servicing the common property, the cost of maintaining sidewalks, common stairways, the grounds, the water feature and associated landscaping, parking areas and any other common property. In this regard, the Development is equipped with:

- a common water meter for the entire Development;
- a common gas meter and common electricity meter which services the geothermal backup system and the domestic hot water

#### 3.13.1 Separately Assessed Utilities.

The Strata Corporation is responsible for paying the cost of utilities and other services for the common property, which includes, but is not limited to, the cost of common Each Strata Lot owner is responsible for paying the cost of utilities and other services for their Strata Lot. In this regard, the Strata Lots are each equipped with a separate gas meter to measure the amount of gas consumed by each Strata Lot for purposes of cooking, barbequing, operating patio heaters and fireplaces as well as a separate electrical meter to measure the consumption of electricity.

#### 3.13.2 Utilities and Services

The Development is located inside a municipality and will be serviced with water, electricity, sewerage, natural gas, fire protection, telephone, cablevision and road access. The wires, cables and other equipment (the “Telecommunications Equipment”) for the provision of telephone, cablevision and certain other future telecommunication services will be owned by the supplier of such services and the Telecommunication Equipment will be owned by the supplier of such



services and the Telecommunications Equipment will not form part of the Common Property. The purchaser and/or the Strata Corporation will be responsible for payment of hook-up and other charges payable to the utility suppliers.

### 3.13.3 Communications Services

The Developer has entered into “Access” agreements with Shaw Cablevision and Telus in order to allow the occupants to receive communication services, should they wish to subscribe for them from such companies.

Each purchaser will be responsible for individual Strata Lot hookup with communications and utilities suppliers.

### 3.14 Strata Management Contracts

#### (a) Management Contract

The Developer proposes to enter into a management contract, in substantially the form attached hereto as **Exhibit “L”**, for the provision for strata management services to the Strata Corporation with Kerrisdale Realty Limited, which property management company is licensed as required by British Columbia law.

#### (b) Relationship to Developer

The Developer is not and will not be affiliated with the strata management company.

#### (c) Termination

Section 24 of the *Strata Property Act* provides that such a strata management contract ends, regardless of any provision of the contract to the contrary, on the earlier of:

- (i) the date that is four weeks after the date of the second annual general meeting,
- (ii) the termination date contained in the contract or agreed to by the Strata Corporation and the management company; and
- (iii) the cancellation date established in accordance with section 39 of the *Strata Property Act*.

Section 39 of the *Strata Property Act* provides that a contract for the provision of strata management services may be cancelled, without liability or penalty, despite any provision of the contract to the contrary:

- (1) by the Strata Corporation on two months’ notice if the cancellation is first approved by a resolution passed by a  $\frac{3}{4}$  vote at an annual or special general meeting, or
- (2) by the management company on two months’ notice.

### 3.15 Insurance

#### Course of Construction Coverage:

The Developer will maintain the following insurance coverage during construction of the Development:

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

#### Strata Corporation Coverage:

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

- (a) common property;
- (b) common assets,
- (c) buildings shown on the Strata Plan; and
- (d) fixtures built or installed on a Strata Lot by the Developer as part of the original construction.

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

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

Purchasers of Strata Lots should arrange their own liability insurance, insurance on the contents of their own Strata Lots and insurance on any other property not covered under the Strata Corporation policy.

#### Earthquake Insurance

The Developer will maintain earthquake insurance coverage during construction of the Development. Upon filing of the Strata Plan in the Land Title Office, the insurance that the Developer will obtain in the name of the Strata Corporation will include earthquake coverage.

Earthquake coverage is not required under the *Strata Property Act*, the *Strata Property Act Regulations* or the bylaws of the Strata Corporation.

3.16 Rental Disclosure Statement

Under section 139 of the *Strata Property Act*, a developer who rents or intends to rent one or more residential strata lots must file with the Superintendent of Real Estate before the first strata lot is offered for sale to a purchaser, a Rental Disclosure Statement in the prescribed Form J and give a copy of that statement to each prospective purchaser before the prospective purchaser enters into an agreement to purchase. A Rental Disclosure Statement containing this information has been filed by the Developer with the Superintendent of Real Estate in the form attached as **Exhibit "I"**.

4. TITLE AND LEGAL MATTERS

4.1 Legal Description

The Strata Lots offered for sale by the Developer pursuant to this Disclosure Statement will be located within the following lands situate in the City of Vancouver legally described as:

| <u>Parcel Identifier</u> | <u>Legal Description</u>   |
|--------------------------|--|
| 027-666-182              | Lot A District Lot 526 Group 1<br>New Westminster District Plan BCP38409 |

(the "Lands").

4.2 Ownership

The Development, being the subject matter of this Disclosure, will be constructed within the. The registered owner of the Lands is Arthur Bell Holdings Ltd.

4.3 Existing Encumbrances and Legal Notations

Title to the Lands is subject to the legal notations and encumbrances set out below:

(a) the legal Notations shown on the titles, inter alia, namely:

None

(b) the encumbrances registered against titles, inter alia, namely:

(i) **Easement and Indemnity Agreement BB716541** in favour of City of Vancouver –permits the Owner of the Lands, at its expense, to keep and maintain an encroachment consisting of a 4 foot high and 1.5 foot wide stone wall encroaching to a maximum of 10.55 feet onto the City's Granville Street and releases and discharges the City and its elected and non-elected officials from any and all liability for any injuries, damages, losses, costs or expenses the Owner may in any suffer ... in relation to or in any way connected to this agreement ... ;

- (ii) **Statutory Right of Way BB716542** in favour of City of Vancouver – this statutory right of way the Owner of the Lands grants full, free and uninterrupted right, liberty, easement and statutory right of way to enter upon those portions of the Lands the City Engineer considers necessary... in order to inspect the aforementioned encroachment;
- (iii) **Equitable Charge BB716543** in favour of City of Vancouver – this agreement grants the City an equitable charge over the Lands as security for the payment of all sums that any time hereafter may be payable by the Owner of the Lands to the City pursuant to this agreement or the Encroachment Bylaw;
- (iv) **Covenant BB1704041** in favour of City of Vancouver - this is a Section 219 Covenant where by the Owner covenants to: (a) only develop, occupy and use the Lands in accordance with this covenant; (b) the Grantor will not do anything that will restrict or obstruct the natural, free flow of groundwater and rainwater and other forms of run-off water from and through the Lands; (c) the Owner will ... take all steps necessary to preserve and maintain and, if necessary, restore the Watercourse ... (d) the Owner will not at any time hereafter do anything ... or permit any other person to do anything ... that will in any way alter the Watercourse's location ...; (e) this covenant will be enforceable by injunction; (f) the Owner will pay the City for the full amount of its legal expenses actually incurred; (g) this covenant will charge and run with the Lands and will be binding up the Owner and its successors, assigns, trustees, administrators and successors in title to the Lands; and (h) the Owner will indemnify the City and its officials ... and will save them harmless for and from an claim ...for any injury, loss, damage or expense suffered ... by any person or entity in connection with this Agreement. This indemnity will survive release or discharge of the Section 219 Covenant given hereby;
- (v) **Statutory Right of Way BB1704042** in favour of City of Vancouver - the Owner of the Lands grants to the City pursuant to Section 218 of the *Land Title Act*, the full, free and uninterrupted right, liberty, easement and statutory right of way ... to enter upon those portions of the Lands that the City Engineer considers necessary ... to inspect the Watercourse, carry out any obligations of the Owner in this Agreement that the Owner fails to fulfill, observe or perform to the satisfaction of the City Engineer ... ;
- (vi) **Equitable Charge BB1704043** in favour of City of Vancouver – if the Owner of the Lands fails to carry out its obligations ..., the City may, but will not be obligated to, remedy the default, and the Owner will pay to the City the amounts of any costs the City might thereby incur from time to time, plus a reasonable sum (not greater than 20% of such costs) as a surcharge for the City's overhead, forthwith after the City delivers to the Owner a written request for payment thereof;
- (vii) **Mortgage BB1289108 and Assignment of Rents BB1289109** in favour of The Toronto-Dominion Bank, being the Construction Mortgage
- (viii) **Covenant BB1311738** in favour of City of Vancouver – pursuant to section 219 of the *Land Title Act*, this covenant is granted by the Owner of the Lands to the City whereby the Owner covenants with the City to construct to install in



the Lands prior to occupancy of the development contemplated by the DP Application a fully functioning storm water storage and drainage system in accordance with the terms of this covenant;

- (ix) **Priority Agreement BB1311739** granting Covenant BB1311738 priority over Mortgage BB1289108 and Assignment of Rents BB1289109 in favour of The Toronto-Dominion Bank;
- (x) **Statutory Right of Way BB1311740** in favour of City of Vancouver – pursuant to section 218 of the *Land Title Act*, the Owner of the Lands grants to the City the full, free and unrestricted right by way of statutory right of way to enter upon the Lands at all reasonable times upon not less than seven (7) days notice (except in the case of emergency, in which case no notice will be required) for the purpose of inspecting, maintaining, repair, renewing or replacing the storm water draining system as described in Covenant BB1311738
- (xi) **Priority Agreement BB1311741** granting Statutory Right of Way BB1311740 priority over Mortgage BB1289108 and Assignment of Rents BB1289109 in favour of The Toronto-Dominion Bank;
- (xii) **Equitable Charge BB1311742** in favour of City of Vancouver – the Owner of the Lands charges the Lands with full payment of amounts owing hereunder to the City and to City Personnel from time to time ... ;
- (xiii) **Priority Agreement BB1311743** granting Equitable Charge BB1311742 priority over Mortgage BB1289108 and Assignment of Rents BB1289109 in favour of The Toronto-Dominion Bank;
- (xiv) **Statutory Right of Way BB1312201** in favour of Terasen Gas Inc. – the Owner of the Lands has granted a statutory right of way to Terasen, for so long as Terasen shall require it, a full, free and uninterrupted statutory right of way to excavate for, install, construction, operate, maintain, repair, abandon, remove and replace one or more underground pipelines on the Lands with any meters and fittings for use in connection with the pipelines for the distribution of gas necessary or incidental to the foregoing or to the business of Terasen Gas;
- (xv) **Statutory Right of Way BB1950841** in favour of Telus Communications Inc. – the Owner of the Lands has granted a statutory right of way to Telus Communications, its successors and assigns, for the purpose of placing, operating, maintaining and removing on, under and over the Lands one or more cables for telecommunications, data transmission, power and grounding, poles, anchoring mechanisms, underground ducts and related works;
- (xvi) **Statutory Right of Way BB199988** in favour of British Columbia Hydro and Power Authority (“BC Hydro”) - the Owner of the Lands has granted a statutory right of way to BC Hydro, for the purpose of the Works defined as all things and components, in any combination and using any type of technology or means, necessary or convenient for the purposes of transmitting and distributing electricity and for the purpose of telecommunications;



- (xvii) **Statutory Right of Way BB4025589** in favour of Shaw Cablesystems Limited – the Owner of the Lands has granted this statutory right of way to Shaw Cablesystems to provide the non-exclusive right to enter on or gain access over or under the Lands for the purpose of providing communication services to the occupants of the Lands.

The Purchaser and the Purchaser's Solicitor should review the foregoing charges.

- (c) No further encumbrances, covenants, or liens are proposed or are anticipated to be registered or filed in respect of the Development.

#### 4.4 Proposed Encumbrances

- (a) The Developer, in its discretion, may grant an additional mortgage or mortgages ("Additional Mortgages") subordinate to the Construction Mortgage. The Developer may also grant additional general security agreements subordinate to the general security agreement referred to in paragraph 6.2 hereof. If the Developer grants Additional Mortgages or additional general security agreements, such Additional Mortgages and additional general security agreements will be discharged on a per strata lot basis to accommodate sales to purchasers of strata lots.

#### 4.5 Outstanding or Contingent or Liabilities

There is no outstanding or contingent litigation or liability in respect of the Development or the Lands or against the Developer that may affect the Strata Corporation or Strata Lot owners.

#### 4.6 Environmental Matters

The Developer is not aware of any material facts relating to flooding, the condition of the soil and subsoil of the Development. The Developer has entered into a "watercourse" agreement with the City of Vancouver that is registered on title to the Lands under No. BB1704041 and which is referred to in section 4.3 (iv). The Developer will comply with existing environmental laws in removing or treating any environmental contaminants found in or on the Lands.

#### 5.0 CONSTRUCTION

##### 5.1 Construction Date

Construction of the Development commenced on or before August 1, 2010. The estimated date for completion of construction of the Development is on or before October 31, 2012. The estimated date for completion of construction is an estimate only and the actual date for completion of construction may vary based on construction factors or market conditions and is subject to the provisions of the contracts of purchase and sale for the Strata Lots. For clarity, the actual date for completion of construction may fall before, on or after the date for completion of construction set out in this section 5.1, which may accelerate or delay the estimated date for completion of construction.





## 5.2 Warranties

### Construction Warranties

The labour and materials on the Development and the individual Strata Lots are set out below and will be covered by home warranty insurance provided by **Travelers Guarantee Company of Canada**. These warranties comply with the requirements of the *Home Owner Protection Act* and are the only warranties provided by the Developer and are as follows:

#### **Time Limits on Coverage: 2-5-10**

The minimum coverage for every policy of home warranty insurance includes:

##### **2-year materials and labour warranty**

In the first 12 months, for all new homes other than the common property, common facilities and other assets of a strata corporation, coverage is for any defect in materials and labour, and for a violation of the Building Code\*.

In the first 15 months, for the common property, common facilities and other assets of a strata corporation, coverage is for any defect in materials and labour, and for a violation of the Building Code.

In the first 24 months for all new homes including the common property, common facilities and other assets of a strata corporation, coverage is for any defect in materials and labour supplied for the electrical, plumbing, heating, ventilation and air conditioning and distribution systems, any defect in materials and labour supplied for the exterior cladding, caulking, windows and doors that may lead to detachment or material damage to the new home, any defect in materials and labour which renders the new home unfit to live, and for a violation of the Building Code.

\*Non-compliance with the Building Code is considered a defect covered by home warranty insurance if the non-compliance constitutes an unreasonable health or safety risk, or has resulted in, or is likely to cause, material damage to the new home.

##### **5-year building envelope warranty**

The minimum coverage for the building envelope warranty is 5 years for defects in the building envelope of a new home including a defect that permits unintended water penetration such that it causes, or is likely to cause, material damage to the new home.

Note: In evaluating a building envelope claim warranty providers will require evidence of actual water penetration or evidence that the water penetration is substantially likely to occur within the 5 year period if the defect is not repaired.

##### **10-year building structural defects warranty**

The minimum coverage for the structural defects warranty is 10 years for any defect in materials and labour that results in the failure of a load bearing part of the new home,



and any defect which causes structural damage that materially and adversely affects the use of the new home for residential occupancy.

For the common property, the commencement date is concurrent with the first commencement date for a Strata Lot in each separate multi-unit building comprising the Strata Plan. A condition of the warranty coverage is that the warranty holder be permitted access to the Development and obtain readings from measuring devices.

#### Appliance and Equipment Warranties

Any manufacturers' warranties for appliances and equipment located in the Strata Lots or in the common property will be assigned to the owner of a Strata Lot or the Strata Corporation if and to the extent permitted by such warranties.

#### 5.3 Previously Occupied Building

Not applicable.

#### 6. APPROVAL AND FINANCES

##### 6.1 Development Approval

The Development is zoned CD-1. The City issued Development Permit No DE412659 on the 25<sup>th</sup> day of September, 2009.

The City issued Building Permits BU446475, BU446476 and BU446477, all on the 8<sup>th</sup> day of June 2010.

##### 6.2 Construction Financing

The Developer has arranged construction financing with The Toronto-Dominion Bank which together with the Developer's own funds are adequate for construction of the Development (including payment of the cost of utilities and other services associated with the Development). As security for the construction financing, the Developer has granted a mortgage and assignment of rents (collectively defined as the "Construction Mortgage"). Such mortgage and assignment of rents are registered in the LTO under Nos. BB1289108 and BB1289109. As additional security for the construction financing a general security agreement will be registered in the British Columbia Personal Property Registry.

The Construction Mortgage, together with any Additional Mortgages and the General Security Agreements, will be released on a per strata lot basis upon payment of all or a portion of the gross sale proceeds for each strata lot as required by the Construction Mortgage, less any holdbacks required pursuant to Section 88 of the *Strata Property Act* provided the Developer assigns to the Construction Mortgagee such holdback monies and such holdback monies are retained, during the period of the holdback, in a solicitor's trust account.



7. MISCELLANEOUS

7.1 Deposits

All deposits and other moneys received from purchasers of the Strata Lots will be held in trust in the manner required by the *Real Estate Development Marketing Act* by the Developer's lawyers or the real estate brokerage specified in the buyer's contract of purchase and sale. A copy of section 18 (handling deposits) of the *Real Estate Development Marketing Act* is attached as **Exhibit "J"**.

Release of Deposit to Developer if Purchaser Defaults In Paying Subsequent Deposit

Under section 18(4) of the *Real Estate Development Marketing Act* a trustee holding a deposit from a purchaser must release the deposit to the developer if the developer certifies in writing that:

- (a) the period under section 21 (rights of rescission) of the *Real Estate Development Marketing Act* has expired;
- (b) the purchaser has failed to pay a subsequent deposit when required by the purchase agreement under which the deposit held by the trustee was paid;
- (c) under the terms of the purchase agreement, if the purchaser fails to pay a subsequent deposit when required, the developer may elect to cancel the purchase agreement and, if the developer elects to cancel the purchase agreement, the amount of the deposit is forfeited to the developer; and
- (d) the developer has elected to cancel the purchase agreement.

7.2 Agreement of Purchase and Sale

(1) Form of Agreement of Purchase and Sale

The form of agreement of purchase and sale the Developer intends to use for the sale of the Strata Lots is attached as **Exhibit "J"**.

(2) Termination/Extension of Time

(a) Pursuant to paragraph 4.1 of the Agreement of Purchase and Sale, the completion date of the purchase and sale of the Strata Lot will be on the date selected by the Vendor (the "Completion Date") and set out in a notice (the "Completion Notice") given by the Vendor or Vendor's Solicitors to the Purchaser or the Purchaser's Solicitors at any time after:

- (a) the Vendor has received oral or written permission from the municipality or the city, as the case may be, to occupy the Strata Lot, as opposed to any common property within the Development, regardless of whether or not such permission is temporary, conditional or final; and

- (b) a separate title to the Strata Lot has been issued by the applicable Land Titles Office.

If the Completion Date has not occurred by April 30, 2013 (the "Outside Date") then the Purchaser or the Vendor shall have the right to cancel this Agreement by giving ten (10) business days written notice to the other party, provided that such notice is given before the last to occur of:

- (i) the date permission is given by a municipality or city to occupy the Strata Lot; and
- (ii) the date the Strata Plan creating the Strata Lot is submitted for filing in the Land Title Office.

If the Vendor or Purchaser exercises the said right, the Deposit and any interest accrued thereon will be paid to the Purchaser in accordance with paragraph 3.2(c) hereof.

The Purchaser acknowledges and agrees that the Completion Date will be established by the Vendor in accordance with this section 4.1 notwithstanding that the estimated date for completion of construction for the Development as set out in the Disclosure Statement or any amendment thereto (the "Estimated Construction Completion Date") is an estimate only and may vary based on time gained or lost during the construction process. For greater certainty, the Purchaser acknowledges and agrees that the actual Completion Date, as established by the date set forth in the Completion Notice, may occur before, on or after the Estimated Construction Completion Date.

The Purchaser hereby:

- (a) agrees to complete the purchase of the Strata Lot on the Completion Date as set out in the Completion Notice regardless of the amount of time between the Completion Date and the Estimated Construction Completion Date;
  - (b) acknowledges and agrees that the decision to enter into and to perform the terms of this Agreement is not predicated upon whether or not the actual Completion Date occurs before, at or after the Estimated Construction Completion Date; and
  - (c) acknowledges and agrees that a Completion Date occurring before, at or after the Estimated Construction Completion Date will not affect the value, price or use of the Strata Lot to the Purchaser.
- (b) Pursuant to paragraph 4.2 of the Agreement of Purchase and Sale, if the Vendor is delayed from completing the construction of the Strata Lot or obtaining permission to occupy the Strata Lot or from depositing the Strata Plan for registration in the Land Title Office, as a result of fire, explosion or accident, however caused, act or omission of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, materials or



equipment, flood, adverse site or soil conditions, act of God, inclement weather, delay or failure by carriers or contractors, unavailability of supplies or materials, breakage or other casualty, climate conditions, interference of the Purchaser or any other event beyond the control of the Vendor, then the time within which the Vendor must do anything hereunder and the Outside Date referred to in paragraph 4.1 of the Agreement of Purchase and Sale will be extended for a period equivalent to such period of delay.

- (c) Pursuant to paragraph 5.2 of the Agreement of Purchase and Sale, the Purchaser acknowledges that the total expected area of the Strata Lot ("Expected Area") as shown on the Proposed Strata Plan (and the room measurements as shown in any advertising material) are approximate only and may vary from the total actual area ("Actual Area") as shown on the final strata plan registered in the applicable Land Title Office. If the proportion by which the Actual Area varies from the Expected Area (the "Variance") is less than  $\pm 3\%$ , there will be no adjustment to the Purchase Price to reflect same. If the Variance exceeds  $\pm 3\%$ , the Purchase Price will be increased or decreased, as the case may be, by the "Adjustment Factor" (as hereinafter defined) per square foot in respect of that part of the Variance that exceeds  $\pm 3\%$ . If the Variance exceeds  $\pm 10\%$ , the Purchaser may by written notice cancel this Agreement of Purchase and Sale, whereupon the Purchaser will be entitled to repayment of the Deposit as provided in paragraph 3.2 of the Agreement of Purchase and Sale unless the Variance is positive by virtue of the Actual Area exceeding the Expected Area and the Vendor waives the adjustment to the Purchase Price in which event the Purchaser will complete the transaction of purchase and sale on the Completion Date. In this paragraph "Adjustment Factor" means the price per square foot determined by dividing the Purchase Price noted in paragraph 1.0 of the Agreement of Purchase and Sale by the Expected Area.
- (d) Pursuant to paragraph 6.3 of the Agreement of Purchase and Sale, the Strata Lot shall be at the risk of the Vendor until and including the day preceding the Completion Date and at the risk of the Purchaser from and including the Completion Date.
- (e) Pursuant to paragraph 10.1 of the Agreement of Purchase and Sale, time will be of the essence of the Agreement of Purchase and Sale and unless all payments on account of the Purchase Price, together with adjustments thereto as provided herein and all other amounts payable by the Purchaser hereunder are paid when due, then the Vendor may, at the Vendor's option:
  - (i) terminate the Agreement of Purchase and Sale and in such event the Deposit together with all accrued interest thereon will be absolutely forfeited to the Vendor on account of damages (being the minimum amount of damages the parties agree the Vendor is expected to suffer as a result of such termination), without prejudice to the Vendor's other remedies, including a right to recover any additional damages; or
  - (ii) elect to extend the time for completion and complete the transaction contemplated by the Agreement of Purchase and Sale, in which event the Purchaser will pay to the Vendor, in addition to the Purchase Price,



interest on the unpaid portion of the Purchase Price and other unpaid amounts payable at the rate of 3% per annum above the annual rate of interest designated by the Vendor's principal bank as its "prime rate", as that rate changes from time to time, such interest to be calculated daily from the date upon which such payment and amounts were due to the date upon which such payment and amounts are paid.

If from time to time the Purchaser's default continues beyond the last extended date for completion established pursuant to subparagraph 9.1 (b) of the Agreement of Purchase and Sale, the Vendor may thereafter elect to terminate this Agreement pursuant to subparagraph 9.1 (a) of the Agreement of Purchase and Sale or permit a further extension pursuant to subparagraph 9.1 (b) of the Agreement of Purchase and Sale.

- (f) Pursuant to Paragraph 10.2 of the Agreement of Purchase and Sale, notwithstanding anything contained in the Agreement of Purchase and Sale to the contrary, if the Purchaser's obligation to purchase the Strata Lot is subject to one or more conditions then the conditions shall be set out in an Addendum attached to the Agreement of Purchase and Sale and if such conditions exist then the Vendor may, on written notice delivered to the Purchaser require the Purchaser to either satisfy or waive the satisfaction of all conditions by delivering written notice within twenty-four (24) hours from the time the Vendor gives notice to the Purchaser. If such written waiver is not received within such time, then the Agreement of Purchase and Sale shall terminate and the Deposit together with all accrued interest thereon (if any) less the Stakeholder's reasonable administration fee shall be refunded to Purchaser.

(3) Assignment

Pursuant to paragraph 7.1 of the Agreement of Purchase and Sale, the Purchaser may only assign the Purchaser's interest in the Strata Lot or in the Agreement of Purchase and Sale or direct the transfer of the Strata Lot to any other or additional party with the written consent of the Vendor and unless the Vendor so consents the Vendor shall not be required to convey the Strata Lot to anyone other than the Purchaser named therein. If, with the consent of the Vendor, the Purchaser assigns the Purchaser's interest in the Strata Lot or the Agreement of Purchase and Sale or directs the transfer of the Strata Lot to any other or additional party, the Purchaser will pay to the Vendor a handling charge in the amount of one percent (1%) of the Purchase Price referred to in 1.01 of the Agreement of Purchase and Sale (plus HST) to compensate the Vendor for legal and administrative costs in connection with such assignment or direction except that such handling charge will be reduced to One Thousand Dollars (\$1,000.00) plus HST if the assignee is the Purchaser's spouse, parent, child, grandparent or grandchild. No assignment by the Purchaser of the Purchaser's interest in the Strata Lot or the Agreement of Purchase and Sale or direction of transfer to any other person shall have the effect of releasing the Purchaser from any of the Purchaser's obligations or liabilities under the Agreement of Purchase and Sale.

Any purchaser seeking the Vendor's consent to an assignment must give the Vendor at least fourteen (14) days written notice of such request prior to submitting the written form of assignment agreement for the Vendor's consideration.

The Vendor will not consider any request for consent if:





- (a) made prior to ninety (90) days after the date of the Agreement of Purchase and Sale;
- (b) made after that date which is sixty (60) days prior to the estimated Completion Date as set forth in paragraph 4.1 of the Agreement of Purchase and Sale;
- (c) the Vendor has previously consented to an assignment by the Purchaser; or
- (d) the Purchaser has not complied with the marketing restrictions set out in paragraph 8.0 of the Agreement of Purchase and Sale.

No assignment by the Purchaser of the Purchaser's interest in the Strata Lot or the Agreement of Purchase and Sale or direction of transfer to any other person shall have the effect of releasing the Purchaser from any of the Purchaser's obligations or liabilities under the Agreement of Purchase and Sale.

(4) Interest on Deposit Monies

1. If the Purchaser completes the purchase of the Strata Lot on the terms and conditions herein contained, then the Deposit shall form part of and be applied to the Purchase Price and be paid by the Stakeholder to the Purchaser. Any interest earned thereon (less the Stakeholder's reasonable administration fee) shall be paid to the Purchaser;
2. If the Purchaser does not give proper notice to the Vendor pursuant to paragraphs 4.1 or 5.2 of the Agreement of Purchase and Sale and the Purchaser fails to complete the purchase of the Strata Lot on the terms and conditions herein contained, then the Deposit together with interest accrued thereon (less the Stakeholder's reasonable administration fee) shall be paid by the Stakeholder to the Vendor forthwith;
3. If the Purchaser gives proper notice to the Vendor pursuant to paragraph 4.1 or 5.2 of the Agreement of Purchase and Sale, then the Deposit together with interest accrued thereon (less the Stakeholder's reasonable administrative fee) shall be paid by the Stakeholder to the Purchaser and the Purchaser shall have no further claim against the Vendor;
4. If the Purchaser does not give notice pursuant to paragraphs 4.1 or 5.2 of the Agreement of Purchase and Sale and the Vendor fails to complete the sale of the Strata Lot on the terms and conditions herein contained, then the Deposit together with interest accrued thereon (less the Stakeholder's reasonable administrative fee) shall be paid by the Stakeholder to the Purchaser and the Purchaser shall have no further claim against the Vendor.

The foregoing is a summary only of the relevant provisions of the Agreement of Purchase and Sale dealing with termination and/or extension of time, assignments and interest on Deposit Monies under the Agreement of Purchase and Sale and the Purchaser is advised to carefully read and ensure they understand the actual provisions of the Agreement of Purchase and Sale relating to these matters.



### 7.3 Developer's Commitments

There is no commitment made by the Developer that will be met after completion of the sale of a Strata Lot.

### 7.4 Other Material Facts

#### (a) Other Contracts Affecting the Development

The Developer has not entered into any agreements with respect to the development other than the agreements described herein. When appropriate to do so, the Developer intends to enter into, or to cause the Strata Corporation to enter into or to assume, some or all of the following agreements:

- (1) agreements the Developer believes are for the benefit of the Strata Corporation and the Development in general;
- (2) maintenance and rental agreement or agreements with respect to certain Common Property equipment;
- (3) landscaping and gardening maintenance agreement;
- (4) fire alarm system monitoring agreement;
- (5) private garbage/waste removal agreement;
- (6) development, building and occupancy permits required in respect of the development of the Lands or the Development;
- (7) certain agreements set out in sections 4.3 and 4.4;
- (8) marketing license agreement as described in subsection 7.4(b);

These agreements would be entered into before the first conveyance of a Strata Lot to a purchaser. The estimated amounts payable by the Strata Corporation under these agreements are included in the proposed budget attached at **Exhibit "C"** except as otherwise described herein.

### Deemed Reliance

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





**CAUTION**

**The Developer, directors of a corporate developer, and any other person required by the Superintendent to sign this Disclosure Statement are advised to read the provisions of and be fully aware of their obligations under Part 2 of the Real Estate Act before signing this statement, as a person who fails to comply with the requirements of Part 2 of the Real Estate Act may, on conviction, be liable:**

- a) in the case of a corporation, to a fine of not more than \$100,000.00, and**
- b) in the case of an individual, to either a fine of not more than \$100,000.00, or to imprisonment for not more than 5 years less one day.**

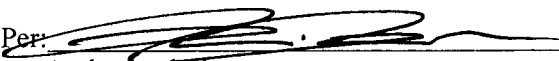


DECLARATION

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 May 29, 2012.

SIGNED this 30 day of May, 2012

**ARTHUR BELL HOLDINGS LTD.**

Per:   
Authorized Signatory

)  
)  
)  
)  
)  
  
**Brian Bell – Director**

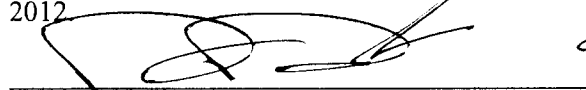
DOMINION OF CANADA  
PROVINCE OF BRITISH COLUMBIA

IN THE MATTER OF the *Real Estate Development Marketing Act* and the Disclosure Statement of:  
**ARTHUR BELL HOLDINGS LTD. (the “Developer”)** for those lands legally described as:  
Parcel Identifier 027-666-182 Lot A Block 50 District  
Lot 526 Group 1 New Westminster District Plan  
BCP38409 and civically known as 1450 McRae  
Avenue, Vancouver, B.C. and the project to be  
constructed thereon to be known as “The Crescent on  
McRae”

I, **Brian Bell**, businessman, of Vancouver, British Columbia, do solemnly declare:

1. THAT I am a Director of **Arthur Bell Holdings Ltd.**, the Developer referred to in the above described Disclosure Statement dated the 29<sup>th</sup> day of May, 2012.
2. THAT every matter of fact stated in the said Disclosure Statement is correct.
3. THAT I am aware that Section 15 of the *Real Estate Development Marketing Act* requires that a true copy of the Disclosure Statement be delivered to the prospective purchaser or lessee and receipt for same be obtained
4. THAT I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of **The Canada Evidence Act**.

DECLARED BEFORE ME at Burnaby,  
British Columbia, this 30 day of May,  
2012



Dirk C.A. De Vuyst  
1801-4555 Kingsway  
Burnaby, B.C. V5H 4T8  
A Commissioner for taking Affidavits  
for British Columbia




**Brian Bell**

**SOLICITOR'S CERTIFICATE**

IN THE MATTER OF the *Real Estate Development Marketing Act* and the Disclosure Statement of:  
**ARTHUR BELL HOLDINGS LTD. (the "Developer")** for those lands legally described as:  
Parcel Identifier 027-666-182 Lot A Block 50  
District Lot 526 Group 1 New Westminster District  
Plan BCP38409 and civically known as 1450  
McRae Avenue, Vancouver, B.C. and the project to  
be constructed thereon to be known as "The  
Crescent on McRae"

I, **DIRK C.A. DE VUYST**, Solicitor, a member of the Law Society of British Columbia, having read over the above described Disclosure Statement dated the 29<sup>th</sup> day of May, 2012, made any required investigations in public offices and reviewed same with the Developer therein named, 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 30<sup>th</sup> day of May, 2012.



---

**Dirk C.A. De Vuyst**

**EXHIBIT "A"**  
**PROPOSED**  
**STRATA PLAN**



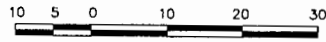
PROPOSED STRATA PLAN OF LOT A  
 BLOCK 50 DISTRICT LOT 526 GROUP 1  
 NEW WESTMINSTER DISTRICT  
 PLAN BCP38409

SHEET 1 OF 7 SHEETS

STRATA PLAN BCS \_\_\_\_\_

BCGS 92G.025  
 PID: 027-666-182  
 CITY OF VANCOUVER

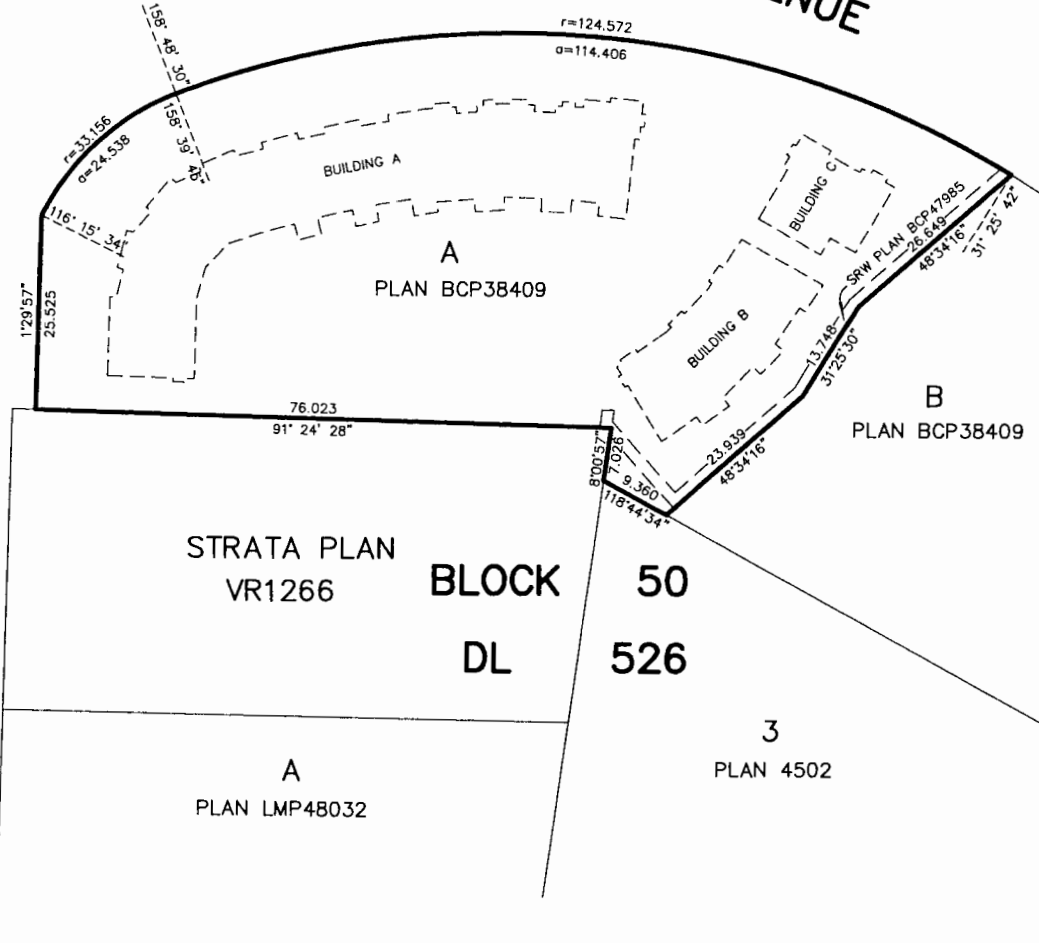
SCALE 1:600



McRAE

AVENUE

GRANVILLE STREET



STRATA PLAN  
 VR1266 BLOCK 50  
 DL 526

A PLAN LMP48032  
 3 PLAN 4502

CIVIC ADDRESS:  
 #1450 MCRAE AVENUE  
 VANCOUVER, B.C.

NAME OF DEVELOPMENT:  
 "THE CRESCENT ON MCRAE"

**MATSON PECK & TOPLISS**  
 SURVEYORS & ENGINEERS  
 #320 - 11120 HORSESHOE WAY  
 RICHMOND, B.C., V7A 5H7  
 PH: 604-270-9331  
 FAX: 604-270-4137

CADFILE: 14775-DISCLOSURE-4.DWG

V-12-14775-DISCLOSURE-4

**LEGEND:**

- ALL DIMENSIONS ARE METRIC.  
 C.P. INDICATES COMMON PROPERTY  
 L.C.P. INDICATES LIMITED COMMON PROPERTY  
 S.L. INDICATES STRATA LOT  
 PT. INDICATES PART  
 ELEC. INDICATES ELECTRICAL ROOM  
 ELEV. INDICATES ELEVATOR  
 MECH. INDICATES MECHANICAL ROOM  
 G INDICATES GARBAGE ROOM  
 BLDG INDICATES BUILDING  
 B INDICATES BALCONY  
 P INDICATES PORCH  
 RD INDICATES ROOF DECK  
 RG INDICATES ROOF GARDEN  
 m<sup>2</sup> INDICATES SQUARE METRES  
 Y INDICATES YARDS

**NOTES:**

STRATA LOT BOUNDARIES ARE TAKEN TO THE OUTSIDE FACE OF EXTERIOR WALLS AND TO THE CENTRELINE OF DEMISING WALLS UNLESS NOTED OTHERWISE.

PARKADE FLOOR AREAS (GARAGES) ARE PART OF THE STRATA LOT BUT NOT INCLUDED IN THE UNIT ENTITLEMENT CALCULATION.

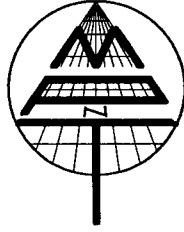
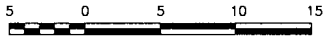
BALCONIES, PORCHES, ROOF DECKS, ROOF GARDENS AND YARDS ARE LIMITED COMMON PROPERTY FOR THE USE OF THE STRATA LOTS INDICATED.  
 (EX. B-2, P-7, RG-11, Y-5)

MARCH 19, 2012

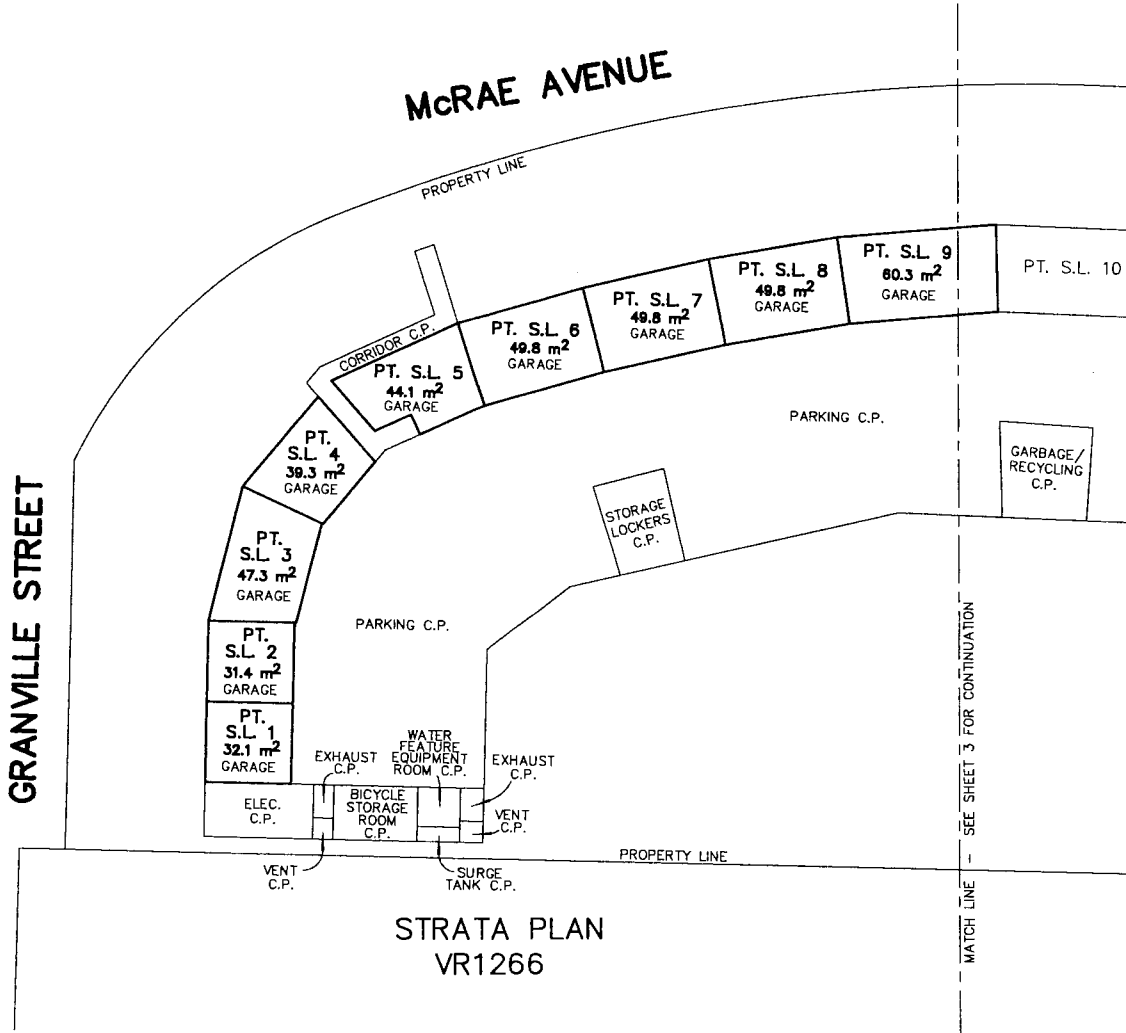
PARKADE - WEST

SHEET 2 OF 7 SHEETS

SCALE 1:300



STRATA PLAN BCS



STRATA PLAN VR1266

MATSON PECK & TOPLISS

SURVEYORS & ENGINEERS

#320 - 11120 HORSESHOE WAY

RICHMOND, B.C., V7A 5H7

PH: 604-270-9331

FAX: 604-270-4137

CADFILE: 14775-DISCLOSURE-4.DWG

NOTES: STRATA LOT BOUNDARIES ARE TAKEN TO THE OUTSIDE FACE OF EXTERIOR WALLS AND TO THE CENTRELINE OF DEMISING WALLS UNLESS NOTED OTHERWISE.

PARKADE FLOOR AREAS (CONTAINING GARAGE AND MECHANICAL ROOMS) ARE PART OF THE STRATA LOT, BUT NOT INCLUDED IN THE UNIT ENTITLEMENT CALCULATION.

V-12-14775-DISCLOSURE-4

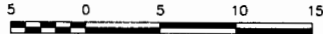
MARCH 19, 2012



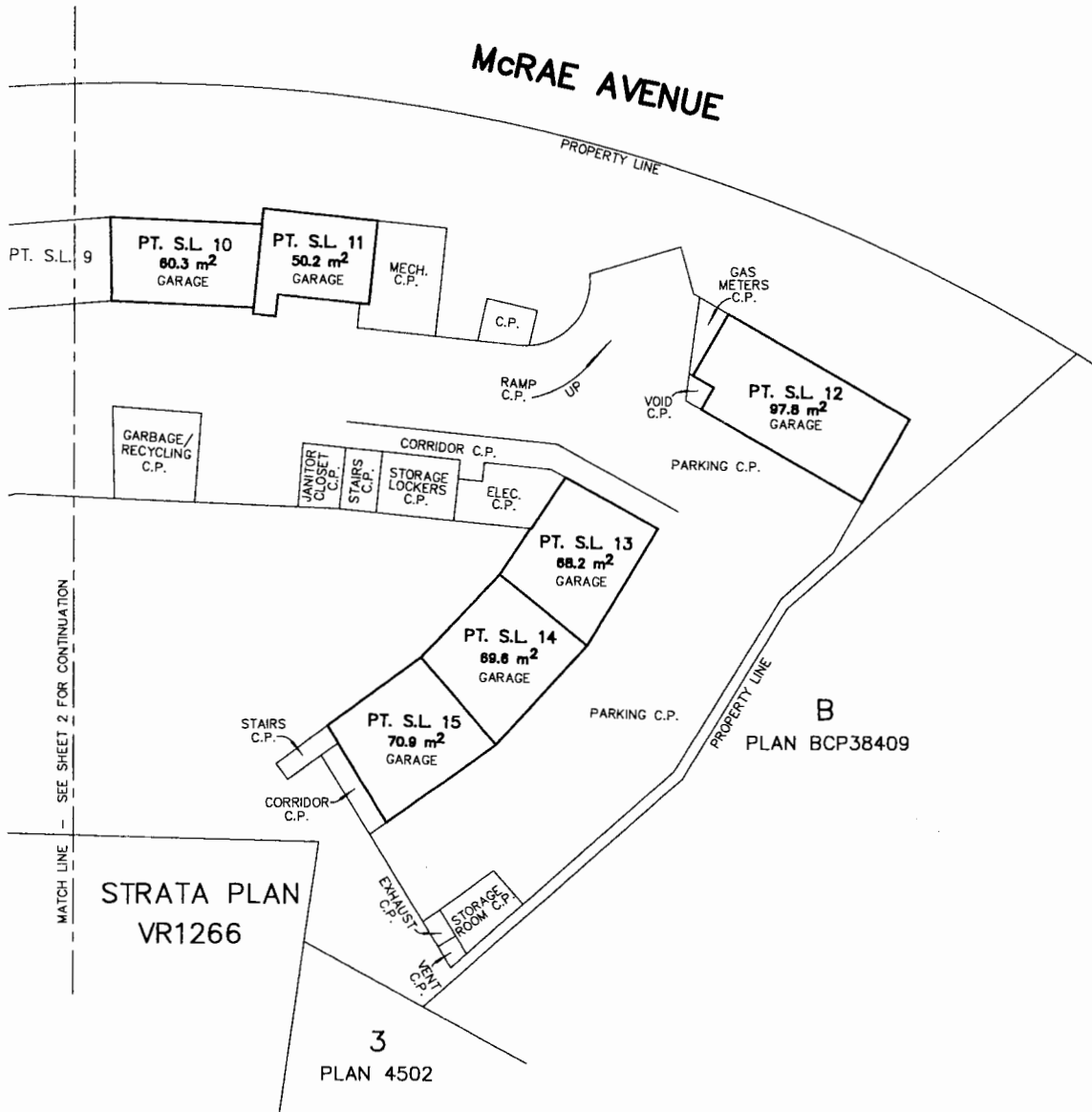
PARKADE – EAST

SHEET 3 OF 7 SHEETS

SCALE 1:300



STRATA PLAN BCS



**MATSON PECK & TOPLISS**

SURVEYORS & ENGINEERS

#32D - 11120 HORSESHOE WAY

RICHMOND, B.C., V7A 5H7

PH: 604-270-9331

FAX: 604-270-4137

CADFILE: 14775-DISCLOSURE-4.DWG

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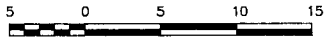
V-12-14775-DISCLOSURE-4

MARCH 19, 2012

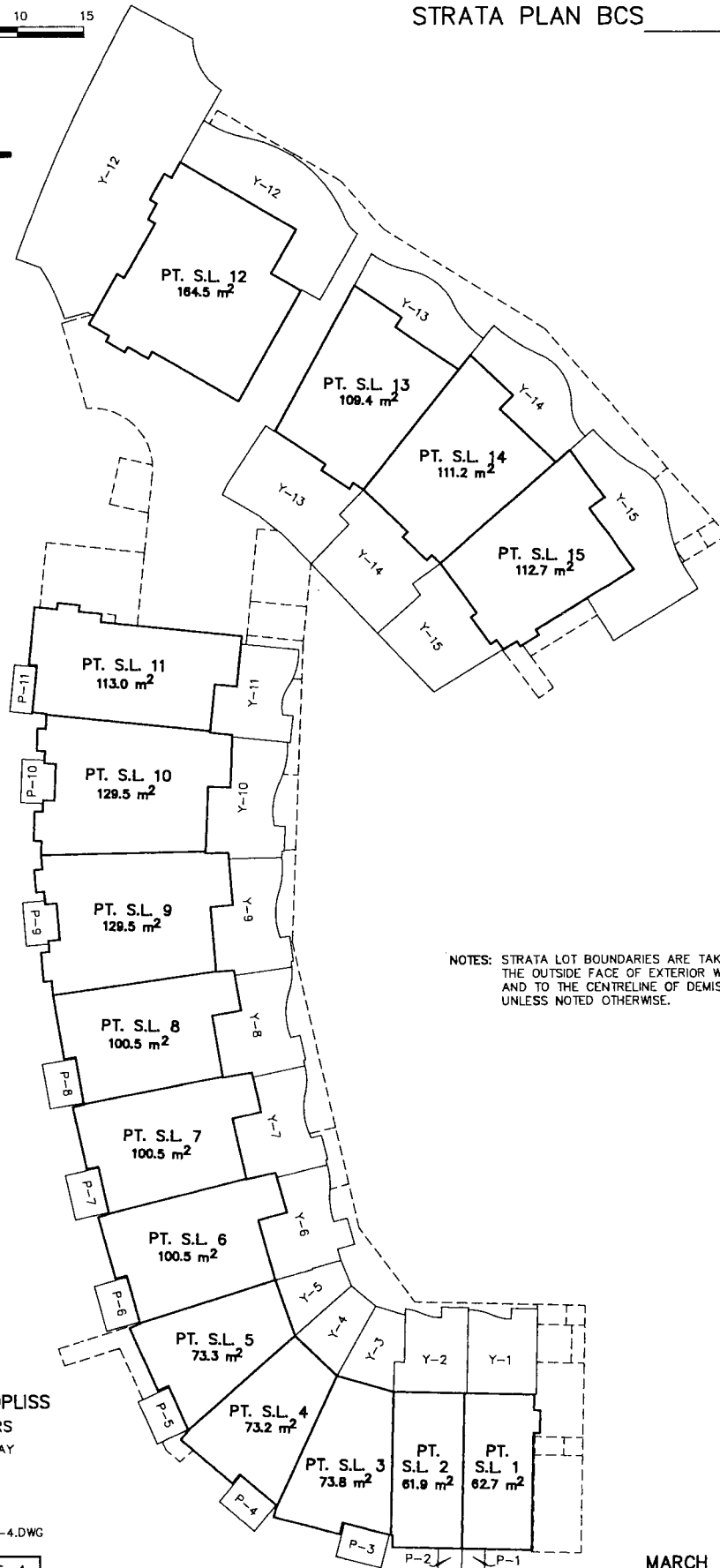
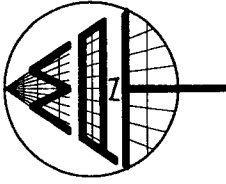


GROUND FLOOR

SCALE 1:300



STRATA PLAN BCS



NOTES: STRATA LOT BOUNDARIES ARE TAKEN TO THE OUTSIDE FACE OF EXTERIOR WALLS AND TO THE CENTRELINE OF DEMISING WALLS UNLESS NOTED OTHERWISE.

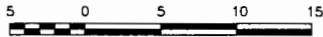
MATSON PECK & TOPLISS  
SURVEYORS & ENGINEERS  
#320 - 11120 HORSESHOE WAY  
RICHMOND, B.C., V7A 5H7  
PH: 604-270-9331  
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CADFILE: 14775-DISCLOSURE-4.DWG

V-12-14775-DISCLOSURE-4

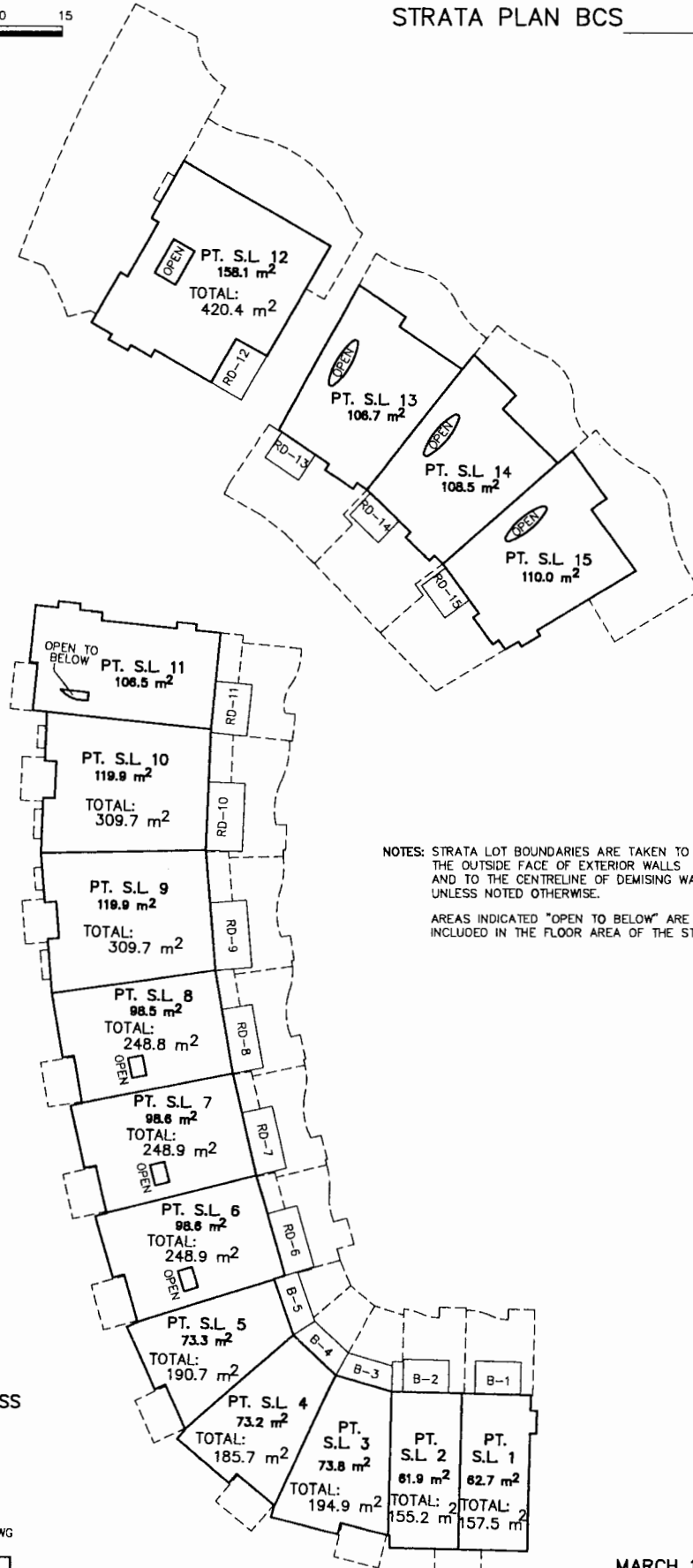
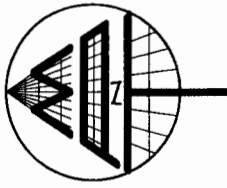
MARCH 19, 2012

**SECOND FLOOR**

SCALE 1:300



**STRATA PLAN BCS**



NOTES: STRATA LOT BOUNDARIES ARE TAKEN TO THE OUTSIDE FACE OF EXTERIOR WALLS AND TO THE CENTRELINE OF DEMISING WALLS UNLESS NOTED OTHERWISE.  
AREAS INDICATED "OPEN TO BELOW" ARE NOT INCLUDED IN THE FLOOR AREA OF THE STRATA LOT.

**MATSON PECK & TOPLISS**  
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 CADFILE: 14775-DISCLOSURE-4.DWG

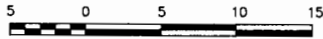
V-12-14775-DISCLOSURE-4

MARCH 19, 2012

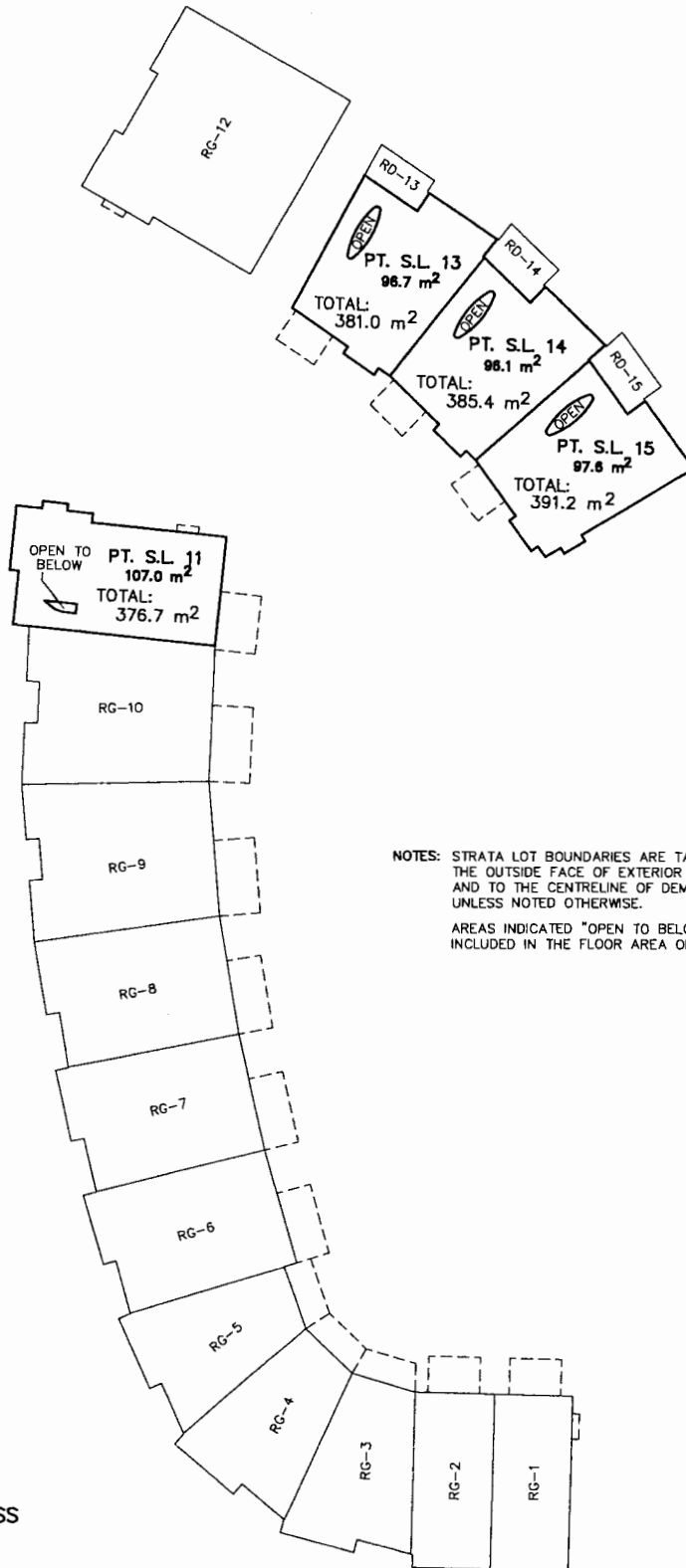
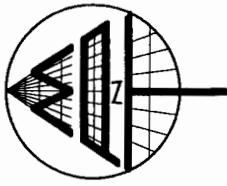
THIRD FLOOR

SHEET 6 OF 7 SHEETS

SCALE 1:300



STRATA PLAN BCS



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AREAS INDICATED "OPEN TO BELOW" ARE NOT INCLUDED IN THE FLOOR AREA OF THE STRATA LOT.

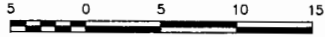
MATSON PECK & TOPLISS  
SURVEYORS & ENGINEERS  
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CADFILE: 14775-DISCLOSURE-4.DWG

V-12-14775-DISCLOSURE-4

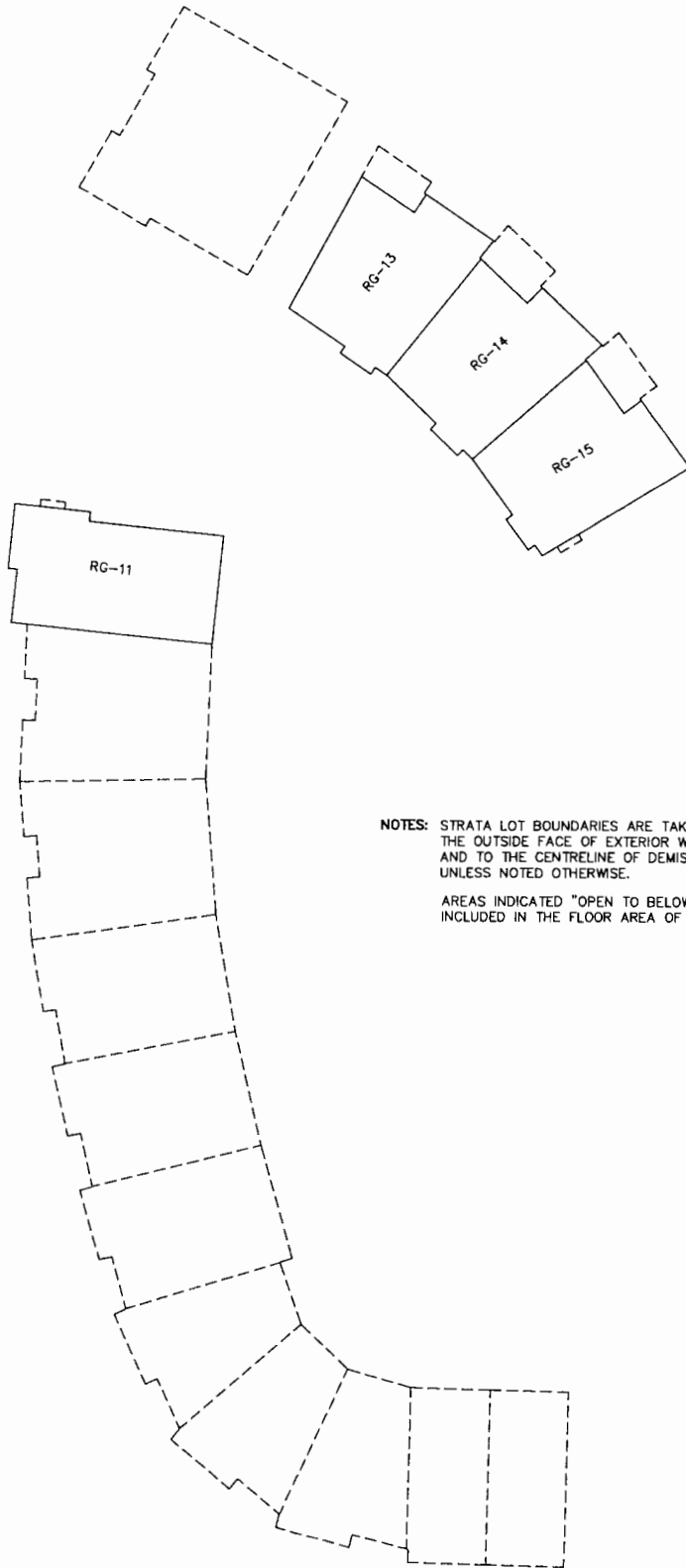
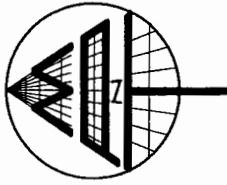
MARCH 19, 2012

ROOF

SCALE 1:300



STRATA PLAN BCS



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AREAS INDICATED "OPEN TO BELOW" ARE NOT INCLUDED IN THE FLOOR AREA OF THE STRATA LOT.

**MATSON PECK & TOPLISS**

SURVEYORS & ENGINEERS

#320 - 11120 HORSESHOE WAY

RICHMOND, B.C., V7A 5H7

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FAX: 604-270-4137

CADFILE: 14775-DISCLOSURE-4.DWG

V-12-14775-DISCLOSURE-4

MARCH 19, 2012



**EXHIBIT "B"**

**PROPOSED FORM V SCHEDULE OF UNIT ENTITLEMENT**



## PROPOSED FORM V SCHEDULE OF UNIT ENTITLEMENT

**“ The Crescent on McRae “**  
1450 McRae Avenue, Vancouver  
Lot A, Block 50, DL.526, Gp.1, NWD, Plan BCP38409

| Strata Lot No.                           | Total Area in m <sup>2</sup> | Parkade Floor Area in m <sup>2</sup> | Habitable Area in m <sup>2</sup> | Unit Entitlement                     | %* of Total Unit Entitlement |
|--|------------------------------|--------------------------------------|----------------------------------|--------------------------------------|------------------------------|
| 1  | 157.5                        | 32.1                                 | 125.4                            | 125                                  | 3.69                         |
| 2  | 155.2                        | 31.4                                 | 123.8                            | 124                                  | 3.66                         |
| 3  | 194.9                        | 47.3                                 | 147.6                            | 148                                  | 4.37                         |
| 4  | 185.7                        | 39.3                                 | 146.4                            | 146                                  | 4.31                         |
| 5  | 190.7                        | 44.1                                 | 146.6                            | 147                                  | 4.34                         |
| 6  | 248.9                        | 49.8                                 | 199.1                            | 199                                  | 5.88                         |
| 7  | 248.9                        | 49.8                                 | 199.1                            | 199                                  | 5.88                         |
| 8  | 248.8                        | 49.8                                 | 199.0                            | 199                                  | 5.88                         |
| 9  | 309.7                        | 60.3                                 | 249.4                            | 249                                  | 7.36                         |
| 10                                       | 309.7                        | 60.3                                 | 249.4                            | 249                                  | 7.36                         |
| 11                                       | 376.7                        | 50.2                                 | 326.5                            | 327                                  | 9.66                         |
| 12                                       | 420.4                        | 97.8                                 | 322.6                            | 323                                  | 9.54                         |
| 13                                       | 381.0                        | 68.2                                 | 312.8                            | 313                                  | 9.25                         |
| 14                                       | 385.4                        | 69.6                                 | 315.8                            | 316                                  | 9.34                         |
| 15                                       | 391.2                        | 70.9                                 | 320.3                            | 320                                  | 9.46                         |
| <b>Total Number of Strata Units = 15</b> |                              |                                      |                                  | <b>Total Unit Entitlement = 3384</b> |                              |

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

The parkade floor area of each unit is included in the total strata lot area, but not included in the habitable area or unit entitlement calculation.

March 19, 2012



**EXHIBIT "C"**  
**PROPOSED INTERIM BUDGET**



THE CRESCENT ON MCRAE  
 INTERIM BUDGET OF OPERATING EXPENSES  
 1450 MCRAE AVENUE

|                                      | INTERIM<br>BUDGET | MONTHLY         |
|--------------------------------------|-------------------|-----------------|
| <b>REVENUE</b>                       |                   |                 |
| Assessments                          | 206938.00         | 17244.83        |
| Miscellaneous Income                 |                   | 0.00            |
| Interest Income                      |                   | 0.00            |
| Chargeback Revenue                   |                   | 0.00            |
| NSF Fees                             |                   | 0.00            |
|                                      | -----             | -----           |
| <b>Total Revenue</b>                 | <b>206938.00</b>  | <b>17244.83</b> |
| <b>OPERATING EXPENSES</b>            |                   |                 |
| <b>Administration:</b>               |                   |                 |
| Management fees                      | 16800.00          | 1400.00         |
| Audit/Bank/Legal                     | 2250.00           | 187.50          |
| Office/Administration                | 2250.00           | 187.50          |
| Insurance & Appraisal                | 20000.00          | 1666.67         |
|                                      | -----             | -----           |
| <b>Total Administration Expenses</b> | <b>41300.00</b>   | <b>3441.67</b>  |
| <b>Utilities:</b>                    |                   |                 |
| Electricity                          | 18000.00          | 1500.00         |
| Gas                                  | 15000.00          | 1250.00         |
| Water/Sewer                          | 4800.00           | 400.00          |
|                                      | -----             | -----           |
| <b>Total Utilities</b>               | <b>37800.00</b>   | <b>3150.00</b>  |
| <b>Contracts:</b>                    |                   |                 |
| Waste Removal/Recycling              | 12000.00          | 1000.00         |
| Handyman                             | 11816.00          | 984.67          |
| Fire & Life Safety                   | 4000.00           | 333.33          |
|                                      | -----             | -----           |
| <b>Total Contracts</b>               | <b>27816.00</b>   | <b>2318.00</b>  |
| <b>Building Operating:</b>           |                   |                 |
| Supplies & Equipment                 | 1200.00           | 100.00          |
| Electrical Maintenance               | 1200.00           | 100.00          |
| Plumbing Maintenance                 | 2400.00           | 200.00          |
| Mechanical & Boiler                  | 18000.00          | 1500.00         |
| Building Maintenance & Repairs       | 6000.00           | 500.00          |
| Window Cleaning                      | 3920.00           | 326.67          |
| Garage Gate                          | 1200.00           | 100.00          |
| Enterphone & Security Maintenance    | 3600.00           | 300.00          |
|                                      | -----             | -----           |
| <b>Total Building Operating</b>      | <b>37520.00</b>   | <b>3126.67</b>  |
| <b>Grounds:</b>                      |                   |                 |
| Landscaping & Irrigation             | 36422.00          | 3035.17         |
| Snow Removal                         | 3080.00           | 256.67          |
| Grounds Repairs & Maintenance        | 3000.00           | 250.00          |
|                                      | -----             | -----           |
| <b>Total Grounds</b>                 | <b>42502.00</b>   | <b>3541.83</b>  |
|                                      | -----             | -----           |
| <b>TOTAL OPERATING EXPENSES</b>      | <b>186938.00</b>  | <b>15578.17</b> |
|                                      | -----             | -----           |
| Contingency Reserve Fund Allocation  | 20000.00          | 1666.67         |
|                                      | -----             | -----           |
| <b>TOTAL EXPENSES</b>                | <b>206938.00</b>  | <b>17244.83</b> |
|                                      | =====             | =====           |
| <b>NET INCOME / (LOSS)</b>           | <b>0.00</b>       | <b>0.00</b>     |
|                                      | =====             | =====           |



**EXHIBIT "D"**  
**PROPOSED MONTHLY MAINTENANCE FEES**



THE CRESCENT ON MCRAE  
 INTERIM BUDGET OF ASSESSMENTS  
 1450 MCRAE AVENUE

| SUITE<br>NO. | STRATA<br>LOT<br>NO. | UNIT<br>ENTITLEMENT | ANNUAL<br>ASSESSMENT |       | MONTHLY<br>ASSESSMENT |       |
|--------------|----------------------|---------------------|----------------------|-------|-----------------------|-------|
|              |                      |                     | INTERIM              |       | INTERIM               |       |
| 1            | 1                    | 125                 | 7643.99              | 0.00  | 637.00                | 0.00  |
| 2            | 2                    | 124                 | 7582.83              | 0.00  | 631.90                | 0.00  |
| 3            | 3                    | 148                 | 9050.48              | 0.00  | 754.21                | 0.00  |
| 4            | 4                    | 146                 | 8928.18              | 0.00  | 744.01                | 0.00  |
| 5            | 5                    | 147                 | 8989.33              | 0.00  | 749.11                | 0.00  |
| 6            | 6                    | 199                 | 12169.23             | 0.00  | 1014.10               | 0.00  |
| 7            | 7                    | 199                 | 12169.23             | 0.00  | 1014.10               | 0.00  |
| 8            | 8                    | 199                 | 12169.23             | 0.00  | 1014.10               | 0.00  |
| 9            | 9                    | 249                 | 15226.82             | 0.00  | 1268.90               | 0.00  |
| 10           | 10                   | 249                 | 15226.82             | 0.00  | 1268.90               | 0.00  |
| 11           | 11                   | 327                 | 19996.67             | 0.00  | 1666.39               | 0.00  |
| 12           | 12                   | 323                 | 19752.06             | 0.00  | 1646.01               | 0.00  |
| 13           | 13                   | 313                 | 19140.54             | 0.00  | 1595.05               | 0.00  |
| 14           | 14                   | 316                 | 19324.00             | 0.00  | 1610.33               | 0.00  |
| 15           | 15                   | 320                 | 19568.61             | 0.00  | 1630.72               | 0.00  |
|              |                      | 3384                | 206938.00            | 0.00  | 17244.83              | 0.00  |
|              |                      | =====               | =====                | ===== | =====                 | ===== |



**EXHIBIT “E”**

**PROPOSED FORM Y**

**OWNER DEVELOPER’S NOTICE OF DIFFERENT BYLAWS**



*Strata Property Act*

**PROPOSED FORM Y**  
**OWNER DEVELOPER'S NOTICE OF DIFFERENT BYLAWS**  
*(Section 245 (d), Regulations section 14.6(2))*

Re: Strata Plan \_\_\_\_\_, being a strata plan of:

Parcel Identifier: 027-666-182  
Lot A  
Block 50  
District Lot 526  
Group 1  
New Westminster District  
Plan BCP38409

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

SEE SCHEDULE A HERETO

Date \_\_\_\_\_, 2012

**ARTHUR BELL HOLDINGS LTD.**  
Owner/Developer, as Sole Member of Strata Council

Per: \_\_\_\_\_  
Print Name: \_\_\_\_\_



**BYLAWS**  
STRATA PLAN \_\_\_\_\_  
*THE CRESCENT ON McRAE*

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BYLAWS  
STRATA PLAN \_\_\_\_\_  
*THE CRESCENT ON McRAE*

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**Preamble**

These bylaws bind the Strata Corporation and the owners, tenants and occupants to the same extent as if the bylaws had been signed by the Strata Corporation and each owner, tenant and occupant and contained covenants on the part of the Strata Corporation with each owner, tenant and occupant and on the part of each owner, tenant and occupant with every other owner, tenant and occupant and with the Strata Corporation to observe and perform their provisions. The Schedule of Standard Bylaws to the Strata Property Act, S.B.C. 1998 does not apply to Strata Corporation \_\_\_\_\_.

Unless otherwise stated, all terms have the meanings prescribed in the Strata Property Act, S.B.C. 1998, c. 43 (the "Act"). For the purposes of these bylaws, "residents" means collectively, owners, tenants and occupants and "a resident" means collectively, an owner, a tenant and an occupant.

**Duties of Owners, Tenants, Occupants and Visitors**

- 1. Compliance with bylaws and rules**
  - 1.2 All residents and visitors must comply strictly with the bylaws and rules of the Strata Corporation adopted from time to time.
- 2. Payment of strata fees and special levies**
  - 2.1 An owner must pay strata fees on or before the first day of the month to which the strata fees relate.
  - 2.2 Where an owner fails to pay strata fees in accordance with bylaw 2.1, outstanding strata fees will be subject to an interest charge of 12% per annum, compounded annually. In addition to interest, failure to pay strata fees on the due date will result in a fine of \$75.00 for each contravention of bylaw 2.1.
  - 2.3 An owner must provide the Strata Corporation or its agent with twelve (12) consecutive, monthly post-dated cheques for strata fees for the fiscal year of the Strata Corporation, dated as of the first day of each month or, if applicable, written authorization for monthly automatic debit from the owner's bank account.
  - 2.4 Failure by an owner to submit twelve (12) monthly, post-dated strata fee cheques or written authorization for automatic debit in accordance with bylaw 2.3 is a contravention of bylaw 2.3 and the Strata Corporation will levy a fine of \$75.00



for each contravention. Each dishonoured cheque or dishonoured automatic debit will be subject to a fine of \$75.00 and an administration charge of \$75.00.

- 2.5 A special levy is due and payable on the date or dates noted in the resolution authorizing the special levy.
- 2.6 Failure to pay a special levy on the due date will result in a fine of \$75.00 for each contravention of bylaw 2.5.
- 2.7 Where an owner fails to pay a special levy in accordance with bylaw 2.5, outstanding special levies will be subject to an interest charge of 12% per annum, compounded annually.

### **3. Repair and maintenance of property by owner**

- 3.1 An owner must repair and maintain the owner's strata lot, except for repair and maintenance that is the responsibility of the Strata Corporation under these bylaws.
- 3.2 An owner who has the use of limited common property must repair and maintain it, except for repair and maintenance that is the responsibility of the Strata Corporation under these bylaws.

### **4. Use of property**

- 4.1 A resident or visitor must not use a strata lot, the limited common property, common property or common assets in a way that
  - (a) causes a nuisance or hazard to another person,
  - (b) causes unreasonable noise,
  - (c) unreasonably interferes with the rights of other persons to use and enjoy the common property, common assets or another strata lot,
  - (d) is illegal, or
  - (e) is contrary to a purpose for which the strata lot or common property is intended as shown expressly or by necessary implication on or by the strata plan.
- 4.2 A resident or visitor must not cause damage, other than reasonable wear and tear, to the common property, limited common property, common assets or those parts of a strata lot which the Strata Corporation must repair and maintain under these bylaws or insure under section 149 of the Act.

- 4.3 An owner is responsible for any damage to the limited common property, common property or common assets and those parts of the strata lot referred to in Section 4.2 caused by occupants, tenants or visitors to the owner's strata lot.
- 4.4 An owner shall indemnify and save harmless the Strata Corporation from the expense of any maintenance, repair or replacement rendered necessary to the common property, common assets or to any strata lot by the owner's act, omission, negligence or carelessness or by that of an owner's visitors, occupants, guests, employees, agents, tenants or a member of the owner's family, but only to the extent that such expense is not reimbursed from the proceeds received by operation of any insurance policy. In such circumstances, and for the purposes of bylaws 4.1, 4.2 and 4.3, any insurance deductible paid or payable by the Strata Corporation shall be considered an expense not covered by the proceeds received by the Strata Corporation as insurance coverage and will be charged to and payable forthwith by the owner.
- 4.5 A resident must not use, or permit to be used, the strata lot except as a private dwelling home.

**5. Pets and animals**

- 5.1 A resident or visitor must not keep any pets on a strata lot or common property or on land that is a common asset except in accordance with these bylaws.
- 5.2 A resident or visitor must ensure that all animals are leashed or otherwise secured when on the common property or on land that is a common asset.
- 5.3 No animals, livestock, fowl or pet shall be kept in any strata lot other than:
- (a) a reasonable number of fish or other small aquarium animals;
  - (b) a reasonable number of small caged mammals;
  - (c) up to two (2) caged birds except pigeons or parrots;
  - (d) one dog; and
  - (e) one domestic cat.

and any other pet approved by the Strata Corporation; and when upon common property, all dogs are to be kept on a leash and under the supervision of a responsible person. If the Strata Corporation, on reasonable grounds, considers a permitted pet to be a nuisance, such pet shall not be kept in the strata lot after 15 days' notice in writing to that effect is given to the owner of the lot where it is kept.



- 5.4 A resident must not harbour exotic pets, including not exhaustively, snakes, reptiles, spiders or large members of the cat family.
- 5.5 A resident must apply to the council for written permission to keep a pet (a “Permitted Pet”) by registering the pet with the council within 30 days of the pet residing in a strata lot.
- 5.6 A resident or visitor must not permit a loose or unleashed Permitted Pet at any time on the common property or on land that is a common asset. A Permitted Pet found loose on common property or land that is a common asset shall be delivered to the municipal pound at the cost of the strata lot owner.
- 5.7 A resident must not keep a Permitted Pet which is a nuisance in a strata lot, on limited common property, common property or on land that is a common asset. If a resident has a pet which is not a Permitted Pet or if, in the opinion of council, the Permitted Pet is a nuisance or has caused or is causing an unreasonable interference with the use and enjoyment by residents or visitors of a strata lot, common property or common assets, the council may order such pet to be removed permanently from the strata lot, the common property or common asset or all of them.
- 5.8 If a resident contravenes bylaw 5.7, the owner of the strata lot will be subject to a fine of up to \$200.00 every seven (7) days.
- 5.9 Notwithstanding bylaw 5.8, a resident whose pet contravenes bylaw 5.7 will be subject to an immediate injunction application and the owner of the strata lot will be responsible for all expenses incurred by the Strata Corporation to obtain the injunction, including, without limitation, all legal costs.
- 5.10 A pet owner must ensure that a Permitted Pet is kept quiet, controlled and clean. The pet owner must immediately and properly dispose of any excrement found on common property or on land that is a common asset in a manner approved by the Strata Corporation.
- 5.11 A pet owner must keep a Permitted Pet only in a strata lot and not upon common property or limited common property, except for ingress and egress and except in gated portions of the limited common property of that particular owner’s strata lot.
- 5.12 A strata lot owner must assume all liability for and indemnify and save the Strata Corporation harmless from all actions by a Permitted Pet, regardless of whether the owner had knowledge, notice or forewarning of the likelihood of such action.
- 5.13 A resident or visitor must not leave attractants for or feed birds, rodents or other wild animals from any strata lot, limited common property, common property or





land that is a common asset. No bird feeders of any kind are permitted to be kept on balconies, strata lots, and common property or land that is a common asset.

- 5.14 A resident who contravenes any of bylaws 5.1 to 5.7 (inclusive) or 5.10 to 5.13 (inclusive) will be subject to a fine of up to \$200.00.

**6. Inform Strata Corporation**

- 6.1 An owner must notify the Strata Corporation, on request by the Strata Corporation, a tenant must inform the Strata Corporation of the tenant's name and the strata lot which the tenant occupies and the owner, upon entering into any tenancy agreement shall provide the tenant with notice of these bylaws and will deliver to the Strata Corporation a Form K, duly executed by the owner and the tenant.

**7. Obtain approval before altering a strata lot**

- 7.1 An owner must obtain the written approval of the Strata Corporation before making or authorizing an alteration to a strata lot that involves any of the following:
- (a) the structure of a building;
  - (b) the exterior of a building;
  - (c) patios, roof decks, balconies, chimneys, balconies, stairs or other things attached to the exterior of a building;
  - (d) doors, windows or skylights on the exterior of a building;
  - (e) fences, railings or similar structures that enclose a patio, balcony, yard or roof deck;
  - (f) common property located within the boundaries of a strata lot;
  - (g) those parts of the strata lot which the Strata Corporation must insure under section 149 of the Act; and
  - (h) wiring, plumbing, piping, heating, air conditioning and other services.
- 7.1 The Strata Corporation will require as a condition of its approval that the owner agree, in writing, to take responsibility for any expenses relating to the alteration and to indemnify and hold harmless the Strata Corporation for any future costs in connection with the alteration. The owner and each subsequent owner of the strata lot receiving the benefit of the alterations shall be responsible for all present and future maintenance, repair and replacement, increase in insurance, and any



damage suffered or cost incurred by the Strata Corporation from an insurance policy as a result, directly or indirectly, of the alteration.

7.2 An owner intending to apply to the Strata Corporation for permission to alter a strata lot must submit, in writing, detailed plans and written description of the intended alteration.

**8. Obtain approval before altering common property**

8.1 An owner must obtain the written approval of the Strata Corporation before making or authorizing an alteration to common property, including limited common property or common assets.

8.2 An owner, as part of its application to the Strata Corporation for permission to alter common property, limited common property or common assets, must:

- (a) submit, in writing, detailed plans and description of the intended alteration;
- (b) obtain all applicable permits, licenses and approvals from the appropriate governmental authorities and provide copies to the strata council prior to and as a condition of commencing any work;
- (c) obtain the consent of the owners by written approval of the strata council under bylaw 8.1; and
- (d) assure that all contractors engaged provide certificates of insurance for contractor's liability of a minimum of \$2,000,000 and are registered with Workers' Compensation Board.

8.3 The Strata Corporation will require as a condition of its approval that the owner agree, in writing, to certain terms and conditions, including, not exhaustively, the following;

- (a) that alterations be done in accordance with the design and plans approved by the strata council or its duly authorized representatives;
- (b) that the standard of work and materials necessary for the alteration be not less than that of the existing structures;
- (c) that all work and materials necessary for the alteration be at the sole expense of the owner;
- (d) that the owner from time to time of the strata lot receiving the benefits of an alteration to common property, limited common property or common assets must, so long as he or she remains an owner, be responsible for all present and future maintenance, repairs and replacements, increases in insurance, and any damage suffered or cost incurred by the Strata





Corporation as a result, directly or indirectly, of the alteration to common property, limited common property or common assets;

- (e) that the owner and any subsequent owner on title who receives the benefit of such alteration, must, with respect only to claims or demands arising during the time that they shall have been owner, indemnify and hold harmless the Strata Corporation, its council members, employees and agents from any and all claims and demands whatsoever arising out of or in any manner attributable to the alteration.
- 8.4 An owner who has altered common property, limited common property or common assets prior to the passage of these bylaws shall be subject to their content and intent to the extent that any damages suffered or costs incurred by the Strata Corporation as a result, directly or indirectly, of the alteration, must be borne by the owner who has benefited from the alteration.
- 8.5 An owner who, subsequent to the passage of bylaws 8.1 to 8.3 inclusive, alters those areas referenced to in Section 7.1 hereof, without adhering strictly to these bylaws, must restore those areas, at the owner's sole expense, to its condition prior to the alteration. If the owner refuses or neglects to restore the alteration to its original condition, the Strata Corporation may conduct the restoration, at the expense of the owner who altered the common property or limited common property. The cost of such alteration shall be added to and become part of the strata fees of that owner for the month next following the date on which the cost was incurred and will become due and payable on the due date of payment of monthly strata fees.
- 9. Renovations/alterations**
- 9.1 A resident must not permit any construction debris, materials or packaging to be deposited in the Strata Corporation's disposal containers or elsewhere about the common property.
- 9.2 Residents must ensure that stairways, breezeways and parking areas are kept clean from dust debris spilling and dripping.
- 9.3 An owner must ensure that the hours of work are restricted to 8:00 a.m. to 4:30 p.m., Monday through Friday, and 10:00 a.m. to 4:30 p.m. on Saturdays. To perform renovations/alterations on Sundays or statutory holidays, an owner must apply for permission in writing to the council at least five business days before the holiday date.
- 9.4 An owner or an agent authorized in writing by such owner must be in attendance for all SIGNIFICANT renovations/alterations, the determination of SIGNIFICANT shall be in the discretion of the council.



9.5 An owner performing or contracting with others to perform renovations or alterations will be responsible, financially and otherwise, for ensuring that any and all required permits and licences are obtained.

9.6 An owner in contravention of bylaws 9.1 to 9.5 (inclusive) shall be subject to a fine of up to \$200.00 every seven (7) days for each contravention, as well as be responsible for any clean up or repair costs.

**10. Permit entry to strata lot**

10.1 A resident or visitor must allow a person authorized by the Strata Corporation to enter the strata lot or limited common property

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

(b) at a reasonable time, on 48 hours' written notice:

(i) to inspect, repair, renew, replace or maintain common property, common assets and any portions of a strata lot that are the responsibility of the Strata Corporation to repair, replace, renew and maintain under these bylaws or the Act or to insure under section 149 of the Act; or

(ii) to ensure a resident's compliance with the Act, bylaws and rules.

10.2 If forced entry to a strata lot is required due to required emergency access and the inability to contact the owner of the strata lot, the owner shall be responsible for all costs of forced entry incurred by the Strata Corporation.

10.3 The notice referred to in bylaw 10.1(b) must include the date and approximate time of entry, and the reason for entry.

**Powers and Duties of Strata Corporation**

**11. Repair and maintenance of property by Strata Corporation**

11.1 The Strata Corporation must repair and maintain all of the following:

(a) common assets of the Strata Corporation;

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

(c) limited common property, but the duty to repair and maintain it is restricted to:



- (i) repair and maintenance that in the ordinary course of events occurs less often than once a year, and
- (ii) the following, no matter how often the repair or maintenance ordinarily occurs:
  - A. the structure of a building;
  - B. the exterior of a building;
  - C. chimneys (excluding cleaning), stairs and other things attached to the exterior of a building (excluding balconies);
  - D. doors, windows, skylights on the exterior of a building or that front in the common property; and
  - E. fences, railings and similar structures that enclose patios, balconies, yards, roof decks and garbage shelters;
- (d) a strata lot, but the duty to repair and maintain it is restricted to:
  - (i) the structure of a building,
  - (ii) the exterior of a building,
  - (iii) chimneys (excluding cleaning), stairs and other things attached to the exterior of a building,
  - (iv) doors, windows, skylights on the exterior of a building or that front on the common property, and
  - (v) fences railings and similar structures that enclose patios, balconies, yards, roof decks and garbage shelters.

11.2 The strata council shall ensure that the list of expenses be presented by the agent for inspection at each council meeting and that the list shall name the supplier, the work done or items purchased, and who authorized the expenditure.

### **Council**

#### **12. Council Size**

12.1 The council must have at least 3 and not more than 7 members.

#### **13. Council eligibility**

13.1 An owner or the spouse of an owner may stand for Council but not both together.

13.2 No person may stand for council or continue to be on council with respect to a strata lot if the Strata Corporation is entitled to register a lien against that strata lot under section 116(1) of the Act.

13.3 No person may stand for council or continue to be on council with respect to a strata lot if there are amounts owing to the Strata Corporation charged against the strata lot in respect of administration fees, bank charges, fines, penalties, interest or the costs, including the legal costs, of remedying a contravention of the bylaws or rules for which the owner is responsible under section 131 of the Act.

**14. Council members' terms**

14.1 The term of office of a council member ends at the end of the annual general meeting at which the new council is elected.

14.2 A person whose term as council member is ending is eligible for re-election.

**15. Removing council member**

15.1 Unless all the owners are on the council, the Strata Corporation may, by a resolution passed by a two-thirds (2/3) vote at an annual or special general meeting, remove one or more council members. The Strata Corporation must pass a separate resolution for each council member to be removed. In this bylaw 15.1, a 2/3 (two-thirds) vote means a vote in favour of a resolution by at least 2/3 of the votes cast by eligible voters who are present in person or by proxy at the time the vote is taken and who have not abstained from voting.

15.2 After removing a council member, the Strata Corporation may hold an election at the same annual or special general meeting to replace the council member for the remainder of the term or the remaining members of the council may appoint a replacement council member for the remainder of the term.

15.3 If the Strata Corporation removes all of the council members, the Strata Corporation must hold an election at the same annual or special general meeting to replace the council members for the remainder of the term up to, at least, the minimum number of council members required by bylaw of the Strata Corporation for the remainder of the term.

15.4 The council may appoint the remaining council members necessary to achieve a quorum for the Strata Corporation, even if the absence of the members being replaced leaves the council without a quorum.

15.5 A replacement council member appointed pursuant to bylaws 15.2 and 15.4 may be appointed from any person eligible to sit on the council.

**16. Replacing council member**



- 16.1 If a council member resigns or is unwilling or unable to act, the remaining members of the council may appoint a replacement council member for the remainder of the term.
- 16.2 A replacement council member may be appointed from any person eligible to sit on the council.
- 16.3 The council may appoint a council member under bylaw 16.2 even if the absence of the member being replaced leaves the council without a quorum.
- 16.4 If all the members of the council resign or are unwilling or unable to act persons holding at least 25% of the Strata Corporation's votes may hold a special general meeting to elect a new council by complying with the provisions of the Act, the regulations and the bylaws respecting the calling and holding of meetings.
- 17. Officers**
- 17.1 At the first meeting of the council held after each annual general meeting of the Strata Corporation, the council must elect, from among its members, a president, a vice president, a secretary and a treasurer.
- 17.2 A person may hold more than one office at a time, other than the offices of president and vice president.
- 17.3 The vice president has the powers and duties of the president while the president is absent or is unwilling or unable to act, if the president is removed, or for the remainder of the president's term if the president ceases to hold office.
- 17.4 The strata council may vote to remove an officer.
- 17.5 If an officer other than the president is removed, resigns, is unwilling or unable to act, the council members may elect a replacement officer from among themselves for the remainder of the term.
- 18. Calling council meetings**
- 18.1 Any council member may call a council meeting by giving the other council members at least one week's notice of the meeting, specifying the reason for calling the meeting.
- 18.2 The notice in bylaw 18.1 does not have to be in writing.
- 18.3 A council meeting may be held on less than one week's notice if:
- (a) all council members consent in advance of the meeting, or





- (b) the meeting is required to deal with an emergency situation, and all council members either
  - (i) consent in advance of the meeting, or
  - (ii) are unavailable to provide consent after reasonable attempts to contact them. *(Dec. 3/02)*

**19. Requisition of council hearing**

- 19.1 By application in writing, a resident may request a hearing at a council meeting stating the reasons for the request.
- 19.2 Except for a hearing pursuant to section 144 of the Act, if a hearing is requested under bylaw 19.1, the council must hold a meeting to hear the applicant within one (1) month of the date of receipt by the council of the application.
- 19.3 If the purpose of the hearing is to seek a decision of the council, the council must give the applicant a written decision within one week of the date of the hearing.

**20. Quorum of council**

- 20.1 A quorum of the council
  - (a) 2, if the council consists of 2, 3 or 4 members;
  - (b) 3, if the council consists of 4 to 6 members; and
  - (c) 4, if the council consists of 7 members.
- 20.2 Council members must be present in person at the council meeting to be counted in establishing quorum.

**21. Council meetings**

- 21.1 The council may meet together for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- 21.2 At the option of the council, council meetings may be held by electronic means, so long as all council members and other participants can communicate with each other.
- 21.3 If a council meeting is held by electronic means, council members are deemed to be present in person.
- 21.4 Owners and spouses of owners may attend council meetings as observers.



21.5 Despite bylaw 21.4, no observers may attend those portions of council meetings that deal with any of the following:

- (a) bylaw contravention hearings under section 135 of the Act;
- (b) a hearing dealing with a request for an exemption to a bylaw;
- (c) any other matters if the presence of observers would, in the council's opinion, unreasonably interfere with an individual's privacy.

**22. Voting at council meetings**

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

22.2 If there is a tie vote at a council meeting, the president may break the tie by casting a second, deciding vote.

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

**23. Council to inform owners of minutes**

23.1 The council must circulate to or post for owners the minutes of all council meetings within 2 weeks of the meeting, whether or not the minutes have been approved.

**24. Delegation of council's powers and duties**

24.1 Subject to bylaws 24.2, 24.3 and 24.4, the council may delegate some or all of its powers and duties to one or more council members or persons who are not members of the council, and may revoke the delegation.

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

- (a) delegates the authority to make an expenditure of a specific amount for a specific purpose, or
- (b) delegates the general authority to make expenditures in accordance with bylaw 24.3.

24.3 A delegation of a general authority to make expenditures must

- (a) set a maximum amount that may be spent, and





- (b) indicate the purposes for which, or the conditions under which, the money may be spent.
- 24.4 The council may not delegate its powers to determine, based on the facts of a particular case,
- (a) whether a person has contravened a bylaw or rule,
  - (b) whether a person should be fined, and the amount of the fine,
  - (c) whether a person should be denied access to a recreational facility, or
  - (d) Whether an owner should be granted an exemption from a bylaw.

**25. Spending restrictions**

- 25.1 A person may not spend the Strata Corporation's money unless the person has been delegated the power to do so in accordance with these bylaws.
- 25.2 With respect to expenses not itemized in the budget the Strata Corporation agent shall have the authority to purchase materials, supplies or services required for repairs and maintenance of the strata complex to a maximum to \$1,000 per month.
- 25.3 With respect to unbudgeted items the strata council may approve the spending of up to \$5,000. Expenditure from the operating fund that has not been approved may be made out of the operating fund if the expenditure together with all unapproved expenditures for the same fiscal year is less than \$10,000.
- 25.4 Despite bylaws 25.1, 25.2 and 25.3, a council member may spend the Strata Corporation's money to repair or replace common property or common assets if the repair or replacement is immediately required to ensure safety or prevent significant loss or damage.

**26. Limitation of liability of council members**

- 26.1 A council member who acts honestly and in good faith is not personally liable because of anything done or omitted in the exercise or intended exercise of any power or the performance or intended performance of any duty of the council.
- 26.2 Bylaw 26.1 does not affect a council member's liability, as an owner, for a judgment against the Strata Corporation.
- 26.3 All acts done in good faith by the council are, even if it is afterwards discovered that there was some defect in the appointment or continuance in office of a member of council, as valid as if the council member had been duly appointed or had duly continued in office.



## **Enforcement of Bylaws and Rule**

### **27. Fines**

- 27.1 Except where specifically stated to be otherwise in these bylaws, the Strata Corporation may fine an owner or tenant:
- (a) Up to \$200.00 for each contravention of a bylaw, and
  - (b) Up to \$50.00 for each contravention of a rule.
- 27.2 The council must, if it determines in its discretion that a resident is in repeated contravention of any bylaws or rules of the Strata Corporation, levy fines and the fines so levied shall be immediately added to the strata fees for the strata lot and shall be due and payable together with the strata fees for the strata lot in the next month following such contravention.

### **28. Continuing contravention**

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

## **Annual and Special General Meetings**

### **29. Quorum**

- 29.1 One third of the registered owners (41) in person or by proxy.
- 29.2 If within ½ hour from the time appointed for an annual or special general meeting, a quorum is not present; the meeting stands adjourned for a further ½ hour on the same day and at the same place. If within a further ½ hour from the time of the adjournment, a quorum is not present, the eligible voters, present in person or by proxy, constitute a quorum. This bylaw 29.2 is an alternative to section 48(3) of the Act. This bylaw does not apply to a meeting demanded pursuant to section 43 of the Act and failure to obtain a quorum for a meeting demanded pursuant to section 43 terminates, and does not adjourn, that meeting.

### **30. Person to chair meeting**

- 30.1 The president of the council must chair annual and special general meetings.
- 30.2 If the president of the council is unwilling or unable to act, the vice president of the council must chair the meeting.



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

**31. Participation by other than eligible voters**

31.1 Tenants and occupants may attend annual and special general meetings, whether or not they are eligible to vote.

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

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

**32. Voting**

32.1 Except on matters requiring a unanimous vote, the vote for a strata lot may not be exercised if the Strata Corporation is entitled to register a lien against that strata lot under section 116(1) of the Act

32.2 Except on matters requiring a unanimous vote, the vote for a strata lot may not be exercised if there are amounts owing to the Strata Corporation charged against the strata lot in respect of administration fees, bank charges, fines, penalties, interest or the costs, including the legal costs, of remedying a contravention of the bylaws or rules, including legal costs, for which the owner is responsible under section 131 of the Act.

32.3 At an annual or special general meeting, voting cards must be issued to eligible voters.

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

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

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

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



32.8 Despite anything in bylaws 32.1 to 32.7 (inclusive), an election of council or removal of a council member must be held by secret ballot, if an eligible voter requests the secret ballot.

**33. Electronic attendance at meetings**

33.1 A person who is eligible to vote may attend an annual or special general meeting by electronic means so long as the person and the other participants can communicate with each other.

33.2 If an annual or special general meeting is held by electronic means with a person, the person is deemed to be present in person for the purposes of the meeting.

**34. Order of business**

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

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



- (m) elect a council; if the meeting is an annual general meeting; and
- (n) terminate the meeting.

### **Voluntary Dispute Resolution**

#### **35. Voluntary Dispute Resolution.**

- 35.1 A dispute among owners, tenants, the Strata Corporation or any combination of them may be referred to a dispute resolution committee by a party to the dispute if
  - (a) all the parties to the dispute consent, and
  - (b) the dispute involves the Act, the regulations, the bylaws or the rules.
- 35.2 A dispute resolution committee consists of
  - (a) one owner or tenant of the Strata Corporation nominated by each of the disputing parties and one owner or tenant chosen to chair the committee by the persons nominated by the disputing parties, or
  - (b) any number of persons consented to, or chosen by a method that is consented to, by all the disputing parties.
- 35.3 The dispute resolution committee must attempt to help the disputing parties to voluntarily end the dispute.

### **Small Claims Court Proceedings**

#### **36. Authorization to proceed**

- 36.1 The Strata Corporation may proceed under the Small Claims Act, without further authorization by the owners, to recover from an owner or other person, by an action in debt in Small Claims Court, money owing to the Strata Corporation, including money owing as administration fees, bank charges, fines, penalties, interest or the costs, including legal costs, of remedying a contravention of the bylaws or rules and to recover money which the Strata Corporation is required to expend as a result of the owner's act, omission, negligence or carelessness or by that of an owner's visitors, occupants, guests, employees, agents, tenants or a member of the owner's family.





## **Marketing Activities by Owner Developer, Owners and Occupants**

### **37. Sale of a strata lot**

- 37.1 During the time that the owner developer of the Strata Corporation is a first owner of any strata lot, it shall have the right to maintain any such strata lot or strata lots, whether owner or leased by it, as a display strata lot or strata lots, and to carry on sales functions including, without limitation, placing and displaying of signs, the advertising and holding of special promotions and open houses and other marketing events in and about the common property, it considers necessary in order to enable it to sell such strata lots.
- 37.2 An owner developer may use any strata lot that the owner developer owns or rents as display lots for the sale of other strata lots in the strata plan.

## **Insurance**

### **38. Insurance by Strata Corporation**

- 38.1 The Strata Corporation must obtain and maintain insurance as required by Part 9 of the Act and as defined in Part 9 of the regulations to the Act, against major perils including, without limitation, earthquakes.

### **39. Insurance Deductible**

- 39.1 Where a claim has been made against the insurance policy of Strata Plan which is attributable to damage caused by a strata lot owner (or his/her tenants, guests or invitees) and originating within that owner's strata lot, the owner of that strata lot shall be charged a sum up to the equivalent of the deductible charged by the insurer of the Strata Corporation as a result of the claim, such charge to be added to that strata lot owner's next regular monthly assessment.

### **40. Earthquake Insurance Deductible**

- 40.1 Where the Strata Corporation is required to repair, replace and/or maintain any portion of the common property, common facilities, assets, including strata lots comprised in the building(s) (the "Property") that are usually the subject of insurance pursuant to Section 149 of the Strata Property Act, and whereas the Strata Corporation is subject to an insurance deductible of greater than five (5) percent of the insured value of the Property in the event of damage to the property caused by an earthquake, the Strata Corporation shall levy a special assessment upon all owners of the Strata Corporation in proportion to the respective unit entitlement of each owner's strata lot in an amount equivalent to the deductible or such lesser amount as may be required to complete all repairs to and replacement of the property as necessary in the event of an earthquake.



- 40.2 In the event of an earthquake, the special assessment shall immediately become due and payable in full and any owner who sells, conveys or transfers his/her title, including a re-mortgage, shall pay the full amount outstanding. As a matter of financial convenience only, the owners may pay the special assessment over a period of six (6) months, such payments to be equally divided and commencing on the first day of the month following declaration of this bylaw by the strata council or any duly appointed administrator in lieu of the strata council. Any installment not made on the first of each month shall be assessed a fine of \$200.00. The Strata Corporation may further add interest charges.
- 40.3 This special assessment shall be considered as part of the common expenses of the Strata Corporation and where an owner fails to make the required payment as authorized by this bylaw the remedies provided in Division 6 of Part 6 of the Strata Property Act shall be applicable.

#### **Strata Corporation Property**

**41. Acquisition or disposition of personal property**

- 41.1 The Strata Corporation may purchase, lease or otherwise acquire personal property for the use and benefit of the owners and may sell or otherwise dispose of such personal property for any amount approved in the annual budget for the Strata Corporation, but otherwise only if approved by a resolution passed by a three-quarter (3/4) vote at an annual or special general meeting if the property has a market value of more than \$5,000.00.

#### **Hazards**

**42. Hazards**

- 42.1 Nothing shall be brought into or stored on a strata lot, in a storage locker or on the common property which will in any way, in the opinion of the strata council, constitute a hazard to people or property, increase or tend to increase the risk of an accident, fire or the rate of fire insurance or any other insurance coverage held by the Strata Corporation, or which will invalidate any part of any insurance policy held by the Strata Corporation.
- 42.2 No material substances, especially, but not limited to, burning material such as cigarettes or matches, shall be thrown out or permitted to fall from any window, door, balcony, or other part of the strata lot or common property. This includes without limitation, wash water, plant watering, and snow from balconies.





## **Storage**

### **43. Storage lockers and bicycle storage**

- 43.1 Items shall not be stored in breezeways, landings, or stairs or otherwise on common property unless expressly permitted under these bylaws or by the Strata Corporation.
- 43.2 Flammable materials shall not be stored in storage sheds, garages or on balconies.

## **Parking**

### **44. Parking**

- 44.1 The garage (the “Garage”) of a strata lot shall only be used to park vehicles and only the number and type of vehicles which can be completely and neatly accommodated within the area formed by the walls, ceilings and gates of the designated Garage of the strata lot as shown on the Strata Plan. Vehicles which may be parked in Garages include small trailers and any motorized vehicle which can meet the space requirement described above.
- 44.2 An owner, tenant or occupant must not stop or park permanently or temporarily on common property except in a parking space specifically designated or assigned to his/her strata lot, or when specifically agreed to with another owner, the parking space(s) assigned to that strata lot of such other owner.
- 44.3 An owner occupant or tenant must not:
  - (a) park or store any unlicensed or uninsured vehicle in a Garage, or in parking stalls situate on common property;
  - (b) carry out any oil changes, repairs, or adjustments to motor vehicles parked in garages or on common property;
  - (c) sell, lease, license or permit the use of any Garage or parking stall or common property to any person other than an owner or occupant or tenant;
  - (d) use any Garage or parking area as a work area for carpentry, renovations, repairs, including, but not limited to, sawing, drilling, hammering, the use of any adhesives, solvents, and paints; and
  - (e) park any vehicle which drips oil, gasoline or other fluids (except water) and must promptly remove any such fluids so dripped, failing which the cost of cleaning up such fluid spills may be assessed and a fine levied against the owner.



- 44.4 No one shall park, or leave unattended or cause to be parked a left unattended, any vehicle in such a position that it interferes or infringes upon a Garage, other parking spaces, roadways, driveways, ramps, access lanes or common areas not specifically designated for parking.
- 44.5 An owner, occupant or tenant operating a vehicle in the drive aisles, roadways, ramps or in parking areas must activate the vehicles headlights and not exceed a speed of 10 km per hour.
- 44.6 An owner, occupant or tenant may only wash a vehicle in the location designated for vehicle washing purposes.
- 44.7 Owners, occupants or tenants are not permitted to park their vehicles in parking stalls designated for visitor use.
- 44.8 One visitor parking permit will be allocated to each strata lot with the number of the strata lot marked thereon. Visitors must display official visitor parking permits on the dash of their vehicles.
- 44.9 No visitor shall park a vehicle in a visitor parking stall for a continuous period exceeding twenty-four hours.
- 44.10 An owner, occupant, tenant or visitor in violation of this bylaw 42 will be subject to a fine and/or subject to having their vehicle removed by a towing company authorized by strata council or the Strata Corporation's agent and all costs associated with such removal will be charged to the owner of the strata lot.
- 44.11 Subject to Section 135 of the Act, a violation of bylaw 44 will result in a fine of up to \$200.00 for each offence, and such fine may be imposed every seven (7) days for a continuing violation.

### **Moving**

#### **45. Moving in/out procedures**

- 45.1 An resident must conform and ensure that any tenants conform to the Move In and Move Out rules established by council from time to time and the owner must ensure that tenants conform to the Move In and Moved Out rules.
- 45.2 All moves must take place between 9:00 a.m. and 9:00 p.m., Monday through Saturday and 10:00 a.m. to 5:00 p.m. on Sundays and statutory holidays.
- 45.3 A resident must ensure that all common areas are left damage free, and clean upon the completion of the move.
- 45.4 Resident contravening bylaws 41.1 to 41.3 (inclusive) shall be subject to a fine of up to \$200.00.



## **Appearance of Strata Lots**

### **46. Cleanliness**

- 46.1 A resident must not allow a strata lot to become unsanitary or untidy. Rubbish, dust, garbage, boxes, packing cases and other similar refuse must not be thrown, piled or stored in the strata lot or on common property. Excessive amounts of firewood shall not be stored in the strata lot or on common property and must not cause any damage to the exterior of the buildings. Any expenses incurred by the Strata Corporation to remove such refuse will be charged to the strata lot owner.
- 46.2 A resident must ensure that ordinary household refuse and garbage is securely wrapped and placed in the containers provided for that purpose, recyclable material is kept in designated areas and material other than recyclable or ordinary household refuse and garbage is removed appropriately.

## **Rentals**

### **47. Residential rentals**

- 47.1 Prior to possession of a strata lot by a tenant, an owner must deliver to the tenant the current bylaws and rules of the Strata Corporation and a Notice of Tenant's Responsibilities in Form K.
- 47.2 Within two weeks of renting a strata lot, the landlord must give the Strata Corporation a copy of the Form K - Notice of Tenant's Responsibilities signed by the tenant, in accordance with section 146 of the Act.
- 47.8 Where an owner leases a strata lot in contravention of bylaws 43.1, 43.2 or 43.3, the owner shall be subject to a fine of \$500.00 and the Strata Corporation shall take all necessary steps to terminate the lease or tenancy, including, but not limited to, seeking a declaration or Court injunction to enforce the bylaw. Any legal costs incurred by the Strata Corporation in enforcing the rental restriction bylaws shall be the responsibility of the contravening owner and shall be recoverable from the owner on a solicitor and own client basis by the Strata Corporation.

## **Visitors and Children**

### **48. Children and supervision**

- 48.1 Residents are responsible for the conduct of visitors including ensuring that noise is kept at a level, in the sole determination of a majority of the council that will not disturb the rights of quiet enjoyment of others.



- 48.2 Residents are responsible for the conduct of children residing in their strata lot, including ensuring that noise is kept at a level, in the sole determination of a majority of the council, that will not disturb the quiet enjoyment of others.
- 48.3 Residents are responsible to assume liability for and properly supervise activities of children.

#### **Miscellaneous**

#### **49. Miscellaneous**

- 49.1 A resident or visitor must use gas or electric barbecues only.
- 49.2 A resident or visitor must not hinder or restrict sidewalks, entrances, exits, halls, passageways, stairways and other parts of the common property.
- 49.3 A resident must not permit any person to play or loiter in the garden areas, on common property or on land that is a common asset, unless such common property or common asset is a playground.
- 49.4 Subject to bylaw 37.1, a resident or owner must not erect or display or permit to be erected or displayed any signs, fences, billboards, placards, advertising, notices, artwork, planters, or other fixtures or items to be affixed of any kind on the common property or in a strata lot, unless authorized by the council. This shall include exterior painting and the addition of wood, ironwork, concrete or other materials.
- 49.5 A resident or visitor must not shake rugs, carpets, mops or dusters of any kind from any balcony, window, stairway or other part of a strata lot or common property.
- 49.6 A resident must ensure that only the window coverings installed by the Developer are used for exterior purposes or those expressly approved by the strata council.
- 49.7 A resident must ensure that no air conditioning units, laundry, flags, clothing, bedding or other articles are hung or displayed from windows, balconies or other parts of the building so that they are visible from the outside of the building.
- 49.8 A resident must not display or erect fixtures, poles, clotheslines, racks, storage sheds and similar structures permanently or temporarily on limited common property, common property or land that is a common asset. Despite the foregoing, the placing of items on the limited common property balconies or patio areas shall be limited to free standing, self contained planter boxes or containers, summer furniture and accessories.



- 49.9 A resident who installs Christmas lights must install them after November 1<sup>st</sup> of the year approaching Christmas and must remove them before January 31<sup>st</sup> of the year following Christmas.



**EXHIBIT "F"**  
**PARKING FACILITY AND STORAGE LEASE**



**PARKING FACILITY AND  
STORAGE LEASE**

THIS AGREEMENT made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

BETWEEN:

**ARTHUR BELL HOLDINGS LTD.**, a body corporate duly incorporated under the laws of the Province of Alberta, having an office at 411 – 1788 West 5<sup>th</sup> Avenue, Vancouver, B.C. V6J 1P2  
(the “Owner”)

AND:

**McRAE PARKING INC.**, a body corporate duly incorporated under the laws of the Province of British Columbia, having its registered and records office at 1801 – 4555 Kingsway, Burnaby, B.C. V5H 4T8  
(the “Tenant”)

WHEREAS:

- A. Owner is the registered owner or is entitled to become the registered owner of certain lands and premises located in the City of Vancouver, British Columbia, legally described:

| <b>Parcel Identifier:</b> | <b>Legal Description:</b>   |
|---------------------------|---|
| 027-666-182               | Lot A<br>Lot 50<br>District Lot 526<br>Group 1<br>New Westminster District<br>Plan BCP38409 |

the (“Lands”).

- B. Owner has agreed to lease to Tenant:

1. all of the parking stalls (the “Stalls”) in the underground parking facility; and
2. all of the storage areas (the “Storage”)

to be located on, inter alia, the Lands and shown as “Parking” and “Storage”, respectively, on the plan (the “Plan”) prepared by Matson Peck & Topliss, Surveyors & Engineers, a reduced copy of which is attached hereto as Schedule “A” as may be amended by such surveyor from time to time, all on the terms and conditions set out in this Lease and with the right of Tenant to grant partial assignments of this Lease pertaining to particular Stalls and portions of the Storage (hereinafter called “Lockers”).

- C. After entering into this Lease, Owner proposes to subdivide the Lands by means of strata plan (the “Strata Plan”) pursuant to the *Strata Property Act* (British Columbia) to create a strata development the (“Strata Development”).



D. The Strata Plan will designate the Stalls and Storage as common property of the strata corporation (the "Strata Corporation") formed upon the deposit for registration of the Strata Plan in the Land Title Office.

E. Each of the parties to this Lease agrees that title to the common property of the Strata Corporation will be encumbered by this Lease.

NOW THEREFORE this Lease witnesses that, in consideration of the premises and the sum of \$10.00 of lawful money of Canada now paid by Tenant to Owner, the receipt and sufficiency of which is hereby acknowledged by Owner, and in the consideration of the mutual promises and agreements set forth in this Lease, the parties agree each with the other as follows:

## ARTICLE 1

### GRANT AND TERM

#### 1.01 Grant

Owner hereby leases to Tenant for the Term (as defined in section 1.02) all of the Stalls and Storage. The Owner and Tenant agree that the Owner may cause to be prepared a more detailed plan of the Stalls and the Storage in which event such more detailed plan will be substituted for the Plan and all references herein to the "Plan" will be references to such more detailed plan.

#### 1.02 Term

The term (the "Term") of this Lease shall commence on the day the Owner becomes the registered owner of the Lands and terminate on the earlier of:

- (a) the 1st day of May, 2212;
- (b) the date the Strata Corporation is dissolved; and
- (c) the date the Strata Corporation files a notice of destruction in prescribed form with the registrar of the applicable Land Title Office following the destruction or deemed destruction of the building(s) in which the Stalls and Storage are located.

For the purposes of this provision, the amalgamation of the Strata Corporation with another strata corporation will not be considered a dissolution of the Strata Corporation. Possession of the Stalls and Storage will be given to Tenant by Owner fourteen (14) day prior to the date of filing of the Strata Plan in the Land Title Office. Prior thereto, Tenant will have no right to enter the Lands or otherwise obtain possession of the Stalls and Storage.

However, Tenant may partially assign its rights hereunder pursuant to and in accordance with the provisions of Article 4 hereof. Until the underground parking facility, containing the Stall and Storage, is built and possession of the Stalls and the Storage is given to the Tenant, this Lease will be construed to be a binding agreement to lease the Stalls and Storage between the Owner and the Tenant and thereafter a binding lease between the Owner and the Tenant.

#### 1.03 Rent

The parties to this Lease acknowledge that the sum of \$10.00 now paid by Tenant to Owner will be the only payment required to be paid to Owner by Tenant.



## ARTICLE 2

### SUBDIVISION BY STRATA PLAN

#### 2.01 Strata Plan

This Lease and the covenants and obligations of Owner under this Lease run with and bind the Lands, and upon the subdivision of the Lands by means of the Strata Plan such covenants and obligations shall:

- (a) continue to run with and bind each strata lot within the Strata Plan; and
- (b) be automatically assumed by the Strata Corporation as the representative of the owners of strata lots within the Strata Development,

at which time Owner will be absolutely released from any obligations or liabilities hereunder.

#### 2.02 Common Property

This Lease is intended to apply only to a portion of the common property that will be created upon the deposit for registration of the Strata Plan and not at any time to burden any strata lot.

## ARTICLE 3

### MAINTENANCE AND ENCUMBRANCES

#### 3.01 Maintenance.

Owner confirms that until the deposit for registration of the Strata Plan, Owner shall be solely responsible for the control, management and administration of the Stalls and Storage but thereafter, pursuant to section 2.01 of this Lease, the Strata Corporation may pass bylaws or make rules and regulations with respect to the Stalls and Lockers as long as such bylaws, rules or regulations do not materially interfere with the rights of Tenant or any subsequent assignee under this Lease.

#### 3.02 Alterations

Tenant, its successors and permitted assigns, are not entitled to alter, or to perform any repairs of any sort whatsoever to the Stalls and Lockers. Any such alterations or repairs are the sole responsibility of Owner prior to the registration of the Strata Plan, and thereafter of the Strata Corporation.

#### 3.03 Subordination.

Tenant agrees to subordinate its interest pursuant to this Lease to any financial encumbrance registered by Owner against the Lands.

#### 3.04 No Right to Encumber

Tenant, its successors and permitted assigns, are not entitled to mortgage, charge, pledge or otherwise grant their interest in any Stall or Locker as security to any person.

**ARTICLE 4****ASSIGNMENT****4.01 Partial Assignments**

Tenant may partially assign this Lease and its rights under this Lease pertaining to particular Stalls or Lockers to purchasers of strata lots within the Strata Development or to the Strata Corporation. Any such assignment will be for such consideration as Tenant may in its sole discretion determine, which consideration may be retained by Tenant for its own benefit. Any partial assignment by Tenant, or by any subsequent assignee, of this Lease and its rights under this Lease pertaining to a particular Stall or Locker:

- (a) will be absolute, and the assignee and its guests, lessees, successors and permitted assigns will be entitled to the use and enjoyment of the Stall and/or Locker so assigned for the balance of the Term;
- (b) will be an assignment of rights to which an assignee will only be entitled to for so long as such assignee owns a strata lot within the Strata Development unless the assignment is to the Strata Corporation;
- (c) may only be assigned to an owner or purchaser of a strata lot within the Strata Development or to the Strata Corporation; and
- (d) will not be effective until written notice of such assignment (together with a copy of such assignment if available) is delivered by the assignee to the Strata Corporation, subject to section 4.02 of this Lease.

**4.02 Automatic Assignment**

If a holder of an interest in a Stall and/or Locker sells all of his or her interest in a strata lot within the Strata Development to which such Stall and/or Locker is at such time appurtenant as shown on the register maintained under section 4.06 without concurrently executing an assignment of such Stall and/or Locker to another owner or purchaser of a strata lot within the Strata Development, then the interest of such holder in such Stall and/or Locker will automatically be assigned to and assumed by the purchaser of such strata lot without execution of partial assignment of this Lease with respect to such Stall and/or Locker or delivery of notice of such partial assignment to the Strata Corporation.

**4.03 Consent**

The consent of the Strata Corporation will not be required for any partial assignment of this Lease. The Strata Corporation will not interfere with or attempt to interrupt or terminate the rights of an assignee under any such assignment except as expressly agreed by such assignee.

**4.04 Form of Partial Assignments**

Subject to section 4.02, all partial assignments of this Lease shall be substantially in the form attached hereto as Schedule "B". No such partial assignment shall be registrable by an assignee in a Land Title Office.



#### 4.05 Release of Assignors

Upon the assignment to an assignee of a partial assignment of this Lease pertaining to a particular Stall and/or Locker, Tenant and any subsequent assignor of an interest in such Stall and/or Locker will be automatically and absolutely released from any obligations or liabilities under this Lease pertaining to such Stall and/or Locker.

#### 4.06 Register of Partial Assignments

Owner, and after the registration of the Strata Plan, the Strata Corporation, will maintain a register of all Stalls and Lockers and will record on such register each partial assignment of this Lease, indicating:

- (a) the number of the Stall assigned and the number of the Locker assigned;
- (b) the date of assignment;
- (c) the name and address of the assignee; and
- (d) the number of the strata lot within the Strata Development owned by the assignee to which such Stall and/or Locker is at the time appurtenant, unless the assignee is the Strata Corporation in which event the Stall and/or Locker need not be appurtenant to a strata lot.

Upon request by any owner or prospective purchaser of a strata lot within the Strata Development, the Strata Corporation will provide a certificate within 7 days of receipt of such request, certifying the name and address of the owner to whom a particular Stall and/or Locker is assigned and the number of the strata lot within the Strata Development to which such Stall is at the time appurtenant. The Strata Corporation may require a fee of not more than \$10.00, or a greater amount reasonably prescribed by the bylaws of the Strata Corporation, from the person requesting such certificate. Upon the Strata Corporation becoming aware of a partial assignment pertaining to a particular Stall and/or Locker under section 4.01 or 4.02 the Strata Corporation will amend the register accordingly.

### ARTICLE 5

#### MISCELLANEOUS

#### 5.01 Form of Agreement

Each of the parties hereto agree to amend the form of this Lease to meet the requirements of the Registrar of Land Titles or of any governmental or public authority or as otherwise necessary to confirm unto the parties the rights granted in this Lease.

#### 5.02 Definition

Any term defined in the recitals to this Lease will have the same meaning throughout this Lease unless otherwise redefined.



5.03 Enurement

This Lease shall enure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have executed this Lease by their respective duly authorized officers.

**ARTHUR BELL HOLDINGS LTD.**  
**as Owner**

\_\_\_\_\_  
Authorized Signatory

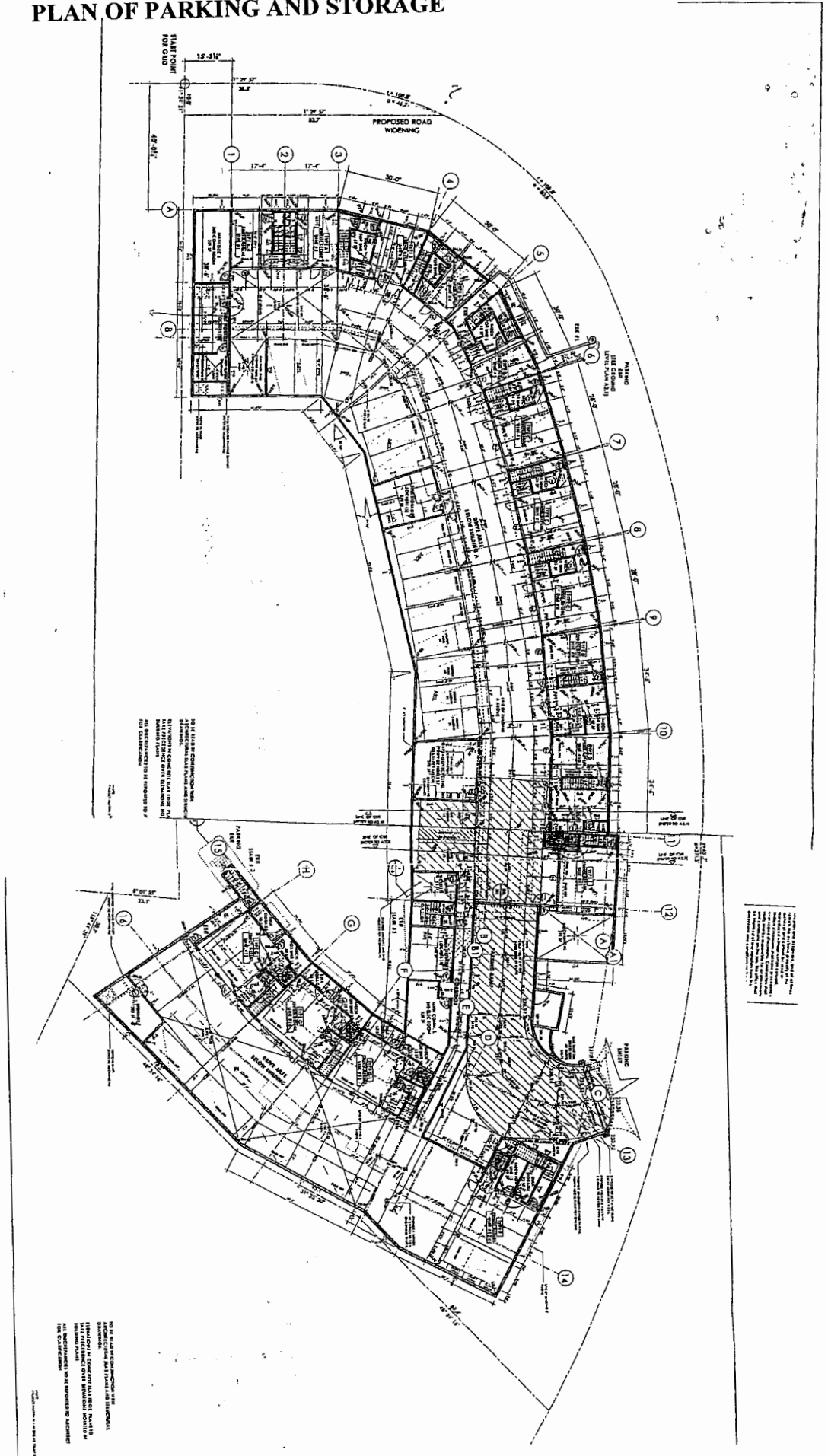
**McRAE PARKING INC.**  
**as Tenant**

\_\_\_\_\_  
Authorized Signatory



# SCHEDULE "A" TO PARKING FACILITY AND STORAGE LEASE

## PLAN OF PARKING AND STORAGE



**SCHEDULE "B"**  
**to Parking Facility and Storage Lease**

**Parking Stall and Storage Assignment Agreement**

**"THE CRESCENT ON McRAE"**

BETWEEN: \_\_\_\_\_ (the "Assignor")

AND: McRAE PARKING INC. (the "Assignee")

RE: Parking stall(s) No(s). \_\_\_\_\_ (and \_\_\_\_\_) (the "Stall(s)") and  
Storage Locker No. \_\_\_\_\_ (the "Locker") shown on the plan attached as  
Exhibit "A" to this Assignment

WHEREAS the Assignor is the lessee of the Stall and/or the Locker and the Assignee is either  
The Owners, Strata Plan No. \_\_\_\_\_ (the "Strata Corporation") or the registered  
owner or purchaser of strata lot \_\_\_\_\_ (the "Strata Lot") in **THE CRESCENT ON McRAE**.

In consideration of the covenants and agreements set forth in this Assignment, the parties agree with  
each other as follows:

1. Assignment. The Assignor hereby assigns to the Assignee its partial interest in the lease (the  
"Lease") dated \_\_\_\_\_ made between Arthur Bell Holdings Ltd., as "Owner", and  
McRae Parking Inc. as "Lessee", pertaining to the exclusive right to lease the Stall and/or the Locker for  
the balance of the Term (as defined in the Lease). This Assignment will not be effective until the  
Assignee has given a copy of this Assignment to the Owners, Strata Plan No. \_\_\_\_\_ (the "Strata  
Corporation").
2. Assignment Contingent Upon Strata Lot Ownership. Unless the Assignee is the Strata  
Corporation, the Assignee, its successors, permitted assigns, heirs, executors or administrators shall only  
be entitled to the rights with respect to the Stall for as long as the Assignee owns the Strata Lot.
3. Compliance. The Assignee agrees to use the Stall in accordance with the bylaws, rules and  
regulations of the Strata Corporation, but only to the extent such bylaws, rules and regulations do not  
materially interfere with the Assignee's rights under this Assignment.
4. Sale or Disposition. The Assignee may only assign its rights under this Assignment to the  
Strata Corporation, a purchaser of the Strata Lot or to another owner of a strata lot within the Strata  
Corporation.
5. Acknowledgment. The Assignee acknowledges having received a copy of the Lease and  
agrees to be fully bound by its terms.
6. Enurement. This Assignment shall enure to the benefit of and be binding upon the parties  
hereto and their respective successors and assigns.

The parties have executed this Assignment effective as of the \_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_.

**McRAE PARKING INC.**

Per: \_\_\_\_\_  
Assignor

\_\_\_\_\_  
Assignee





**EXHIBIT "G"**  
**PARKING STALL ASSIGNMENT AGREEMENT**



**Parking Stall and Storage Assignment Agreement**

**“THE CRESCENT ON McRAE”**

BETWEEN: \_\_\_\_\_ (the "Assignor")

AND: **McRAE PARKING INC.** \_\_\_\_\_ (the "Assignee")

RE: Parking stall(s) No(s). \_\_\_\_\_ (and \_\_\_\_\_) (the "Stall(s)") and Storage Locker No. \_\_\_\_\_ (the "Locker") shown on the plan attached as Exhibit "A" to this Assignment

WHEREAS the Assignor is the lessee of the Stall and/or the Locker and the Assignee is either The Owners, Strata Plan No. \_\_\_\_\_ (the "Strata Corporation") or the registered owner or purchaser of strata lot \_\_\_\_\_ (the "Strata Lot") in **THE CRESCENT ON McRAE**.

In consideration of the covenants and agreements set forth in this Assignment, the parties agree with each other as follows:

- Assignment. The Assignor hereby assigns to the Assignee its partial interest in the lease (the "Lease") dated \_\_\_\_\_ made between Arthur Bell Holdings Ltd., as "Owner", and McRae Parking Inc. as "Lessee", pertaining to the exclusive right to lease the Stall and/or the Locker for the balance of the Term (as defined in the Lease). This Assignment will not be effective until the Assignee has given a copy of this Assignment to the Owners, Strata Plan No. \_\_\_\_\_ (the "Strata Corporation").
- Assignment Contingent Upon Strata Lot Ownership. Unless the Assignee is the Strata Corporation, the Assignee, its successors, permitted assigns, heirs, executors or administrators shall only be entitled to the rights with respect to the Stall for as long as the Assignee owns the Strata Lot.
- Compliance. The Assignee agrees to use the Stall in accordance with the bylaws, rules and regulations of the Strata Corporation, but only to the extent such bylaws, rules and regulations do not materially interfere with the Assignee's rights under this Assignment.
- Sale or Disposition. The Assignee may only assign its rights under this Assignment to the Strata Corporation, a purchaser of the Strata Lot or to another owner of a strata lot within the Strata Corporation.
- Acknowledgment. The Assignee acknowledges having received a copy of the Lease and agrees to be fully bound by its terms.
- Enurement. This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

The parties have executed this Assignment effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**McRAE PARKING INC.**

Per: \_\_\_\_\_  
Assignor

\_\_\_\_\_  
Assignee

**EXHIBIT "H"**

**STRATA PROPERTY ACT 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 ..... [the registration number of the strata plan] or

Parcel Identifier: 027-666-182  
Lot A  
Block 50  
District Lot 526  
Group 1  
New Westminster District  
Plan BCP38409

This Rental Disclosure Statement is [Check whichever box is correct and provide any required information.]

- 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 fifteen (15) 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<br>[strata lot number as shown on the strata plan] | Date Rental Period Expires<br>[specify a date—"indefinitely" or timing related to an event is not acceptable]* |
|--|--|
| None   | Not Applicable   |

\*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 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 fifteen (15) residential strata lots, as described below, until the date set out opposite each strata lot's description.  
[Describe all strata lots intended to be rented out by the owner developer.]

| Description of Strata Lot<br>[strata lot number as shown on the strata plan] | Date Rental Period Expires<br>[specify a date—"indefinitely" or timing related to an event is not acceptable]* |
|--|--|
| Strata Lots 1 to 15 inclusive  | May 15, 2212   |

\*Section 143 (2) of the *Strata Property Act* provides that, if this Rental Disclosure 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.  
**OR**  
There is a bylaw of the strata corporation that restricts the rental of strata lots, the text of which is attached to and forms part of this statement.  
[Strike out sentence which does not apply.]

Date: May...<sup>30</sup>....., 2012



Signature of Owner Developer –  
**Arthur Bell Holdings Ltd.**

**EXHIBIT "I"**

**HANDLING DEPOSITS – SECTIONS 18 AND 19 OF  
*REAL ESTATE DEVELOPMENT MARKTING ACT***



EXCERPT FROM  
REAL ESTATE DEVELOPMENT MARKETING ACT  
(Sections 18 and 19)

Handling deposits

18 (1) A developer who receives a deposit from a purchaser in relation to a development unit must promptly place the deposit with a brokerage, lawyer, notary public or prescribed person who must hold the deposit as trustee in a trust account in a savings institution in British Columbia.

(2) A trustee under subsection (1) holds the deposit for the developer and the purchaser and not as an agent for either of them and must not release the deposit from trust except as follows:

- (a) if the money was paid into the trust account in error;
- (b) to the purchaser with the written consent of the purchaser and the developer;
- (c) in accordance with subsection (3) or (4);
- (d) in accordance with section 19 [*developer use of deposit*] of this Act;
- (e) in accordance with section 21 [*rights of rescission*] of this Act;
- (f) in accordance with section 32 [*unclaimed money held in trust*] of the *Real Estate Services Act*;
- (g) in accordance with section 33 [*payment of trust funds into court*] of the *Real Estate Services Act*;
- (h) in accordance with a court order;
- (i) in accordance with the regulations under this Act.

(3) A trustee under subsection (1) must release the deposit to the developer if the developer certifies in writing that

- (a) the period under section 21 [*rights of rescission*] has expired,
- (b) if required, the subdivision plan, strata plan or other plan has been deposited in the appropriate land title office,
- (c) the approvals required for the lawful occupation of the development unit have been obtained, and
- (d) as applicable,
  - (i) if all or part of the purchaser's interest in the development unit is registrable in a land title office, the interest has been registered in the appropriate land title office and an instrument evidencing the registration has been delivered to the purchaser, or
  - (ii) if all or part of the purchaser's interest in the development unit is not registrable in a land title office, an instrument evidencing the interest of the purchaser has been delivered to the purchaser.

(4) A trustee under subsection (1) must release the deposit to the developer if the developer certifies in writing that

- (a) the period under section 21 has expired,



(b) the purchaser has failed to pay a subsequent deposit when required by the purchase agreement under which the deposit held by the trustee was paid,

(c) under the terms of the purchase agreement, if the purchaser fails to pay a subsequent deposit when required, the developer may elect to cancel the purchase agreement and, if the developer elects to cancel the purchase agreement, the amount of the deposit is forfeited to the developer, and

(d) the developer has elected to cancel the purchase agreement.

(5) For the purposes of subsection (2) (f) and (g), the provisions of the *Real Estate Services Act* referred to in that subsection apply to a trustee as if the trustee were a brokerage.

(6) Payment to a person in accordance subsection (2) (b), (c), (d) or (e) discharges the trustee from liability for the deposit in the amount paid out.

#### Developer use of deposit

19 (1) In this section:

"deposit protection contract" has the same meaning as in section 189.2 (1) of the *Insurance Act*;

"developer's own purposes" means purposes related to the development property that includes the development unit in relation to which the deposit under section 18 (1) [*handling deposits*] was paid, including, without limitation, the construction and marketing of that development property.

(2) A developer who desires to use for the developer's own purposes a deposit the developer has placed with a trustee under section 18 (1), must enter into a deposit protection contract in relation to that deposit and provide notice of the deposit protection contract to the purchaser in accordance with the regulations.

(3) On receiving from an insurer the original or a true copy of a deposit protection contract in relation to a deposit a trustee holds under section 18 (1), the trustee must pay the deposit to the developer who entered into the deposit protection contract and the developer may use that deposit only for the developer's own purposes.





**EXHIBIT "J"**

**FORM OF AGREEMENT OF PURCHASE AND SALE**



Townhome # \_\_\_\_\_ SL # \_\_\_\_\_

SALESPERSON \_\_\_\_\_



A UNIQUE ENCLAVE OF TOWNHOME RESIDENCES  
IN TRADITIONAL STRATHMORE STYLE

Agreement of Purchase and Sale  
PART 1

DATE: \_\_\_\_\_

VENDOR:  
**Arthur Bell Holdings Ltd.**  
411 – 1788 West 5<sup>th</sup> Avenue  
Vancouver, B.C. V5H 4T8

VENDOR'S SOLICITORS:  
Dirk C.A. De Vuyst & Associates Law Corporation  
1801 – 4555 Kingsway  
Burnaby, B.C. V5H 4T8

PURCHASER(S):  
Full Name: \_\_\_\_\_  
(Mr. Miss Ms. Mrs.)  
Occupation: \_\_\_\_\_

Full Name: \_\_\_\_\_  
(Mr. Miss Ms. Mrs.)  
Occupation: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
(CITY) (PROVINCE)

Address: \_\_\_\_\_  
\_\_\_\_\_  
(CITY) (PROVINCE)

Postal Code: \_\_\_\_\_

Postal Code: \_\_\_\_\_

Tel: \_\_\_\_\_ Bus: \_\_\_\_\_

Tel: \_\_\_\_\_ Bus: \_\_\_\_\_

Fax: \_\_\_\_\_ S.I.N. \_\_\_\_\_

Fax: \_\_\_\_\_ S.I.N. \_\_\_\_\_

E-Mail: \_\_\_\_\_

E-Mail: \_\_\_\_\_

I/WE THE ABOVE PURCHASER(S) HEREBY OFFER to purchase Townhome # \_\_\_\_\_, 1450 McRae Avenue, Vancouver, B.C., being Strata Lot \_\_\_\_\_ (the "Strata Lot") as more specifically described in the preliminary strata plan (the "Strata Plan") attached as an exhibit to the Disclosure Statement (hereinafter defined) at the price and on the terms and conditions contained herein.

1.01 PURCHASE PRICE AND DEPOSITS

The purchase price excluding GST/HST (the "Purchase Price") for the Strata Lot payable in lawful money of Canada is as follows: \$ \_\_\_\_\_

(a) a deposit (the "Deposit") of 20% of the Purchase Price upon presentation of this Offer to the Vendor \$ \_\_\_\_\_

(b) the balance of the Purchase Price, subject to adjustments described herein (the "Balance") shall be paid on the Completion Date (as hereinafter defined) \$ \_\_\_\_\_

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

- |                      |                      |
|----------------------|----------------------|
| (a) refrigerator     | (e) hoodfan          |
| (b) gas cooktop      | (f) wine cooler      |
| (c) built-in oven    | (g) air conditioning |
| (d) dishwasher       | (h) gas fireplace    |
| (e) washer and dryer | (i) alarm system     |
| (f) microwave        |                      |

1.03 The Purchaser certifies that he/she/they is/are  is not/are not  (check one) a resident of Canada under the Income Tax Act (Canada).

1.04 Completion, Possession and Adjustment Dates: See Paragraph 4 of Part 2 attached hereto.

The Purchaser hereby acknowledges to the Vendor and to its agent, \_\_\_\_\_ that he/she/they:

has/have an agency relationship with \_\_\_\_\_ as agent ("Selling Agent") and \_\_\_\_\_ as their salesperson

has/have no agency relationship.

The Purchaser further acknowledges to the Vendor and to \_\_\_\_\_ (the "Listing Agent") that the Listing Agent has disclosed to the Purchaser the agency relationship between the Listing Agent and the Vendor and that while fully representing the Vendor as its agent, the Listing Agent will assist the Purchaser in the following areas:

- (a) preparation of this Offer;
- (b) answering the Purchaser's questions with respect to this Offer; and
- (c) presenting this Offer to the Vendor.



THE TERMS AND CONDITIONS ATTACHED HERETO AS PART 2 FORM PART OF THIS AGREEMENT. READ THEM CAREFULLY BEFORE YOU SIGN.

RECEIPT OF \$ \_\_\_\_\_ IS HEREBY ACKNOWLEDGED BY THE VENDOR AS DEPOSIT MONIES PAID BY THE PURCHASER.

The Purchaser hereby acknowledges having received on the \_\_\_\_\_ day of \_\_\_\_\_, 2012 and, prior to the making of this offer to the Vendor, having had an opportunity to read a copy of the disclosure statement dated the 29th day of May, 2012 and all amendments thereto, if any, filed up to the date hereof (collectively the "Disclosure Statement"). The Purchaser acknowledges to the Vendor that this Agreement shall constitute a receipt by the Purchaser of the Disclosure Statement.

The Purchaser hereby confirms that he/she/they has/have read this Agreement of Purchase and Sale including the attached Part 2 and further confirms that other than the warranties and representations and the terms and conditions contained in writing herein and in the Disclosure Statement, NO REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS MADE BY ANY PERSON OR AGENT SHALL BE BINDING UPON THE VENDOR.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser

This Offer to Purchase and Agreement of Purchase and Sale will be open for acceptance by the Vendor up to and including \_\_\_\_\_ and is irrevocable prior to that time and upon acceptance by the Vendor will be a binding agreement for the purchase and sale of the Strata Lot on the terms and conditions herein contained.

THE PURCHASER HAS EXECUTED THIS AGREEMENT this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser

THIS AGREEMENT OF PURCHASE AND SALE is accepted by the Vendor this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ARTHUR BELL HOLDINGS LTD.

Per: \_\_\_\_\_  
Authorized Signatory





**THE CRESCENT**  
ON MCRAE

A UNIQUE ENCLAVE OF TOWNHOME RESIDENCES  
IN TRADITIONAL SHAUGHNESSY STYLE

**Agreement of Purchase and Sale**  
**PART 2**

**1. AGREEMENT**

If this Offer is accepted by the Vendor, the Purchaser agrees to purchase from the Vendor by way of conveyance of the strata lot (the "Strata Lot") described in Section 2.1 at the price and upon the terms set forth below subject to:

- (a) the exceptions listed in Section 23(1) of the Land Title Act (British Columbia);
- (b) the charges and encumbrances described in the Disclosure Statement; and
- (c) claims of builders liens where the Vendor's solicitor has undertaken to remove same pursuant to paragraph 6.1 hereof.

(collectively the "Permitted Encumbrances").

**2. DESCRIPTION OF STRATA LOT**

2.1 The Strata Lot is part of the townhome development (the "Development") to be constructed on the Lands and shown on the preliminary strata plan (the "Preliminary Strata Plan") attached to the Disclosure Statement. The Purchaser acknowledges that the Strata Lot includes the items listed in paragraph 1.02 of Part 1. Fixtures, fittings and furnishings will be those as viewed by the Purchaser on or before the date the Purchaser executed this Agreement. One of the townhomes will be used for display purposes (the "Display Townhome"). Display Townhome furnishings, decoration features and fixtures demonstrated are not included and specifically, without limitation, not included are hanging dining room light fixtures, built-in wall shelving, decorator wall coverings or wall treatments and draperies. Paint colour will be as viewed by the Purchaser on the colour boards displayed.

**3. PURCHASE PRICE, DEPOSIT AND PAYMENT**

3.1 The Purchaser will pay the Purchase Price to the Vendor as follows:

- (a) the deposit monies in the amounts set out in paragraph 1.0 of Part 1 shall be paid by the Purchaser to the Vendor's appointed agent for holding deposits (the "Stakeholder") as directed by the Vendor. If the estimated interest to be earned will exceed the Stakeholder's administration costs, the Stakeholder will invest the deposit monies in an interest bearing trust account with a Canadian chartered bank, trust company or credit union with interest to accrue to the credit of the Purchaser, except as otherwise expressly provided herein; and
- (b) the balance of the Purchase Price (the "Balance") plus or minus adjustments pursuant to paragraphs 4.3 and 5.2 hereof shall be paid by the Purchaser to the Vendor's solicitors on the Completion Date by way of certified trust cheque or bank draft in accordance with the provisions of paragraph 6.1 hereof.

3.2 Subject to paragraph 3.3, the Deposit shall be dealt with as follows:

- (a) if the Purchaser completes the purchase of the Strata Lot on the terms and conditions herein contained, then the Deposit shall form part of and be applied to the Purchase Price and be paid by the Stakeholder to the Vendor. Any interest earned thereon (less the Stakeholder's reasonable administration fee) shall be paid to the Purchaser post closing;
- (b) if the Purchaser does not give proper notice to the Vendor pursuant to paragraphs 4.1 or 5.2 hereof and the Purchaser fails to complete the purchase of the Strata Lot on the terms and conditions herein contained, then the Deposit together with interest accrued thereon (less the Stakeholder's reasonable administration fee) shall be paid by the Stakeholder to the Vendor forthwith;
- (c) if the Purchaser gives proper notice to the Vendor pursuant to paragraph 4.1 or 5.2 hereof, then the Deposit together with all interest accrued thereon (less the Stakeholder's reasonable administrative fee) shall be paid by the Stakeholder to the Purchaser and the Purchaser shall have no further claim against the Vendor;
- (d) if the Purchaser does not give notice pursuant to paragraphs 4.1 or 5.2 hereof and the Vendor fails to complete the sale of the Strata Lot on the terms and conditions herein contained, then the Deposit together with all accrued interest thereon (less the Stakeholder's reasonable administrative fee) shall be paid by the Stakeholder to the Purchaser.

3.3 Notwithstanding the provisions of paragraph 3.2 hereof, if the Purchaser is a non-resident of Canada as defined under the income Tax Act (Canada), the Stakeholder may remit directly to the Receiver General for Canada such non-resident withholding tax in respect of interest earned on the Deposit as may be required where the Purchaser is entitled to payment of the interest earned.

3.4 The Vendor and the Purchaser hereby irrevocably authorize the Stakeholder:

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

- (a) to deal with the Deposit and all interest earned thereon in accordance with the provisions hereof, notwithstanding the provisions of Section 18 of the Real Estate Development Marketing Act of British Columbia, and
- (b) to interplead the Deposit and all interest thereon, at the expense of the party ultimately determined to be entitled to such funds, should any dispute arise regarding the obligations of the Stakeholder with respect to the Deposit.

3.5 **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") shall be paid on the Completion Date to the Vendor's Solicitors in trust. The Lien Holdback shall be held in trust 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 (the "Land Title Office") in connection with work done at the request of the Vendor. The Vendor's Solicitors are authorized to invest the Lien Holdback in an interest bearing trust account and to pay to the Vendor on the 55th day after the Strata Lot is conveyed to the Purchaser the Lien Holdback plus interest, if any, accrued thereon, less the amount of any builders' lien claims filed against the Strata Lot of which the Purchaser or the solicitors for the Purchaser (the "Purchaser's Solicitors") notifies the Vendor's Solicitors in writing by 4:00 p.m. on that day. The Purchaser hereby authorizes the Vendor to bring any legal proceedings required to clear title to the Strata Lot of any lien claims filed with respect to the Strata Lot, including payment of the lien holdback funds into Court if desired by the Vendor.

3.6 **GST/HST New Housing Rebate.** Except as stated otherwise, the Vendor agrees to credit to the Purchaser the full amount of the Rebate provided that:

- (a) the Purchaser qualifies for the Rebate; and
- (b) the Purchaser provides to the Vendor, at or prior to the time of closing:
  - (i) an executed copy of the form (the "GST/HST New Housing Rebate Form") from time to time prescribed for purposes of the Rebate;
  - (ii) a sworn statutory declaration stating that:
    - (A) at the time the Purchaser becomes liable under the Purchase Agreement, the Purchaser is acquiring the Strata Lot for use as the primary place of residence of, and
    - (B) after completion of the transaction, the first person to occupy the Strata Lot as a place of residence under an arrangement for that purpose will be the Purchaser or a "relation" (as that term is defined for purposes of section 254 of the Excise Tax Act (Canada) of the Purchaser;
    - (C) together with such other statements required by the Federal and Provincial governments in order to qualify the Purchaser for the Rebate;
  - (iii) an assignment of the Rebate to the Vendor, in form satisfactory to the Vendor; and
  - (iv) any other documentation reasonably required by the Vendor in connection with the crediting of the Rebate.

**Reduction and Disallowance of Rebate Claim.** The Vendor reserves the right to refuse to credit all or any portion of the Rebate claimed by the Purchaser if the Vendor has reason to believe that the Purchaser is not entitled to the Rebate or that the Rebate amount claimed by the Purchaser exceeds the Rebate to which the Purchaser is entitled. By delivering an executed copy of the GST/HST New Housing Rebate Form to the Vendor, the Purchaser warrants and warrants to the Vendor that the Purchaser is eligible for the Rebate claimed in such form in respect of the transaction contemplated by the Purchase Agreement. In the event that the Vendor credits a Rebate to the Purchaser and Canada Revenue Agency, disallows all or any part of the Rebate claim, the Purchaser will immediately, upon receiving a written demand from the Vendor, reimburse such disallowed amount to the Vendor together with any interest, penalty or other amount payable by the Vendor as a result of such disallowance, plus interest thereon at the rate provided in section 10.1(b) of the Purchase Agreement from the date of demand up to the date of payment.

In the event the Purchaser has signed an addendum entitled Addendum/Amendment Agreement-GST/HST, such addendum will supersede and replace this paragraph 3.6.

4. **COMPLETION, POSSESSION AND ADJUSTMENT DATES**

4.1 The completion date of the purchase and sale of the Strata Lot will be on the date selected by the Vendor (the "Completion Date") and set out in a notice (the "Completion Notice") given by the Vendor or Vendor's Solicitors to the Purchaser or the Purchaser's Solicitors at any time after:

- (a) the Vendor has received oral or written permission from the municipality or the city, as the case may be, to occupy the Strata Lot, as opposed to any common property within the Development, regardless of whether or not such permission is temporary, conditional or final; and
- (b) a separate title to the Strata Lot has been issued by the applicable Land Titles Office.

If the Completion Date has not occurred by April 30, 2013 (the "Outside Date") then the Purchaser or the Vendor shall have the right to cancel this Agreement by giving ten (10) business days written notice to the other party, provided that such notice is given before the last to occur of:

- (i) the date permission is given by a municipality or city to occupy the Strata Lot; and
- (ii) the date the Strata Plan creating the Strata Lot is submitted for filing in the Land Title Office.

If the Vendor or Purchaser exercises the said right, the Deposit and any interest accrued thereon will be paid to the Purchaser in accordance with paragraph 3.2(c) hereof.

The Purchaser acknowledges and agrees that the Completion Date will be established by the Vendor in accordance with this section 4.1 notwithstanding that the estimated date for completion of construction for the Development as set out in the Disclosure Statement or any amendment thereto (the "Estimated Construction

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|



Completion Date”) is an estimate only and may vary based on time gained or lost during the construction process. For greater certainty, the Purchaser acknowledges and agrees that the actual Completion Date, as established by the date set forth in the Completion Notice, may occur before, on or after the Estimated Construction Completion Date.

The Purchaser hereby:

(a) agrees to complete the purchase of the Strata Lot on the Completion Date as set out in the Completion Notice regardless of the amount of time between the Completion Date and the Estimated Construction Completion Date;

(b) acknowledges and agrees that the decision to enter into and to perform the terms of this Agreement is not predicated upon whether or not the actual Completion Date occurs before, at or after the Estimated Construction Completion Date; and

(c) acknowledges and agrees that a Completion Date occurring before, at or after the Estimated Construction Completion Date will not affect the value, price or use of the Strata Lot to the Purchaser.

4.2 If the Vendor is delayed from completing the construction of the Strata Lot as a result of fire, explosion or accident, however caused, act of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, materials or equipment or flood, act of God, inclement weather, delay or failure by carriers or contractors, unavailability of supplies or materials, breakage or other casualty, interference of the Purchaser or any other event beyond the control of the Vendor, then the time within which the Vendor must do anything hereunder and the Outside Date referred to in paragraph 4.1 will be extended for a period equivalent to such period of delay.

4.3 Adjustments

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 part, and all other adjustments both incoming and outgoing of whatever nature in respect of the Strata Lot shall be made, as of the Completion Date. If the amount of any such taxes, rates or assessments has been levied in respect of a parcel greater than the Strata Lot, the portion thereof that shall be allocated to the Strata Lot shall be determined by the Vendor by prorating the total amount among all of the Strata Lots in the Development on the basis of the applicable unit entitlement.

4.4 Possession

Provided the Vendor’s Solicitors have received the balance of the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Strata Lot on the Completion Date, the Purchaser shall have possession of the Strata Lot on the day immediately following the Completion Date.

5.0 CONSTRUCTION

5.1 The Strata Lot is as shown on the Preliminary Strata Plan attached to the Disclosure Statement given to the Purchaser. The Vendor may make alterations to the features, ceiling heights and layout of the Strata Lot, including, without limiting the generality of the foregoing, alterations required to accommodate structural elements, electrical, plumbing and mechanical systems within the Development without compensation to the Purchaser.

5.2 The Purchaser acknowledges that the total expected area of the Strata Lot (“Expected Area”) as shown on the Preliminary Strata Plan (and the room measurements as shown in any advertising material) are approximate only and may vary from the total actual area (“Actual Area”) as shown on the final strata plan registered in the applicable Land Title Office. If the proportion by which the Actual Area varies from the Expected Area (the “Variance”) is less than ±3%, there will be no adjustment to the Purchase Price to reflect same. If the Variance exceeds ±3%, the Purchase Price will be increased or decreased, as the case may be, by the “Adjustment Factor” (as hereinafter defined) per square foot in respect of that part of the Variance which exceeds ±3%. If the Variance exceeds ±10%, the Purchaser may by written notice cancel this Agreement of Purchase and Sale, whereupon the Purchaser will be entitled to repayment of the Deposit as provided in paragraph 3.2 hereof unless the Variance is positive by virtue of the Actual Area exceeding the Expected Area and the Vendor waives the adjustment to the Purchase Price in which event the Purchaser will complete the transaction of purchase and sale on the Completion Date. In this paragraph “Adjustment Factor” means the price per square foot determined by dividing the Purchase Price noted in paragraph 1.0 by the Expected Area.

5.3 If required by the Purchaser, the Purchaser and a representative of the Vendor shall inspect the Strata Lot at a reasonable time designated by the Vendor prior to the Completion Date. At the conclusion of such inspection, a conclusive list of any defects or deficiencies shall be prepared and the parties may agree upon the dates by which corrections are to occur. There will be no holdbacks of any portion of the Purchase Price on the Completion Date while the corrections are still outstanding. The parties shall sign the list and the Purchaser shall be deemed to have accepted the physical condition of the Strata Lot subject only to the listed corrections.

5.4 The Vendor reserves the right to alter the common property of the Development at any time and from time to time, if, in its sole opinion, such alteration or alterations improve the structural integrity of the Development, its mechanical systems, its ability to withstand water penetration or its esthetics and no adjustment will be made to the Purchase Price on account thereof.

6.0 CONVEYANCE, RISK, PERMITTED ENCUMBRANCES

6.1 Conveyance

It shall be the Purchaser’s responsibility to prepare the documents necessary to complete this transaction and the Purchaser shall deliver to the Vendor a Freehold Transfer, in registrable form, and a Statement of

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Adjustments at least three (3) days prior to the Completion Date. The Purchaser will be responsible for obtaining a Form F Certificate of Full Payment as required under the Strata Property Act.

The Vendor and Purchaser agree that on the Completion Date, the Vendor will transfer or, if not registered in its name, cause the title holder to transfer title to the Strata Lot to the Purchaser free and clear of all registered liens, mortgages, charges and encumbrances of any nature whatsoever save and except Permitted Encumbrances and on or before the Completion Date, the Vendor will have taken whatever steps are necessary in order to obtain or make arrangements for any release or discharge of any registered liens, mortgages, charges and encumbrances save and except the Permitted Encumbrances. The Purchaser agrees to accept such title and acknowledges and agrees that the Vendor will be using the purchase monies received from the Purchaser to obtain a partial discharge of any construction mortgage and security collateral thereto. The Purchaser's solicitor or notary public (the "Purchaser's Solicitor") will pay the balance of the adjusted Purchase Price on the Completion Date by way of certified trust cheque or bank draft made payable and delivered at the Purchaser's expense to the Vendor's Solicitor in trust on their undertaking to pay and discharge the aforesaid charges from title to the Strata Lot and, in the case of a claim of builders lien, on his undertaking to cause same to be discharged within thirty (30) days after the Completion Date. If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the balance of the adjusted Purchase Price on the Completion Date, may wait to pay same until after the Transfer and new mortgage documents have been lodged for registration at the applicable Land Title Office but only if before such lodging against title to the Strata Lot, the Purchaser has:

- (a) deposited in trust with the Purchaser's Solicitor the cash balance of the Purchase Price not being financed by the mortgage;
- (b) fulfilled all the new mortgagee's conditions for funding except lodging for registration; and
- (c) made available to the Vendor's Solicitor an undertaking given by the Purchaser's Solicitor to pay on the Completion Date the balance of the adjusted Purchase Price upon the lodging of the Transfer and the new mortgage documents and the advance by the new mortgagee of the mortgage proceeds.

6.2 The Purchaser will pay all costs (including the Purchaser's Solicitors' fees and disbursements) in connection with the completion of the sale (including any federal and provincial sales, harmonized sales tax (HST), GST, value-added, property transfer or other tax (other than income tax) required to be paid by the Vendor or the Purchaser in connection with the purchase and sale of the Strata Lot and the equipment and appliances included within the Strata Lot other than the costs of the Vendor incurred in clearing title to the Strata Lot of financial encumbrances and the legal fees of the Vendor.

6.3 The Strata Lot shall be at the risk of the Vendor until and including the date preceding the Completion Date and at the risk of the Purchaser from and including the Completion Date.

7.0 ASSIGNMENT BY PURCHASER

7.1 Assignment

The Purchaser may only assign the Purchaser's interest in the Strata Lot or in this Agreement or direct the transfer of the Strata Lot to any other or additional party with the written consent of the Vendor, which consent may be arbitrarily withheld by the Vendor and, unless the Vendor so consents, the Vendor shall not be required to convey the Strata Lot to anyone other than the Purchaser named herein. If, with the consent of the Vendor, the Purchaser assigns the Purchaser's interest in the Strata Lot or this Agreement or directs the transfer of the Strata Lot to any other or additional party, the Purchaser will pay to the Vendor a handling charge in the amount of one percent (1%) of the Purchase Price referred to in 1.01 to compensate the Vendor for legal and administrative costs in connection with such assignment or direction except that such handling charge will be reduced to One Thousand Dollars (\$1,000.00) if the assignee is the Purchaser's spouse, parent, child, grandparent or grandchild.

Any purchaser seeking the Vendor's consent to an assignment must give the Vendor at least fourteen (14) days written notice of such request prior to submitting the written form of assignment agreement for the Vendor's consideration and approval which approval may be arbitrarily withheld.

The Vendor will not consider any request for consent if:

- (a) made prior to ninety (90) days after the date of this Agreement, or
- (b) made after that date which is sixty (60) days prior to the estimated Completion Date as set forth in paragraph 4.1 of the Purchase Agreement.
- (c) the Vendor has previously consented to an assignment by the Purchaser; or
- (d) the Purchaser has not complied with the marketing restrictions set out in paragraph 8.1 hereof

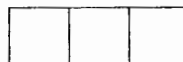
No assignment by the Purchaser of the Purchaser's interest in the Strata Lot or this Agreement or direction of transfer to any other person shall have the effect of releasing the Purchaser from any of the Purchaser's obligations or liabilities hereunder.

8.0 MARKETING

8.1 The Purchaser will not advertise or solicit offers from the public with respect to the resale of the Strata Lot by the Purchaser before the Completion Date without the express written consent of the Vendor, which consent may be arbitrarily withheld.

8.2 The Purchaser agrees that after completion of the conveyance contemplated by this Offer to Purchase and Agreement of Sale he/she shall allow the Vendor (whether by resolution of the Strata Corporation or otherwise) to:

- (a) maintain professional signage on the common property of the Strata Corporation for the purposes of offering the balance of the Vendor's Strata Lots for sale; and
- (b) show the common property of the Strata Corporation to prospective purchasers for the purposes of offering the balance of the Vendor's Strata Lots for sale.



9.0 MISCELLANEOUS

9.1 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 by the Purchaser hereunder are paid when due, then the Vendor may, at the Vendor's option:

- (a) terminate this Agreement and in such event the Deposit together with all accrued interest thereon will be absolutely forfeited to the Vendor on account of damages (being the minimum amount of damages the parties agree the Vendor is expected to suffer as a result of such termination), without prejudice to the Vendor's other remedies, including a right to recover any additional damages; or
- (b) elect to extend the time for completion and complete the transaction contemplated by this Agreement, in which event the Purchaser will pay to the Vendor, in addition to the Purchase Price, interest on the unpaid portion of the Purchase Price and other unpaid amounts payable hereunder at the rate of 3% per annum above the annual rate of interest designated by the Vendor's principal bank as its "prime rate", as that rate changes from time to time, such interest to be calculated daily from the date upon which such payment and amounts were due to the date upon which such payment and amounts are paid.

If from time to time the Purchaser's default continues beyond the last extended date for completion established pursuant to subsection (b) the Vendor may thereafter elect to terminate this Agreement pursuant to subsection (a) or permit a further extension pursuant to subsection (b).

9.2 Condition Removal

Notwithstanding anything herein contained to the contrary if the Purchaser's obligation to purchase the Strata Lot is subject to one or more conditions then the conditions shall be set out in an Addendum attached hereto and if such conditions exist then the Vendor may, on written notice delivered to the Purchaser require the Purchaser to either satisfy or waive the satisfaction of all conditions by delivering written notice within twenty-four (24) hours from the time the Vendor gives notice to the Purchaser. If such written waiver is not received within such time, then this Agreement shall terminate and the Deposit together with all accrued interest thereon (if any) less the Stakeholder's reasonable administration fee shall be promptly refunded to Purchaser.

9.3 Notices and Tender. Any notice to be given to the Purchaser will be well and sufficiently given if deposited in any postal receptacle in Canada addressed to the Purchaser at the Purchaser's address or the Purchaser's Solicitors at their offices and sent by regular mail, postage prepaid, or if delivered by hand or if transmitted by telecopy or electronic mail ("e-mail") to the Purchaser's Solicitors at their office or to the Purchaser. Such notice shall be deemed to have been received if so delivered or transmitted by telecopy or by e-mail, when delivered or transmitted and if mailed, on the second business day (exclusive of Saturdays, Sundays and statutory holidays) after such mailing. The address and telecopy number or e-mail address (if any) for the Purchaser will be as set out above or such other address or telecopy number or e-mail address the Purchaser has last notified the Vendor in writing in accordance with this notice provision. Any documents to be tendered on the Purchaser may be tendered on the Purchaser or the Purchaser's Solicitors. Any notice to be given to the Vendor may be given to the Vendor or the Vendor's Solicitors in the same manner, and shall be deemed to have been received, as provided for in the preceding provisions of this section, mutatis mutandis. Any documents or money to be tendered on the Vendor shall be tendered by way of certified funds or bank draft and shall be delivered at the Purchaser's expense to the Vendor or the Vendor's Solicitors.

9.4 Governing Law. This offer, the contract of purchase and sale resulting from the acceptance of this offer and all matters arising hereunder will be construed in accordance with and governed by the laws of British Columbia which will be deemed to be the proper law hereof, and the courts of British Columbia will have the exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this offer and the validity, existence and enforceability hereof.

9.5 Purchaser Comprising More Than One Party. If the Purchaser is comprised of more than one party, then the obligations of the Purchaser hereunder will be the joint and several obligations of each party comprising the Purchaser and any notice given to one of such parties shall be deemed to have been given at the same time to each other such party.

9.6 Execution of Counterparts and Delivery of Telecopied Agreement. This Agreement may be executed by the parties in counterparts or transmitted by telecopy, or both, and if so executed and delivered, or if so transmitted, or if so executed and transmitted, this Agreement will be for all purposes as effective as if the parties had executed and delivered to one another a single original agreement.

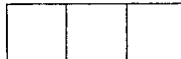
9.7 Residency of Vendor. The Vendor represents and warrants to the Purchaser that it is a resident of Canada within the meaning of the Income Tax Act of Canada.

9.8 Urea Formaldehyde. To the best of the Vendor's knowledge, the Strata Lot is free of materials containing urea formaldehyde foam insulation.

9.9 Contractual Rights. This Offer and the agreement which results from its acceptance creates contractual rights only and not any interest in land and is not registrable in any land title office.

9.10 Further Assurances. The parties hereto shall do all further acts and things and execute all such further assurances as may be necessary to give full effect to the intent and meaning of this Contract.

9.11 References. All references to any party, whether a party to this Contract or not, will be read with such changes in number and gender as the context or reference requires.



Suite # \_\_\_\_\_, SL # \_\_\_\_\_



A UNIQUE ENCLAVE OF TOWNHOME RESIDENCES  
IN TRADITIONAL SHAUGHNESSY STYLE

**ADDENDUM TO AGREEMENT OF PURCHASE SALE – ADDITIONAL PARKING STALL**

DATE: \_\_\_\_\_

Further to the Agreement of Purchase and Sale (the "Purchase Agreement") dated \_\_\_\_\_, 20\_\_\_\_ made between **Arthur Bell Holdings Ltd.**, as Vendor, and \_\_\_\_\_, as Purchaser, with respect to a strata lot, identified as Townhome # \_\_\_\_\_, 1450 McRae Avenue, Vancouver, B.C. (Strata Lot # \_\_\_\_\_) in the Purchase Agreement, constructed or to be constructed on the above noted property, the undersigned agree as follows:

The Purchaser has agreed to purchase and the Vendor has agreed to sell a parking stall identified as Additional Stall # \_\_\_\_\_ as shown on the parking plan attached hereto (the "Additional Stall") on the following terms:

The Purchase Price  excluding GST (the "Purchase Price") for the Additional Stall is \$ \_\_\_\_\_ payable in lawful money of Canada as follows:

- a) a deposit of \$ \_\_\_\_\_ upon execution of this Addendum by the Purchaser which will be dealt with in the same manner as the other deposits paid pursuant to the Purchase Agreement \$ \_\_\_\_\_
- b) applicable GST/HST upon execution of this Addendum by the Purchaser \$ \_\_\_\_\_
- c) the balance of the Purchase Price shall be paid on the Completion Date at the same time and in the same manner as the Purchase Price for the Strata Lot \$ \_\_\_\_\_

The Purchaser acknowledges that it is purchasing a leasehold interest in the Additional Stall and as such, the Purchaser's interest will be subject to the Parking Facility and Storage Lease between the Vendor as owner and McRae Parking Inc. as tenant pursuant to which the Vendor will assign the Additional Stall to the Purchaser by way of an Assignment of Parking Facility Lease and Storage. The Purchaser acknowledges and agrees with the Vendor that the Vendor's obligation to assign the Additional Stall to the Purchaser is conditional upon the Purchaser completing its purchase of the said Strata Lot in accordance with the terms of the Purchase Agreement

This Addendum forms part of and is subject to the terms and conditions set out in the Purchase Agreement. The Purchase Agreement, as amended by this Addendum, remains in full force and effect, and all terms and conditions in the Purchase Agreement remain the same, except to the extent expressly amended by this Addendum.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser

**ARTHUR BELL HOLDINGS LTD.**

Per: \_\_\_\_\_  
**Authorized Signatory**

**EXHIBIT "K"**  
**FORM OF STRATA MANAGEMENT AGREEMENT**



## AGENCY AGREEMENT

THIS AGREEMENT made as of the \_\_\_\_ day of \_\_\_\_\_, 2012

**BETWEEN:**

**THE OWNERS, STRATA PLAN BCS \_\_\_\_\_**, a Strata Corporation under the *Strata Property Act*, S.B.C. 1998, c. 43 (the "*Strata Property Act*"), having an address of 1450 McRae Avenue, Vancouver, B.C.

(the "Strata Corporation")

**AND:**

**KERRISDALE REALTY LIMITED** (Inc. No. 342420) doing business as Prudential United Realty, having an office at Suite 201– 2107 West 40<sup>th</sup> Avenue, Vancouver, BC V6M 1W4

(the "Agent")

**WHEREAS:**

- A. The Strata Corporation is comprised of fifteen (15) residential and nil non-residential strata lots;
- B. The Strata Corporation is responsible for managing and maintaining the common property and common assets of the Strata Corporation;
- C. The Agent is in the business of providing strata management services; and
- D. The Strata Corporation wishes to contract with the Agent for purposes of providing the strata management services described in this Agreement to the Strata Corporation.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the mutual covenants in this Agreement, the parties covenant and agree as follows:

- 1. **THE STRATA CORPORATION** is represented by a Strata Council and the Agent shall at all times be entitled to rely on and to act upon instruction and direction received at a duly convened Strata Council meeting or upon instructions received from the Strata Council President. The Agent shall report as required under this Agreement to the Strata Council.
- 2. **THE TERM OF THIS AGREEMENT** is indefinite, commencing on \_\_\_\_\_, 2012 (the "Commencement Date") unless this Agreement is terminated in accordance with sections 24(1) or 39 of the *Strata Property Act*:
  - (a) if the Agent becomes insolvent or bankrupt; or
  - (b) the Strata Corporation is dissolved or wound up.



After the termination of this Agreement, all obligations of the Agent cease except as otherwise expressly provided in the *Strata Property Act* and *Real Estate Services Act*, S.B.C. 2004, c. 42 (“*RESA*”).

**3. THE STRATA CORPORATION AGREES from and after the Effective Date:**

- (a) To hire the Agent exclusively to operate and manage the common property of the Strata Corporation in accordance with the terms of this Agreement;
- (b) To pay the Agent the sum of One Thousand Two Hundred and Fifty Dollars (\$1,250.00) per month for management of the Strata Corporation, plus HST Tax, such sum to be paid in advance on the first day of each month and fixed for a period of 12 months from the Commencement Date and thereafter to be negotiated between parties, on/before the Strata Corporations Annual General Meeting;
- (c) To pay the Agent the hourly rate of \$125.00 (minimum one hour) for any additional meetings above the agreed four (4) Strata Council meetings plus the Annual General Meeting;
- (d) To assume all administrative costs relative to the management and operation of the property (e.g. photocopying, postage, long distance telephone calls and facsimiles, courier, etc.); and an annual charge (currently \$500.00 plus H.S.T.) for the audit of trust accounts;
- (e) To grant the Agent the following powers and authority and to assume all expenses in connection therewith:
  - (i) To collect strata fees, special levies, user fees, contributions to the contingency reserve fund and other monies due to the Strata Corporation (the “Owner Payments”) and to deposit all funds collected hereunder in a bank accounts opened in the name of the Strata Corporation;
  - (ii) To recover from any owner in arrears, any Owner Payments due to the Strata Corporation;
  - (iii) To pursue all legal remedies of the Strata Corporation to recover arrears of Owner Payments and to sign, file and deliver certificates of lien or acknowledgements of payment, as the Strata Council may direct;
  - (iv) To sign cheques, make disbursements and to pay out of the Strata Corporation’s bank accounts all costs and expenses, inclusive of the Agent’s fees;
  - (v) To pay the expenses of the Strata Corporation from the Strata Corporation’s funds in a timely fashion, provided such funds are available to make such payments;
  - (vi) To supervise, negotiate, enter into and execute all contracts on behalf of the Strata Corporation in connection with the maintenance, service, repair and





operation of the common property and common assets, and to pay all invoices in connection therewith;

- (vii) To supervise all employees and contractors and to effect such repairs and maintenance as may be necessary within approval budget limits or as approved by the Strata Council or as deemed necessary for the safety or protection of the common property and common assets and the occupiers of the buildings comprising the Strata Corporation;
- (f) To provide funds, if necessary, to fund the Strata Corporation's expenses, including the Agent's fees, to the extent that there are not sufficient funds in the Strata Corporation's bank account;
- (g) To save the Agent harmless from and against all claims, damages, costs and liabilities incurred in connection with the services provided to the Strata Corporation and, without limiting the generality of the foregoing, to indemnify the Agent from all claims, damages, costs and liabilities whatsoever incurred by the Agent arising out of any acts or omissions of the Agent and to protect the Agent against all such claims, damages, costs and liabilities in the same manner and to the same extent as the Strata Corporation;
- (h) To arrange for the annual appraisal of the buildings for insurance purposes in accordance with provisions of the *Strata Property Act* and bylaws of the Strata Corporation. Such policies of insurance to be written so as to protect the Agent in the same manner and to the same extent as it protects the Strata Corporation and name the Agent as additional insured and the Strata Corporation hereby authorizes the Agent to place such insurance on behalf of the Strata Corporation;
- (i) To obtain workers' compensation coverage in such amounts as a prudent owner of a similar property would obtain in similar circumstances. Such coverage to be written so as to protect the Agent in the same manner and to the same extent as it protects the Strata Corporation and name the Agent as additional insured and the Strata Corporation hereby authorizes the Agent to place such coverage on behalf of the Strata Corporation;
- (j) All employees hired by the Strata Corporation and independent contractors, whose services are retained by the Agent for and on behalf of the Strata Corporation, shall be deemed to be employees and independent contractors of the Strata Corporation and not the Agent and shall be paid by the Strata Corporation and not the Agent and the Agent shall not be responsible for the acts, omissions or negligence of such employees and independent contractors;
- (k) Upon termination of this Agreement, the Strata Corporation remains responsible for the payment of all bills, accounts and expenses incurred by the Agent within the authority of this Agreement that remain unpaid by the Agent after termination. The Agent is entitled to retain, for thirty (30) days after the date of such termination, a holdback (the "Holdback") of monies necessary to pay such bills, accounts and expenses. If the Holdback is not retained by the Agent or the Holdback is insufficient,



the Strata Corporation agrees to reimburse the Agent promptly upon demand for all such bills, accounts and expenses paid by the Agent on behalf of the Strata Corporation after the termination;

- (l) Subject to any limitation provided in privacy legislation, to consent to the collection, use and disclosure by the Agent of information about the Strata Corporation and personal information about the owners, tenants and occupants of the Strata Corporation in order to carry out the duties of the Agent on behalf of the Strata Corporation and for all purposes authorized by this Agreement, the *Strata Property Act* and *RESA*.

4. **THE AGENT AGREES** from and after the Effective Date:

- (a) Within thirty (30) days of issuance, to provide to the Strata Council a copy of each monthly bank statement for each trust account, consistent with the terms of *RESA*;
- (b) To deposit the Strata Corporation's receipts in the appropriate trust account or accounts as required by *RESA*. Such trust accounts will be segregated from the Agent's corporate accounts for deposit to an institution authorized under the *Strata Property Act*. The Agent may withdraw funds from or transfer funds between such trust accounts as the Agent deems appropriate. The Agent may transfer monies between accounts and pooled trust accounts as allowed by *RESA* and may invest the Strata Corporation's money as allowed by *RESA* and the *Strata Property Act*;
- (c) To maintain, at minimum, one separate trust account in the name of the Strata Corporation and, if the Agent holds the contingency reserve fund or any funds received on account of a special levy, to hold the contingency reserve fund and monies from any special levy in at least one separate trust account or a trust account for each;
- (d) That the signing authority of the Agent for the trust account representing the operating fund and/or pooled trust accounts includes one managing broker of the Agent;
- (e) That if the Agent maintains the required trust accounts for the contingency reserve fund and/or a special levy, a director or officer or an accountant of the Agent must sign every withdrawal request, as required by *RESA*;
- (f) To keep full and detailed records of the transactions of the Strata Corporation and to retain the records required to be maintained by the *Strata Property Act* and its Regulations for such periods as are require;
- (g) To maintain such Agent's insurance as required under *RESA*;
- (h) To use diligence in the administration, and management of the common property and common assets as outlined in Schedule A hereto and carry out such responsibility in a manner that will best serve the interest of the Strata Corporation;
- (i) To give notice of, attend, take and distribute minutes of up to four (4) Strata Council meetings plus the Annual General Meeting (collectively, the "Included Meetings") per



contract year (to a maximum duration of two hours). Additional meetings or longer attendance at Included Meetings will be charged at a rate of \$125.00 per hour (minimum of one hour);

- (j) To keep full and detailed records of the transactions of the Strata Corporation and to retain the records required to be maintained under section 35 of the *Strata Property Act* (except any documents under section 35 not provided to the Agent by the Strata Corporation) for the time periods required under the *Strata Property Act*, its Regulations and *RESA*;
- (k) To maintain the confidentiality of all records pertaining to the management of the Strata Corporation, and to return all records upon termination of this Agreement in accordance with the *Strata Property Act* and *RESA*;
- (l) To provide documentation as required by the *Strata Property Act* in respect of the sale of a strata lot or to provide records as requested by an owner or owner's representative, all at the cost of the owner or the prospective purchaser. The Agent will be entitled to charge fees as permitted by the *Strata Property Act* and its Regulations and shall disclose those fees, as required by *RESA*, and shall be entitled to retain the fees it charges to such owners or prospective purchasers.
- (m) The Strata Corporation must not set off against the Agent's fees or other monies payable to the Agent under this Agreement any uncollected strata fees, special levies or user fees or any other monies owed to the Strata Corporation.
- (n) The Strata Corporation will pay to the Agent, additional costs upon provision from time to time of the services shown in Schedule B and acknowledges that the Agent may from time to time receive and retain remuneration from third parties and owners for providing services on behalf of the Strata Corporation which entitlement will be reflected in a separate Disclosure Agreement, as required by *RESA*, between the Strata Corporation and the Agent as shown in Schedule C attached to this Agreement.
- (o) The Strata Corporation will pay the Agent for any special services required by the Strata Corporation that are separate and apart from the property management services described in this Agreement and as are more specifically described in Schedule B as such additional services are mutually agreed to by the Strata Corporation and the Agent as they occur from time to time.

## 5. GENERAL INFORMATION

- (a) This Agreement shall be construed and governed by the laws of the Province of British Columbia.
- (b) The parties agree that the Agent may not assign this Agreement without the express written consent of the Strata Corporation, with such consent, not to be unreasonably withheld.





- (c) The parties agree that any additional covenants or agreements set forth in writing, signed by both parties and attached hereto, shall be read and construed together with and as part of this Agreement, provided always that when the same shall be at variance with any part of this original Agreement, such additional covenants or agreements shall be deemed to supersede such part or parts.
- (d) Any notice required or permitted to be given by the Strata Corporation must be mailed or faxed to the address of the Agent stated on page 1 of this Agreement. Any notice required or permitted to be given by the Agent to the Strata Corporation may be hand delivered, mailed or faxed to any strata council member at the address recorded by the Strata Corporation for such member. Any notice will be deemed to have been given and received by the party to whom it was addressed if mailed, on the fourth day following the mailing or faxing, and if hand delivered, on delivery.
- (e) Either party to this Agreement may at any time and from time to time waive in whole or in part the benefit to it of any provision in this Agreement or any default by the other party, but any waiver on any occasion will be deemed not to be a waiver of that provision thereafter or of any subsequent default or a waiver of any other provision or default.
- (f) If any covenant or other provision of this Agreement is invalid, illegal, or incapable of being enforced by reason of any rule of law or public policy, then such covenant or other provision will be severed from and will not affect any other covenant or other provision of this Agreement, and this Agreement will be construed as if such invalid, illegal, or unenforceable covenant or provision had never been contained in this Agreement. All other covenants and provisions of this Agreement will, nevertheless, remain in full force and effect and no covenant or provision will be deemed dependent upon any other covenant or provision unless so expressed herein.
- (g) The relationship of the Agent to the Strata Corporation is that of agent and principal. This Agreement does not, under any circumstances constitute the Agent nor any of its employees, officers or authorized representatives, to be the legal representative, tenant, partner or employee of the Strata Corporation.
- (h) Schedules A and B attached to this Agreement form a part of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement as of the date and year first above written.

THE OWNERS, STRATA PLAN BCS \_\_\_\_\_

by its authorized signatories

\_\_\_\_\_  
Strata Council Member

\_\_\_\_\_  
Strata Council Member

**KERRISDALE REALTY LIMITED**

by its authorized signatory

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_



## SCHEDULE A

To the Agency Agreement made as of the \_\_\_\_ day of \_\_\_\_\_, 2012 between The Owners, Strata Plan BCS \_\_\_\_\_ and Kerrisdale Realty Limited

The Agent will holding one or more of the following on behalf of the Strata Corporation:

- contingency reserve fund money;
- operating fund money;
- special levy money;
- other amounts.

### FINANCE

- Timely collection of strata fees and deposit of all monies into one or more trust accounts as required
- Review, approval and payment from bank account of all expenses within approved budget
- Monthly bank reconciliation
- Preparation of full financial reports and distribution of same to the Strata Council on a monthly basis
- Arrears collection and enforcement of collection procedures
- Administration and investment of cash reserves as required
- Assist the Strata Council in the preparation of the Annual Operating Budget
- Calculation of strata fees and reserve funds contributions
- Monthly review of actual income and expense performance and comparison to budget
- Assist the Strata Council in the review and planning for major capital expenditures
- All correspondence relative to the above services

### ADMINISTRATION

- Administration of Strata Corporation files, occupier turnovers and all documentation thereto
- Maintain accurate records of all contracts and legal obligations of the Strata Corporation
- Registration of the Strata Corporation Bylaws



- Preparation of documentation required under the *Strata Property Act*
- Correspondence and enforcement actions as required under the *Strata Property Act* and Strata Corporation's Bylaws and Rules
- Assist the Strata Council in criteria setting, screening and employing of required personnel
- Provide payroll services, if necessary
- Review, negotiate and effect adequate insurance coverage
- Attend, record and distribute all minutes of required Strata Council meetings and General Meetings within fourteen (14) days as set out in the Schedule of Standard Bylaws to the *Strata Property Act*
- All correspondence relative to the above services

### MAINTENANCE AND OPERATIONS

- Supervision and review of maintenance and service contracts
- Hiring of contractors and tradespeople and other personnel
- Regular inspections by management personnel
- Responding to, and supervision of, on-going maintenance requirements
- Obtain competitive quotes for contract work
- Execution and renewal of contracts for services as required
- Assistance in planning of long-term and preventative maintenance programs
- Provide 24 – hour emergency answering service





## SCHEDULE B

[charges to the strata corporation]

| <u>ITEM</u>   | <u>COST</u>  |
|---|--|
| Photocopying  | 25 cents per copy + HST, (special arrangements may be made for bulk copying)   |
| Postage   | Cost + administration fee of 15% to offset costs of mailing labels, envelopes, service to postage meter etc + H.S.T.   |
| Bank Charges  | \$25.00 flat rated monthly charge to offset reconciliation, bank charges etc.  |
| Return Cheque charges   | \$30.00 is charged for a returned cheque to offset the various administrative costs of notifying the Strata Corporation of a returned cheque, entering a returned item on the computer, processing a replacement cheque. Charge is debited to the account of the Strata Corporation. |
| Fax charges   | The cost for faxes is \$1.00 per page plus HST   |
| Courier fees  | Courier fees are billed at cost.   |
| T2 Tax return preparation   | \$350.00 +GST. Charged only if Canada Revenue Agency requests a corporate tax return and this has not been prepared by the Strata Corporation's accountant/auditor.  |
| Annual Audit Fee  | \$500.00 + HST (as required by The Real Estate Services Act effective January 1, 2006.)  |
| Real Estate Council trust audits                                      | \$75.00 per hour   |
| Administration of large projects, including any special levy accounts | \$75.00 per hour or agree upon percentage of the overall project cost  |
| Long Distance Telephone   | At cost  |





**EXHIBIT "L"**

**DEPRECIATION REPORT – SECTION 94 OF THE  
*STRATA PROPERTY AMENDMENT ACT* and  
REGULATION 6.2**



**15 Section 94 is repealed and the following substituted:**

**Depreciation report**

**94** (1) In this section, "**qualified person**" has the meaning set out in the regulations.

(2) Subject to subsection (3), a strata corporation must obtain from a qualified person, on or before the following dates, a depreciation report estimating the repair and replacement cost for major items in the strata corporation and the expected life of those items:

(a) for the first time, the date that is 2 years after the coming into force of this section;

(b) if the strata corporation has, before or after the coming into force of this section, obtained a depreciation report that complies with the requirements of this section, the date that is the prescribed period after the date on which that report was obtained;

(c) if the strata corporation has, under subsection (3) (a), waived the requirement under this subsection to obtain a depreciation report, the date that is the prescribed period after the date on which the resolution waiving the requirement was passed.

(3) A strata corporation need not comply with the requirement under subsection (2) to obtain a depreciation report on or before a certain date if

(a) the strata corporation, by a resolution passed by a 3/4 vote at an annual or special general meeting within the prescribed period, waives that requirement, or

(b) the strata corporation is a member of a prescribed class of strata corporations.

(4) A depreciation report referred to in subsection (2) must contain the information set out in the regulations.

**16 Section 103 is amended**

**(a) in subsection (3) by adding "proposed" before "budget", and**

**(b) by adding the following subsections:**

(5) The financial statement to be distributed with the proposed budget must be audited by a qualified person in accordance with any standards prescribed for the purposes of this subsection unless

(a) the strata corporation, by a resolution passed by a 3/4 vote at an annual or special general meeting within the prescribed period, waives

## Depreciation report

- 6.2 (1) For the purposes of section 94 of the Act, a depreciation report must include all of the following:
- (a) a physical component inventory and evaluation that complies with subsection (2);
  - (b) a summary of repairs and maintenance work for common expenses respecting the items listed in subsection (2) (b) that usually occur less often than once a year or that do not usually occur;
  - (c) a financial forecasting section that complies with subsection (3);
  - (d) the name of the person from whom the depreciation report was obtained and a description of
    - (i) that person's qualifications,
    - (ii) the error and omission insurance, if any, carried by that person, and
    - (iii) the relationship between that person and the strata corporation;
  - (e) the date of the report;
  - (f) any other information or analysis that the strata corporation or the person providing the depreciation report considers appropriate.
- (2) For the purposes of subsection (1) (a) and (b) of this section, the physical component inventory and evaluation must
- (a) be based on an on-site visual inspection of the site and, where practicable, of the items listed in paragraph (b) conducted by the person preparing the depreciation report,
  - (b) include a description and estimated service life over 30 years of those items that comprise the common property, the common assets and those parts of a strata lot or limited common property, or both, that the strata corporation is responsible to maintain or repair under the Act, the strata corporation's bylaws or an agreement with an owner, including, but not limited to, the following items:
    - (i) the building's structure;
    - (ii) the building's exterior, including roofs, roof decks, doors, windows and skylights;
    - (iii) the building's systems, including the electrical, heating, plumbing, fire protection and security systems;
    - (iv) common amenities and facilities;
    - (v) parking facilities and roadways;
    - (vi) utilities, including water and sewage
    - (vii) landscaping, including paths, sidewalks, fencing and irrigation;
    - (viii) interior finishes, including floor covering and furnishings;
    - (ix) green building components;
    - (x) balconies and patios, and
  - (c) identify common property and limited common property that the strata lot owner, and not the strata corporation, is responsible to maintain and repair.



FIRST AMENDMENT TO  
DISCLOSURE STATEMENT FOR



THE CRESCENT  
ON McRAE



A UNIQUE ENCLAVE OF TOWNHOME RESIDENCES  
IN TRADITIONAL SHAUGHNESSY STYLE

1450 McRae Avenue, Vancouver, B.C.

DEVELOPER: **Arthur Bell Holdings Ltd.**

ADDRESS FOR SERVICE IN  
BRITISH COLUMBIA: 1801 – 4555 Kingsway  
Burnaby, B.C. V5H 4T8

BUSINESS ADDRESS OF  
DEVELOPER: 411 – 1788 West 5<sup>th</sup> Avenue  
Vancouver, B.C. V6J 1P2

REAL ESTATE BROKERAGE: As of the date hereof, the Developer has retained the services  
of **Macdonald Realty**, 2105 West 38<sup>th</sup> Avenue Vancouver,  
B.C. V6M 1R8 as an outside real estate agent. Macdonald  
Realty is not related to the Developer. The Developer, in its  
sole discretion, retains the right, from time to time, during the  
marketing of the Development to market the Development  
itself in which case the Developer's employees may not be  
licensed under the *Real Estate Act* and are not acting on behalf  
of the Purchaser, or to retain such other real estate agent or  
agents as the Developer deems advisable in order to assist the  
Developer in marketing the Development.

DATE OF FIRST AMENDMENT TO DISCLOSURE STATEMENT: June 21, 2012

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: \_\_\_\_\_ *[print name of Purchaser]* who has confirmed that fact by initialing in the space provided here \_\_\_\_\_.

**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.

Prepared by  
**DIRK C.A. DE VUYST & ASSOCIATES LAW CORPORATION**  
1801 – 4555 Kingsway, Burnaby, B.C. V5H 4T8





THE DISCLOSURE STATEMENT is hereby amended by:

1. amending the cover page of the Disclosure Statement by deleting the section entitled Real Estate Brokerage in its entirety and substituting the following therefor:

As of the date hereof, the Developer has retained the services of **Macdonald Realty**, 2105 West 38<sup>th</sup> Avenue Vancouver, B.C. V6M 1R8 as an outside real estate agent. Macdonald Realty is not related to the Developer. The Developer, in its sole discretion, retains the right, from time to time, during the marketing of the Development to market the Development itself in which case the Developer's employees may not be licensed under the *Real Estate Act* and are not acting on behalf of the Purchaser, or to retain such other real estate agent or agents as the Developer deems advisable in order to assist the Developer in marketing the Development.

2. amending EXHIBIT "J" – Form of Agreement of Purchase and Sale by inserting "**Macdonald Realty**" as the Listing Agent in the last paragraph on page 1 of the Agreement of Purchase and Sale;
3. removing EXHIBIT "J" - Form of Agreement of Purchase and Sale from the Disclosure Statement and inserting the form of agreement of purchase and sale attached hereto as EXHIBIT "J-1" – Form of Agreement of Purchase and Sale; and

Henceforth all references in the Disclosure Statement to EXHIBIT "J" – Form of Agreement of Purchase and Sale will be a reference to EXHIBIT "J-1" – Form of Agreement of Purchase and Sale.

4. amending EXHIBIT "E" – Proposed Form Y-Owner Developer's Notice of Different Bylaws by amending section 5.3 thereof by:

(a) deleting subparagraph (d) thereof and substituting the following therefor:

(d) up to two dogs or two domestic cats or one dog and one domestic cat.

(b) deleting subparagraph (e) in its entirety.

5. removing EXHIBIT "E" – Proposed Form Y-Owner Developer's Notice of Different Bylaws from the Disclosure Statement and inserting the Proposed Form Y-Owner Developer's Notice of EXHIBIT "E" – Proposed Form Y-Owner Developer's Notice of Different Bylaws; and

Henceforth all references in the Disclosure Statement to EXHIBIT "E" – Proposed Form Y-Owner Developer's Notice of Different Bylaws will be a reference to EXHIBIT "E-1" – Proposed Form Y-Owner Developer's Notice of Different Bylaws.

6. amending paragraph 7.4 Other Material Facts by adding the following two paragraphs as subparagraphs (b) and (c):

(b) Marketing License Agreement

Following the deposit of the Strata Plan in the Land Title Office, the Developer may cause the Strata Corporation to enter into a marketing license agreement with the Developer whereby the Strata Corporation will permit the Developer and its marketing agents to conduct the activities and utilize the facilities described in subsection 7.4(c).

(c) Continuing Sales and Marketing Program

Following the deposit of the Strata Plan in the Land Title Office, the Developer and their marketing agents will be entitled to carry out, for such period as the Developer determines to be necessary or desirable in

connection with the marketing of the Development, marketing sales activities within the Common Property and any Strata Lots owned or leased by the developer, including without limitation, maintaining display suites for the Development, other display area, parking areas and signage and permitting public access to same. 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. One or more of these rights are included in the Proposed Form - Owner Developers Notice of Different Bylaws attached hereto as Exhibit "F". The Developer will act reasonably in exercising such rights and use reasonable efforts to minimize any unreasonable interference with the use or enjoyment of the Common Property or any other Strata Lots by existing owners.

**Deemed Reliance**

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

**CAUTION**

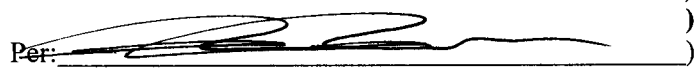
The Developer, directors of a corporate developer, and any other person required by the Superintendent to sign this Disclosure Statement are advised to read the provisions of and be fully aware of their obligations under Part 2 of the Real Estate Act before signing this statement, as a person who fails to comply with the requirements of Part 2 of the Real Estate Act may, on conviction, be liable:

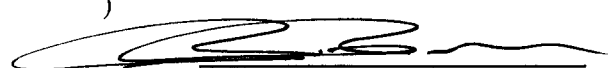
- a) in the case of a corporation, to a fine of not more than \$100,000.00, and
- b) in the case of an individual, to either a fine of not more than \$100,000.00, or to imprisonment for not more than 5 years less one day.

**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 June 21, 2012.

SIGNED this 21<sup>ST</sup> day of June, 2012

ARTHUR BELL HOLDINGS LTD. )  
 )  
 )  
 Per:  )  
 Authorized Signatory )

  
 Brian Bell – Director

DOMINION OF CANADA  
PROVINCE OF BRITISH COLUMBIA

IN THE MATTER OF the *Real Estate Development Marketing Act* and the Disclosure Statement of: **ARTHUR BELL HOLDINGS LTD. (the "Developer")** for those lands legally described as: Parcel Identifier 027-666-182 Lot A Block 50 District Lot 526 Group 1 New Westminster District Plan BCP38409 and civically known as 1450 McRae Avenue, Vancouver, B.C. and the project to be constructed thereon to be known as "The Crescent on McRae"

I, **Brian Bell**, businessman, of Vancouver, British Columbia, do solemnly declare:

1. THAT I am a Director of **Arthur Bell Holdings Ltd.**, the Developer referred to in the above described Disclosure Statement dated the 29<sup>th</sup> day of May, 2012 as amended by First Amendment to Disclosure Statement dated June 21, 2012.
2. THAT every matter of fact stated in the said Disclosure Statement is correct.
3. THAT I am aware that Section 15 of the *Real Estate Development Marketing Act* requires that a true copy of the Disclosure Statement be delivered to the prospective purchaser or lessee and receipt for same be obtained
4. THAT I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of **The Canada Evidence Act**.

DECLARED BEFORE ME at Burnaby,  
British Columbia, this 21 day of June,  
2012.

Dirk C.A. De Vuyst  
1801-4555 Kingsway  
Burnaby, B.C. V5H 4T8  
A Commissioner for taking Affidavits  
for British Columbia

  
**Brian Bell**




**SOLICITOR'S CERTIFICATE**

IN THE MATTER OF the *Real Estate Development Marketing Act* and the Disclosure Statement of:  
**ARTHUR BELL HOLDINGS LTD. (the "Developer")** for those lands legally described as:  
Parcel Identifier 027-666-182 Lot A Block 50  
District Lot 526 Group 1 New Westminster District  
Plan BCP38409 and civically known as 1450  
McRae Avenue, Vancouver, B.C. and the project to  
be constructed thereon to be known as "The  
Crescent on McRae"

I, **DIRK C.A. DE VUYST**, Solicitor, a member of the Law Society of British Columbia, having read over the above described Disclosure Statement dated the 29<sup>th</sup> day of May, 2012 as amended by First Amendment to Disclosure Statement dated June 21, 2012, made any required investigations in public offices and reviewed same with the Developer therein named, 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 21<sup>st</sup> day of June, 2012.



---

**Dirk C.A. De Vuyst**

**EXHIBIT "E-1"**

**FORM OF FORM Y**

**OWNER DEVELOPER'S NOTICE OF DIFFERENT BYLAWS**



*Strata Property Act*

**PROPOSED FORM Y**  
**OWNER DEVELOPER'S NOTICE OF DIFFERENT BYLAWS**  
*(Section 245 (d), Regulations section 14.6(2))*

Re: Strata Plan \_\_\_\_\_, being a strata plan of:

Parcel Identifier: 027-666-182  
Lot A  
Block 50  
District Lot 526  
Group 1  
New Westminster District  
Plan BCP38409

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

SEE SCHEDULE A HERETO

Date \_\_\_\_\_, 2012

**ARTHUR BELL HOLDINGS LTD.**

Owner/Developer, as Sole Member of Strata Council

Per: \_\_\_\_\_  
Print Name: \_\_\_\_\_





**BYLAWS**  
**STRATA PLAN \_\_\_\_\_**  
*THE CRESCENT ON McRAE*

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BYLAWS  
STRATA PLAN \_\_\_\_\_  
*THE CRESCENT ON McRAE*

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**Preamble**

These bylaws bind the Strata Corporation and the owners, tenants and occupants to the same extent as if the bylaws had been signed by the Strata Corporation and each owner, tenant and occupant and contained covenants on the part of the Strata Corporation with each owner, tenant and occupant and on the part of each owner, tenant and occupant with every other owner, tenant and occupant and with the Strata Corporation to observe and perform their provisions. The Schedule of Standard Bylaws to the Strata Property Act, S.B.C. 1998 does not apply to Strata Corporation \_\_\_\_\_.

Unless otherwise stated, all terms have the meanings prescribed in the Strata Property Act, S.B.C. 1998, c. 43 (the "Act"). For the purposes of these bylaws, "residents" means collectively, owners, tenants and occupants and "a resident" means collectively, an owner, a tenant and an occupant.

**Duties of Owners, Tenants, Occupants and Visitors**

- 1. Compliance with bylaws and rules**
  - 1.2 All residents and visitors must comply strictly with the bylaws and rules of the Strata Corporation adopted from time to time.
- 2. Payment of strata fees and special levies**
  - 2.1 An owner must pay strata fees on or before the first day of the month to which the strata fees relate.
  - 2.2 Where an owner fails to pay strata fees in accordance with bylaw 2.1, outstanding strata fees will be subject to an interest charge of 12% per annum, compounded annually. In addition to interest, failure to pay strata fees on the due date will result in a fine of \$75.00 for each contravention of bylaw 2.1.
  - 2.3 An owner must provide the Strata Corporation or its agent with twelve (12) consecutive, monthly post-dated cheques for strata fees for the fiscal year of the Strata Corporation, dated as of the first day of each month or, if applicable, written authorization for monthly automatic debit from the owner's bank account.
  - 2.4 Failure by an owner to submit twelve (12) monthly, post-dated strata fee cheques or written authorization for automatic debit in accordance with bylaw 2.3 is a contravention of bylaw 2.3 and the Strata Corporation will levy a fine of \$75.00

for each contravention. Each dishonoured cheque or dishonoured automatic debit will be subject to a fine of \$75.00 and an administration charge of \$75.00.

- 2.5 A special levy is due and payable on the date or dates noted in the resolution authorizing the special levy.
- 2.6 Failure to pay a special levy on the due date will result in a fine of \$75.00 for each contravention of bylaw 2.5.
- 2.7 Where an owner fails to pay a special levy in accordance with bylaw 2.5, outstanding special levies will be subject to an interest charge of 12% per annum, compounded annually.

### **3. Repair and maintenance of property by owner**

- 3.1 An owner must repair and maintain the owner's strata lot, except for repair and maintenance that is the responsibility of the Strata Corporation under these bylaws.
- 3.2 An owner who has the use of limited common property must repair and maintain it, except for repair and maintenance that is the responsibility of the Strata Corporation under these bylaws.

### **4. Use of property**

- 4.1 A resident or visitor must not use a strata lot, the limited common property, common property or common assets in a way that
  - (a) causes a nuisance or hazard to another person,
  - (b) causes unreasonable noise,
  - (c) unreasonably interferes with the rights of other persons to use and enjoy the common property, common assets or another strata lot,
  - (d) is illegal, or
  - (e) is contrary to a purpose for which the strata lot or common property is intended as shown expressly or by necessary implication on or by the strata plan.
- 4.2 A resident or visitor must not cause damage, other than reasonable wear and tear, to the common property, limited common property, common assets or those parts of a strata lot which the Strata Corporation must repair and maintain under these bylaws or insure under section 149 of the Act.



- 4.3 An owner is responsible for any damage to the limited common property, common property or common assets and those parts of the strata lot referred to in Section 4.2 caused by occupants, tenants or visitors to the owner's strata lot.
- 4.4 An owner shall indemnify and save harmless the Strata Corporation from the expense of any maintenance, repair or replacement rendered necessary to the common property, common assets or to any strata lot by the owner's act, omission, negligence or carelessness or by that of an owner's visitors, occupants, guests, employees, agents, tenants or a member of the owner's family, but only to the extent that such expense is not reimbursed from the proceeds received by operation of any insurance policy. In such circumstances, and for the purposes of bylaws 4.1, 4.2 and 4.3, any insurance deductible paid or payable by the Strata Corporation shall be considered an expense not covered by the proceeds received by the Strata Corporation as insurance coverage and will be charged to and payable forthwith by the owner.
- 4.5 A resident must not use, or permit to be used, the strata lot except as a private dwelling home.
- 5. Pets and animals**
- 5.1 A resident or visitor must not keep any pets on a strata lot or common property or on land that is a common asset except in accordance with these bylaws.
- 5.2 A resident or visitor must ensure that all animals are leashed or otherwise secured when on the common property or on land that is a common asset.
- 5.3 No animals, livestock, fowl or pet shall be kept in any strata lot other than:
- (a) a reasonable number of fish or other small aquarium animals;
  - (b) a reasonable number of small caged mammals;
  - (c) up to two (2) caged birds except pigeons or parrots;
  - (d) up to two dogs or two domestic cats or one dog and one domestic cat.

and any other pet approved by the Strata Corporation; and when upon common property, all dogs are to be kept on a leash and under the supervision of a responsible person. If the Strata Corporation, on reasonable grounds, considers a permitted pet to be a nuisance, such pet shall not be kept in the strata lot after 15 days' notice in writing to that effect is given to the owner of the lot where it is kept.



- 5.4 A resident must not harbour exotic pets, including not exhaustively, snakes, reptiles, spiders or large members of the cat family.
- 5.5 A resident must apply to the council for written permission to keep a pet (a “Permitted Pet”) by registering the pet with the council within 30 days of the pet residing in a strata lot.
- 5.6 A resident or visitor must not permit a loose or unleashed Permitted Pet at any time on the common property or on land that is a common asset. A Permitted Pet found loose on common property or land that is a common asset shall be delivered to the municipal pound at the cost of the strata lot owner.
- 5.7 A resident must not keep a Permitted Pet which is a nuisance in a strata lot, on limited common property, common property or on land that is a common asset. If a resident has a pet which is not a Permitted Pet or if, in the opinion of council, the Permitted Pet is a nuisance or has caused or is causing an unreasonable interference with the use and enjoyment by residents or visitors of a strata lot, common property or common assets, the council may order such pet to be removed permanently from the strata lot, the common property or common asset or all of them.
- 5.8 If a resident contravenes bylaw 5.7, the owner of the strata lot will be subject to a fine of up to \$200.00 every seven (7) days.
- 5.9 Notwithstanding bylaw 5.8, a resident whose pet contravenes bylaw 5.7 will be subject to an immediate injunction application and the owner of the strata lot will be responsible for all expenses incurred by the Strata Corporation to obtain the injunction, including, without limitation, all legal costs.
- 5.10 A pet owner must ensure that a Permitted Pet is kept quiet, controlled and clean. The pet owner must immediately and properly dispose of any excrement found on common property or on land that is a common asset in a manner approved by the Strata Corporation.
- 5.11 A pet owner must keep a Permitted Pet only in a strata lot and not upon common property or limited common property, except for ingress and egress and except in gated portions of the limited common property of that particular owner’s strata lot.
- 5.12 A strata lot owner must assume all liability for and indemnify and save the Strata Corporation harmless from all actions by a Permitted Pet, regardless of whether the owner had knowledge, notice or forewarning of the likelihood of such action.
- 5.13 A resident or visitor must not leave attractants for or feed birds, rodents or other wild animals from any strata lot, limited common property, common property or





land that is a common asset. No bird feeders of any kind are permitted to be kept on balconies, strata lots, and common property or land that is a common asset.

5.14 A resident who contravenes any of bylaws 5.1 to 5.7 (inclusive) or 5.10 to 5.13 (inclusive) will be subject to a fine of up to \$200.00.

## **6. Inform Strata Corporation**

6.1 An owner must notify the Strata Corporation, on request by the Strata Corporation, a tenant must inform the Strata Corporation of the tenant's name and the strata lot which the tenant occupies and the owner, upon entering into any tenancy agreement shall provide the tenant with notice of these bylaws and will deliver to the Strata Corporation a Form K, duly executed by the owner and the tenant.

## **7. Obtain approval before altering a strata lot**

7.1 An owner must obtain the written approval of the Strata Corporation before making or authorizing an alteration to a strata lot that involves any of the following:

- (a) the structure of a building;
- (b) the exterior of a building;
- (c) patios, roof decks, balconies, chimneys, balconies, stairs or other things attached to the exterior of a building;
- (d) doors, windows or skylights on the exterior of a building;
- (e) fences, railings or similar structures that enclose a patio, balcony, yard or roof deck;
- (f) common property located within the boundaries of a strata lot;
- (g) those parts of the strata lot which the Strata Corporation must insure under section 149 of the Act; and
- (h) wiring, plumbing, piping, heating, air conditioning and other services.

7.1 The Strata Corporation will require as a condition of its approval that the owner agree, in writing, to take responsibility for any expenses relating to the alteration and to indemnify and hold harmless the Strata Corporation for any future costs in connection with the alteration. The owner and each subsequent owner of the strata lot receiving the benefit of the alterations shall be responsible for all present and future maintenance, repair and replacement, increase in insurance, and any



damage suffered or cost incurred by the Strata Corporation from an insurance policy as a result, directly or indirectly, of the alteration.

7.2 An owner intending to apply to the Strata Corporation for permission to alter a strata lot must submit, in writing, detailed plans and written description of the intended alteration.

**8. Obtain approval before altering common property**

8.1 An owner must obtain the written approval of the Strata Corporation before making or authorizing an alteration to common property, including limited common property or common assets.

8.2 An owner, as part of its application to the Strata Corporation for permission to alter common property, limited common property or common assets, must:

- (a) submit, in writing, detailed plans and description of the intended alteration;
- (b) obtain all applicable permits, licenses and approvals from the appropriate governmental authorities and provide copies to the strata council prior to and as a condition of commencing any work;
- (c) obtain the consent of the owners by written approval of the strata council under bylaw 8.1; and
- (d) assure that all contractors engaged provide certificates of insurance for contractor's liability of a minimum of \$2,000,000 and are registered with Workers' Compensation Board.

8.3 The Strata Corporation will require as a condition of its approval that the owner agree, in writing, to certain terms and conditions, including, not exhaustively, the following;

- (a) that alterations be done in accordance with the design and plans approved by the strata council or its duly authorized representatives;
- (b) that the standard of work and materials necessary for the alteration be not less than that of the existing structures;
- (c) that all work and materials necessary for the alteration be at the sole expense of the owner;
- (d) that the owner from time to time of the strata lot receiving the benefits of an alteration to common property, limited common property or common assets must, so long as he or she remains an owner, be responsible for all present and future maintenance, repairs and replacements, increases in insurance, and any damage suffered or cost incurred by the Strata



Corporation as a result, directly or indirectly, of the alteration to common property, limited common property or common assets;

- (e) that the owner and any subsequent owner on title who receives the benefit of such alteration, must, with respect only to claims or demands arising during the time that they shall have been owner, indemnify and hold harmless the Strata Corporation, its council members, employees and agents from any and all claims and demands whatsoever arising out of or in any manner attributable to the alteration.

8.4 An owner who has altered common property, limited common property or common assets prior to the passage of these bylaws shall be subject to their content and intent to the extent that any damages suffered or costs incurred by the Strata Corporation as a result, directly or indirectly, of the alteration, must be borne by the owner who has benefited from the alteration.

8.5 An owner who, subsequent to the passage of bylaws 8.1 to 8.3 inclusive, alters those areas referenced to in Section 7.1 hereof, without adhering strictly to these bylaws, must restore those areas, at the owner's sole expense, to its condition prior to the alteration. If the owner refuses or neglects to restore the alteration to its original condition, the Strata Corporation may conduct the restoration, at the expense of the owner who altered the common property or limited common property. The cost of such alteration shall be added to and become part of the strata fees of that owner for the month next following the date on which the cost was incurred and will become due and payable on the due date of payment of monthly strata fees.

## **9. Renovations/alterations**

9.1 A resident must not permit any construction debris, materials or packaging to be deposited in the Strata Corporation's disposal containers or elsewhere about the common property.

9.2 Residents must ensure that stairways, breezeways and parking areas are kept clean from dust debris spilling and dripping.

9.3 An owner must ensure that the hours of work are restricted to 8:00 a.m. to 4:30 p.m., Monday through Friday, and 10:00 a.m. to 4:30 p.m. on Saturdays. To perform renovations/alterations on Sundays or statutory holidays, an owner must apply for permission in writing to the council at least five business days before the holiday date.

9.4 An owner or an agent authorized in writing by such owner must be in attendance for all SIGNIFICANT renovations/alterations, the determination of SIGNIFICANT shall be in the discretion of the council.



9.5 An owner performing or contracting with others to perform renovations or alterations will be responsible, financially and otherwise, for ensuring that any and all required permits and licences are obtained.

9.6 An owner in contravention of bylaws 9.1 to 9.5 (inclusive) shall be subject to a fine of up to \$200.00 every seven (7) days for each contravention, as well as be responsible for any clean up or repair costs.

#### **10. Permit entry to strata lot**

10.1 A resident or visitor must allow a person authorized by the Strata Corporation to enter the strata lot or limited common property

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

(b) at a reasonable time, on 48 hours' written notice:

(i) to inspect, repair, renew, replace or maintain common property, common assets and any portions of a strata lot that are the responsibility of the Strata Corporation to repair, replace, renew and maintain under these bylaws or the Act or to insure under section 149 of the Act; or

(ii) to ensure a resident's compliance with the Act, bylaws and rules.

10.2 If forced entry to a strata lot is required due to required emergency access and the inability to contact the owner of the strata lot, the owner shall be responsible for all costs of forced entry incurred by the Strata Corporation.

10.3 The notice referred to in bylaw 10.1(b) must include the date and approximate time of entry, and the reason for entry.

### **Powers and Duties of Strata Corporation**

#### **11. Repair and maintenance of property by Strata Corporation**

11.1 The Strata Corporation must repair and maintain all of the following:

(a) common assets of the Strata Corporation;

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

(c) limited common property, but the duty to repair and maintain it is restricted to:

- (i) repair and maintenance that in the ordinary course of events occurs less often than once a year, and
- (ii) the following, no matter how often the repair or maintenance ordinarily occurs:
  - A. the structure of a building;
  - B. the exterior of a building;
  - C. chimneys (excluding cleaning), stairs and other things attached to the exterior of a building (excluding balconies);
  - D. doors, windows, skylights on the exterior of a building or that front in the common property; and
  - E. fences, railings and similar structures that enclose patios, balconies, yards, roof decks and garbage shelters;
- (d) a strata lot, but the duty to repair and maintain it is restricted to:
  - (i) the structure of a building,
  - (ii) the exterior of a building,
  - (iii) chimneys (excluding cleaning), stairs and other things attached to the exterior of a building,
  - (iv) doors, windows, skylights on the exterior of a building or that front on the common property, and
  - (v) fences railings and similar structures that enclose patios, balconies, yards, roof decks and garbage shelters.

11.2 The strata council shall ensure that the list of expenses be presented by the agent for inspection at each council meeting and that the list shall name the supplier, the work done or items purchased, and who authorized the expenditure.

### **Council**

#### **12. Council Size**

12.1 The council must have at least 3 and not more than 7 members.

#### **13. Council eligibility**

13.1 An owner or the spouse of an owner may stand for Council but not both together.

- 13.2 No person may stand for council or continue to be on council with respect to a strata lot if the Strata Corporation is entitled to register a lien against that strata lot under section 116(1) of the Act.
- 13.3 No person may stand for council or continue to be on council with respect to a strata lot if there are amounts owing to the Strata Corporation charged against the strata lot in respect of administration fees, bank charges, fines, penalties, interest or the costs, including the legal costs, of remedying a contravention of the bylaws or rules for which the owner is responsible under section 131 of the Act.
- 14. Council members' terms**
- 14.1 The term of office of a council member ends at the end of the annual general meeting at which the new council is elected.
- 14.2 A person whose term as council member is ending is eligible for re-election.
- 15. Removing council member**
- 15.1 Unless all the owners are on the council, the Strata Corporation may, by a resolution passed by a two-thirds (2/3) vote at an annual or special general meeting, remove one or more council members. The Strata Corporation must pass a separate resolution for each council member to be removed. In this bylaw 15.1, a 2/3 (two-thirds) vote means a vote in favour of a resolution by at least 2/3 of the votes cast by eligible voters who are present in person or by proxy at the time the vote is taken and who have not abstained from voting.
- 15.2 After removing a council member, the Strata Corporation may hold an election at the same annual or special general meeting to replace the council member for the remainder of the term or the remaining members of the council may appoint a replacement council member for the remainder of the term.
- 15.3 If the Strata Corporation removes all of the council members, the Strata Corporation must hold an election at the same annual or special general meeting to replace the council members for the remainder of the term up to, at least, the minimum number of council members required by bylaw of the Strata Corporation for the remainder of the term.
- 15.4 The council may appoint the remaining council members necessary to achieve a quorum for the Strata Corporation, even if the absence of the members being replaced leaves the council without a quorum.
- 15.5 A replacement council member appointed pursuant to bylaws 15.2 and 15.4 may be appointed from any person eligible to sit on the council.
- 16. Replacing council member**





- 16.1 If a council member resigns or is unwilling or unable to act, the remaining members of the council may appoint a replacement council member for the remainder of the term.
- 16.2 A replacement council member may be appointed from any person eligible to sit on the council.
- 16.3 The council may appoint a council member under bylaw 16.2 even if the absence of the member being replaced leaves the council without a quorum.
- 16.4 If all the members of the council resign or are unwilling or unable to act persons holding at least 25% of the Strata Corporation's votes may hold a special general meeting to elect a new council by complying with the provisions of the Act, the regulations and the bylaws respecting the calling and holding of meetings.
- 17. Officers**
- 17.1 At the first meeting of the council held after each annual general meeting of the Strata Corporation, the council must elect, from among its members, a president, a vice president, a secretary and a treasurer.
- 17.2 A person may hold more than one office at a time, other than the offices of president and vice president.
- 17.3 The vice president has the powers and duties of the president while the president is absent or is unwilling or unable to act, if the president is removed, or for the remainder of the president's term if the president ceases to hold office.
- 17.4 The strata council may vote to remove an officer.
- 17.5 If an officer other than the president is removed, resigns, is unwilling or unable to act, the council members may elect a replacement officer from among themselves for the remainder of the term.
- 18. Calling council meetings**
- 18.1 Any council member may call a council meeting by giving the other council members at least one week's notice of the meeting, specifying the reason for calling the meeting.
- 18.2 The notice in bylaw 18.1 does not have to be in writing.
- 18.3 A council meeting may be held on less than one week's notice if:
- (a) all council members consent in advance of the meeting, or



- (b) the meeting is required to deal with an emergency situation, and all council members either
  - (i) consent in advance of the meeting, or
  - (ii) are unavailable to provide consent after reasonable attempts to contact them. *(Dec. 3/02)*

**19. Requisition of council hearing**

- 19.1 By application in writing, a resident may request a hearing at a council meeting stating the reasons for the request.
- 19.2 Except for a hearing pursuant to section 144 of the Act, if a hearing is requested under bylaw 19.1, the council must hold a meeting to hear the applicant within one (1) month of the date of receipt by the council of the application.
- 19.3 If the purpose of the hearing is to seek a decision of the council, the council must give the applicant a written decision within one week of the date of the hearing.

**20. Quorum of council**

- 20.1 A quorum of the council
  - (a) 2, if the council consists of 2, 3 or 4 members;
  - (b) 3, if the council consists of 4 to 6 members; and
  - (c) 4, if the council consists of 7 members.
- 20.2 Council members must be present in person at the council meeting to be counted in establishing quorum.

**21. Council meetings**

- 21.1 The council may meet together for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- 21.2 At the option of the council, council meetings may be held by electronic means, so long as all council members and other participants can communicate with each other.
- 21.3 If a council meeting is held by electronic means, council members are deemed to be present in person.
- 21.4 Owners and spouses of owners may attend council meetings as observers.

21.5 Despite bylaw 21.4, no observers may attend those portions of council meetings that deal with any of the following:

- (a) bylaw contravention hearings under section 135 of the Act;
- (b) a hearing dealing with a request for an exemption to a bylaw;
- (c) any other matters if the presence of observers would, in the council's opinion, unreasonably interfere with an individual's privacy.

**22. Voting at council meetings**

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

22.2 If there is a tie vote at a council meeting, the president may break the tie by casting a second, deciding vote.

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

**23. Council to inform owners of minutes**

23.1 The council must circulate to or post for owners the minutes of all council meetings within 2 weeks of the meeting, whether or not the minutes have been approved.

**24. Delegation of council's powers and duties**

24.1 Subject to bylaws 24.2, 24.3 and 24.4, the council may delegate some or all of its powers and duties to one or more council members or persons who are not members of the council, and may revoke the delegation.

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

- (a) delegates the authority to make an expenditure of a specific amount for a specific purpose, or
- (b) delegates the general authority to make expenditures in accordance with bylaw 24.3.

24.3 A delegation of a general authority to make expenditures must

- (a) set a maximum amount that may be spent, and



- (b) indicate the purposes for which, or the conditions under which, the money may be spent.
- 24.4 The council may not delegate its powers to determine, based on the facts of a particular case,
- (a) whether a person has contravened a bylaw or rule,
  - (b) whether a person should be fined, and the amount of the fine,
  - (c) whether a person should be denied access to a recreational facility, or
  - (d) Whether an owner should be granted an exemption from a bylaw.
- 25. Spending restrictions**
- 25.1 A person may not spend the Strata Corporation's money unless the person has been delegated the power to do so in accordance with these bylaws.
- 25.2 With respect to expenses not itemized in the budget the Strata Corporation agent shall have the authority to purchase materials, supplies or services required for repairs and maintenance of the strata complex to a maximum to \$1,000 per month.
- 25.3 With respect to unbudgeted items the strata council may approve the spending of up to \$5,000. Expenditure from the operating fund that has not been approved may be made out of the operating fund if the expenditure together with all unapproved expenditures for the same fiscal year is less than \$10,000.
- 25.4 Despite bylaws 25.1, 25.2 and 25.3, a council member may spend the Strata Corporation's money to repair or replace common property or common assets if the repair or replacement is immediately required to ensure safety or prevent significant loss or damage.
- 26. Limitation of liability of council members**
- 26.1 A council member who acts honestly and in good faith is not personally liable because of anything done or omitted in the exercise or intended exercise of any power or the performance or intended performance of any duty of the council.
- 26.2 Bylaw 26.1 does not affect a council member's liability, as an owner, for a judgment against the Strata Corporation.
- 26.3 All acts done in good faith by the council are, even if it is afterwards discovered that there was some defect in the appointment or continuance in office of a member of council, as valid as if the council member had been duly appointed or had duly continued in office.



## **Enforcement of Bylaws and Rule**

### **27. Fines**

- 27.1 Except where specifically stated to be otherwise in these bylaws, the Strata Corporation may fine an owner or tenant:
- (a) Up to \$200.00 for each contravention of a bylaw, and
  - (b) Up to \$50.00 for each contravention of a rule.
- 27.2 The council must, if it determines in its discretion that a resident is in repeated contravention of any bylaws or rules of the Strata Corporation, levy fines and the fines so levied shall be immediately added to the strata fees for the strata lot and shall be due and payable together with the strata fees for the strata lot in the next month following such contravention.

### **28. Continuing contravention**

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

## **Annual and Special General Meetings**

### **29. Quorum**

- 29.1 One third of the registered owners (41) in person or by proxy.
- 29.2 If within ½ hour from the time appointed for an annual or special general meeting, a quorum is not present; the meeting stands adjourned for a further ½ hour on the same day and at the same place. If within a further ½ hour from the time of the adjournment, a quorum is not present, the eligible voters, present in person or by proxy, constitute a quorum. This bylaw 29.2 is an alternative to section 48(3) of the Act. This bylaw does not apply to a meeting demanded pursuant to section 43 of the Act and failure to obtain a quorum for a meeting demanded pursuant to section 43 terminates, and does not adjourn, that meeting.

### **30. Person to chair meeting**

- 30.1 The president of the council must chair annual and special general meetings.
- 30.2 If the president of the council is unwilling or unable to act, the vice president of the council must chair the meeting.

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

**31. Participation by other than eligible voters**

31.1 Tenants and occupants may attend annual and special general meetings, whether or not they are eligible to vote.

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

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

**32. Voting**

32.1 Except on matters requiring a unanimous vote, the vote for a strata lot may not be exercised if the Strata Corporation is entitled to register a lien against that strata lot under section 116(1) of the Act

32.2 Except on matters requiring a unanimous vote, the vote for a strata lot may not be exercised if there are amounts owing to the Strata Corporation charged against the strata lot in respect of administration fees, bank charges, fines, penalties, interest or the costs, including the legal costs, of remedying a contravention of the bylaws or rules, including legal costs, for which the owner is responsible under section 131 of the Act.

32.3 At an annual or special general meeting, voting cards must be issued to eligible voters.

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

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

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

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



32.8 Despite anything in bylaws 32.1 to 32.7 (inclusive), an election of council or removal of a council member must be held by secret ballot, if an eligible voter requests the secret ballot.

**33. Electronic attendance at meetings**

33.1 A person who is eligible to vote may attend an annual or special general meeting by electronic means so long as the person and the other participants can communicate with each other.

33.2 If an annual or special general meeting is held by electronic means with a person, the person is deemed to be present in person for the purposes of the meeting.

**34. Order of business**

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

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

- (m) elect a council; if the meeting is an annual general meeting; and
- (n) terminate the meeting.

### **Voluntary Dispute Resolution**

#### **35. Voluntary Dispute Resolution.**

- 35.1 A dispute among owners, tenants, the Strata Corporation or any combination of them may be referred to a dispute resolution committee by a party to the dispute if
  - (a) all the parties to the dispute consent, and
  - (b) the dispute involves the Act, the regulations, the bylaws or the rules.
- 35.2 A dispute resolution committee consists of
  - (a) one owner or tenant of the Strata Corporation nominated by each of the disputing parties and one owner or tenant chosen to chair the committee by the persons nominated by the disputing parties, or
  - (b) any number of persons consented to, or chosen by a method that is consented to, by all the disputing parties.
- 35.3 The dispute resolution committee must attempt to help the disputing parties to voluntarily end the dispute.

### **Small Claims Court Proceedings**

#### **36. Authorization to proceed**

- 36.1 The Strata Corporation may proceed under the Small Claims Act, without further authorization by the owners, to recover from an owner or other person, by an action in debt in Small Claims Court, money owing to the Strata Corporation, including money owing as administration fees, bank charges, fines, penalties, interest or the costs, including legal costs, of remedying a contravention of the bylaws or rules and to recover money which the Strata Corporation is required to expend as a result of the owner's act, omission, negligence or carelessness or by that of an owner's visitors, occupants, guests, employees, agents, tenants or a member of the owner's family.



### **Marketing Activities by Owner Developer, Owners and Occupants**

#### **37. Sale of a strata lot**

- 37.1 During the time that the owner developer of the Strata Corporation is a first owner of any strata lot, it shall have the right to maintain any such strata lot or strata lots, whether owner or leased by it, as a display strata lot or strata lots, and to carry on sales functions including, without limitation, placing and displaying of signs, the advertising and holding of special promotions and open houses and other marketing events in and about the common property, it considers necessary in order to enable it to sell such strata lots.
- 37.2 An owner developer may use any strata lot that the owner developer owns or rents as display lots for the sale of other strata lots in the strata plan.

### **Insurance**

#### **38. Insurance by Strata Corporation**

- 38.1 The Strata Corporation must obtain and maintain insurance as required by Part 9 of the Act and as defined in Part 9 of the regulations to the Act, against major perils including, without limitation, earthquakes.

#### **39. Insurance Deductible**

- 39.1 Where a claim has been made against the insurance policy of Strata Plan which is attributable to damage caused by a strata lot owner (or his/her tenants, guests or invitees) and originating within that owner's strata lot, the owner of that strata lot shall be charged a sum up to the equivalent of the deductible charged by the insurer of the Strata Corporation as a result of the claim, such charge to be added to that strata lot owner's next regular monthly assessment.

#### **40. Earthquake Insurance Deductible**

- 40.1 Where the Strata Corporation is required to repair, replace and/or maintain any portion of the common property, common facilities, assets, including strata lots comprised in the building(s) (the "Property") that are usually the subject of insurance pursuant to Section 149 of the Strata Property Act, and whereas the Strata Corporation is subject to an insurance deductible of greater than five (5) percent of the insured value of the Property in the event of damage to the property caused by an earthquake, the Strata Corporation shall levy a special assessment upon all owners of the Strata Corporation in proportion to the respective unit entitlement of each owner's strata lot in an amount equivalent to the deductible or such lesser amount as may be required to complete all repairs to and replacement of the property as necessary in the event of an earthquake.



- 40.2 In the event of an earthquake, the special assessment shall immediately become due and payable in full and any owner who sells, conveys or transfers his/her title, including a re-mortgage, shall pay the full amount outstanding. As a matter of financial convenience only, the owners may pay the special assessment over a period of six (6) months, such payments to be equally divided and commencing on the first day of the month following declaration of this bylaw by the strata council or any duly appointed administrator in lieu of the strata council. Any installment not made on the first of each month shall be assessed a fine of \$200.00. The Strata Corporation may further add interest charges.
- 40.3 This special assessment shall be considered as part of the common expenses of the Strata Corporation and where an owner fails to make the required payment as authorized by this bylaw the remedies provided in Division 6 of Part 6 of the Strata Property Act shall be applicable.

#### **Strata Corporation Property**

#### **41. Acquisition or disposition of personal property**

- 41.1 The Strata Corporation may purchase, lease or otherwise acquire personal property for the use and benefit of the owners and may sell or otherwise dispose of such personal property for any amount approved in the annual budget for the Strata Corporation, but otherwise only if approved by a resolution passed by a three-quarter (3/4) vote at an annual or special general meeting if the property has a market value of more than \$5,000.00.

#### **Hazards**

#### **42. Hazards**

- 42.1 Nothing shall be brought into or stored on a strata lot, in a storage locker or on the common property which will in any way, in the opinion of the strata council, constitute a hazard to people or property, increase or tend to increase the risk of an accident, fire or the rate of fire insurance or any other insurance coverage held by the Strata Corporation, or which will invalidate any part of any insurance policy held by the Strata Corporation.
- 42.2 No material substances, especially, but not limited to, burning material such as cigarettes or matches, shall be thrown out or permitted to fall from any window, door, balcony, or other part of the strata lot or common property. This includes without limitation, wash water, plant watering, and snow from balconies.



## Storage

### 43. Storage lockers and bicycle storage

- 43.1 Items shall not be stored in breezeways, landings, or stairs or otherwise on common property unless expressly permitted under these bylaws or by the Strata Corporation.
- 43.2 Flammable materials shall not be stored in storage sheds, garages or on balconies.

## Parking

### 44. Parking

- 44.1 The garage (the “Garage”) of a strata lot shall only be used to park vehicles and only the number and type of vehicles which can be completely and neatly accommodated within the area formed by the walls, ceilings and gates of the designated Garage of the strata lot as shown on the Strata Plan. Vehicles which may be parked in Garages include small trailers and any motorized vehicle which can meet the space requirement described above.
- 44.2 An owner, tenant or occupant must not stop or park permanently or temporarily on common property except in a parking space specifically designated or assigned to his/her strata lot, or when specifically agreed to with another owner, the parking space(s) assigned to that strata lot of such other owner.
- 44.3 An owner occupant or tenant must not:
  - (a) park or store any unlicensed or uninsured vehicle in a Garage, or in parking stalls situate on common property;
  - (b) carry out any oil changes, repairs, or adjustments to motor vehicles parked in garages or on common property;
  - (c) sell, lease, license or permit the use of any Garage or parking stall or common property to any person other than an owner or occupant or tenant;
  - (d) use any Garage or parking area as a work area for carpentry, renovations, repairs, including, but not limited to, sawing, drilling, hammering, the use of any adhesives, solvents, and paints; and
  - (e) park any vehicle which drips oil, gasoline or other fluids (except water) and must promptly remove any such fluids so dripped, failing which the cost of cleaning up such fluid spills may be assessed and a fine levied against the owner.



- 44.4 No one shall park, or leave unattended or cause to be parked a left unattended, any vehicle in such a position that it interferes or infringes upon a Garage, other parking spaces, roadways, driveways, ramps, access lanes or common areas not specifically designated for parking.
- 44.5 An owner, occupant or tenant operating a vehicle in the drive aisles, roadways, ramps or in parking areas must activate the vehicles headlights and not exceed a speed of 10 km per hour.
- 44.6 An owner, occupant or tenant may only wash a vehicle in the location designated for vehicle washing purposes.
- 44.7 Owners, occupants or tenants are not permitted to park their vehicles in parking stalls designated for visitor use.
- 44.8 One visitor parking permit will be allocated to each strata lot with the number of the strata lot marked thereon. Visitors must display official visitor parking permits on the dash of their vehicles.
- 44.9 No visitor shall park a vehicle in a visitor parking stall for a continuous period exceeding twenty-four hours.
- 44.10 An owner, occupant, tenant or visitor in violation of this bylaw 42 will be subject to a fine and/or subject to having their vehicle removed by a towing company authorized by strata council or the Strata Corporation's agent and all costs associated with such removal will be charged to the owner of the strata lot.
- 44.11 Subject to Section 135 of the Act, a violation of bylaw 44 will result in a fine of up to \$200.00 for each offence, and such fine may be imposed every seven (7) days for a continuing violation.

### **Moving**

- 45. Moving in/out procedures**
- 45.1 An resident must conform and ensure that any tenants conform to the Move In and Move Out rules established by council from time to time and the owner must ensure that tenants conform to the Move In and Moved Out rules.
- 45.2 All moves must take place between 9:00 a.m. and 9:00 p.m., Monday through Saturday and 10:00 a.m. to 5:00 p.m. on Sundays and statutory holidays.
- 45.3 A resident must ensure that all common areas are left damage free, and clean upon the completion of the move.
- 45.4 Resident contravening bylaws 41.1 to 41.3 (inclusive) shall be subject to a fine of up to \$200.00.



## **Appearance of Strata Lots**

### **46. Cleanliness**

- 46.1 A resident must not allow a strata lot to become unsanitary or untidy. Rubbish, dust, garbage, boxes, packing cases and other similar refuse must not be thrown, piled or stored in the strata lot or on common property. Excessive amounts of firewood shall not be stored in the strata lot or on common property and must not cause any damage to the exterior of the buildings. Any expenses incurred by the Strata Corporation to remove such refuse will be charged to the strata lot owner.
- 46.2 A resident must ensure that ordinary household refuse and garbage is securely wrapped and placed in the containers provided for that purpose, recyclable material is kept in designated areas and material other than recyclable or ordinary household refuse and garbage is removed appropriately.

## **Rentals**

### **47. Residential rentals**

- 47.1 Prior to possession of a strata lot by a tenant, an owner must deliver to the tenant the current bylaws and rules of the Strata Corporation and a Notice of Tenant's Responsibilities in Form K.
- 47.2 Within two weeks of renting a strata lot, the landlord must give the Strata Corporation a copy of the Form K - Notice of Tenant's Responsibilities signed by the tenant, in accordance with section 146 of the Act.
- 47.8 Where an owner leases a strata lot in contravention of bylaws 43.1, 43.2 or 43.3, the owner shall be subject to a fine of \$500.00 and the Strata Corporation shall take all necessary steps to terminate the lease or tenancy, including, but not limited to, seeking a declaration or Court injunction to enforce the bylaw. Any legal costs incurred by the Strata Corporation in enforcing the rental restriction bylaws shall be the responsibility of the contravening owner and shall be recoverable from the owner on a solicitor and own client basis by the Strata Corporation.

## **Visitors and Children**

### **48. Children and supervision**

- 48.1 Residents are responsible for the conduct of visitors including ensuring that noise is kept at a level, in the sole determination of a majority of the council that will not disturb the rights of quiet enjoyment of others.



- 48.2 Residents are responsible for the conduct of children residing in their strata lot, including ensuring that noise is kept at a level, in the sole determination of a majority of the council, that will not disturb the quiet enjoyment of others.
- 48.3 Residents are responsible to assume liability for and properly supervise activities of children.

#### **Miscellaneous**

#### **49. Miscellaneous**

- 49.1 A resident or visitor must use gas or electric barbecues only.
- 49.2 A resident or visitor must not hinder or restrict sidewalks, entrances, exits, halls, passageways, stairways and other parts of the common property.
- 49.3 A resident must not permit any person to play or loiter in the garden areas, on common property or on land that is a common asset, unless such common property or common asset is a playground.
- 49.4 Subject to bylaw 37.1, a resident or owner must not erect or display or permit to be erected or displayed any signs, fences, billboards, placards, advertising, notices, artwork, planters, or other fixtures or items to be affixed of any kind on the common property or in a strata lot, unless authorized by the council. This shall include exterior painting and the addition of wood, ironwork, concrete or other materials.
- 49.5 A resident or visitor must not shake rugs, carpets, mops or dusters of any kind from any balcony, window, stairway or other part of a strata lot or common property.
- 49.6 A resident must ensure that only the window coverings installed by the Developer are used for exterior purposes or those expressly approved by the strata council.
- 49.7 A resident must ensure that no air conditioning units, laundry, flags, clothing, bedding or other articles are hung or displayed from windows, balconies or other parts of the building so that they are visible from the outside of the building.
- 49.8 A resident must not display or erect fixtures, poles, clotheslines, racks, storage sheds and similar structures permanently or temporarily on limited common property, common property or land that is a common asset. Despite the foregoing, the placing of items on the limited common property balconies or patio areas shall be limited to free standing, self contained planter boxes or containers, summer furniture and accessories.



49.9 A resident who installs Christmas lights must install them after November 1<sup>st</sup> of the year approaching Christmas and must remove them before January 31<sup>st</sup> of the year following Christmas.



**EXHIBIT "J-1"**

**FORM OF AGREEMENT OF PURCHASE AND SALE**



Townhome # \_\_\_\_\_ SL # \_\_\_\_\_

SALESPERSON \_\_\_\_\_



THE CRESCENT  
ON MCRAE

A UNIQUE ENCLAVE OF TOWNHOME RESIDENCES  
IN TRADITIONAL STRATHMORE STYLE

Agreement of Purchase and Sale  
PART 1

DATE: \_\_\_\_\_

VENDOR:  
Arthur Bell Holdings Ltd.  
411 – 1788 West 5<sup>th</sup> Avenue  
Vancouver, B.C. V5H 4T8

VENDOR'S SOLICITORS:  
Dirk C.A. De Vuyst & Associates Law Corporation  
1801 – 4555 Kingsway  
Burnaby, B.C. V5H 4T8

PURCHASER(S):  
Full Name: \_\_\_\_\_  
(Mr. Miss Ms. Mrs.)  
Occupation: \_\_\_\_\_

Full Name: \_\_\_\_\_  
(Mr. Miss Ms. Mrs.)  
Occupation: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

(CITY) (PROVINCE)

(CITY) (PROVINCE)

Postal Code: \_\_\_\_\_

Postal Code: \_\_\_\_\_

Tel: \_\_\_\_\_ Bus: \_\_\_\_\_

Tel: \_\_\_\_\_ Bus: \_\_\_\_\_

Fax: \_\_\_\_\_ S.I.N. \_\_\_\_\_

Fax: \_\_\_\_\_ S.I.N. \_\_\_\_\_

E-Mail: \_\_\_\_\_

E-Mail: \_\_\_\_\_

I/WE THE ABOVE PURCHASER(S) HEREBY OFFER to purchase Townhome # \_\_\_\_\_, 1450 McRae Avenue, Vancouver, B.C., being Strata Lot \_\_\_\_\_ (the "Strata Lot") as more specifically described in the preliminary strata plan (the "Strata Plan") attached as an exhibit to the Disclosure Statement (hereinafter defined) at the price and on the terms and conditions contained herein.

1.01 PURCHASE PRICE AND DEPOSITS

The purchase price excluding GST/HST (the "Purchase Price") for the Strata Lot payable in lawful money of Canada is as follows: \$ \_\_\_\_\_

- (a) a deposit (the "Deposit") of 20% of the Purchase Price upon presentation of this Offer to the Vendor \$ \_\_\_\_\_
- (b) the balance of the Purchase Price, subject to adjustments described herein (the "Balance") shall be paid on the Completion Date (as hereinafter defined) \$ \_\_\_\_\_

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

- |                      |                      |
|----------------------|----------------------|
| (a) refrigerator     | (e) hoodfan          |
| (b) gas cooktop      | (f) wine cooler      |
| (c) built-in oven    | (g) air conditioning |
| (d) dishwasher       | (h) gas fireplace    |
| (e) washer and dryer | (i) alarm system     |
| (f) microwave        |                      |

1.03 The Purchaser certifies that he/she/they is/are  is not/are not  (check one) a resident of Canada under the Income Tax Act (Canada).

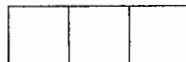
1.04 Completion, Possession and Adjustment Dates: See Paragraph 4 of Part 2 attached hereto.

The Purchaser hereby acknowledges to the Vendor and to its agent, **Macdonald Realty** that he/she/they:

- has/have an agency relationship with \_\_\_\_\_ as agent ("Selling Agent") and \_\_\_\_\_ as their salesperson
- has/have no agency relationship.

The Purchaser further acknowledges to the Vendor and to **Macdonald Realty** (the "Listing Agent") that the Listing Agent has disclosed to the Purchaser the agency relationship between the Listing Agent and the Vendor and that while fully representing the Vendor as its agent, the Listing Agent will assist the Purchaser in the following areas:

- (a) preparation of this Offer;
- (b) answering the Purchaser's questions with respect to this Offer; and
- (c) presenting this Offer to the Vendor.



THE TERMS AND CONDITIONS ATTACHED HERETO AS PART 2 FORM PART OF THIS AGREEMENT. READ THEM CAREFULLY BEFORE YOU SIGN.

RECEIPT OF \$ \_\_\_\_\_ IS HEREBY ACKNOWLEDGED BY THE VENDOR AS DEPOSIT MONIES PAID BY THE PURCHASER.

The Purchaser hereby acknowledges having received on the \_\_\_\_\_ day of \_\_\_\_\_, 2012 and, prior to the making of this offer to the Vendor, having had an opportunity to read a copy of the disclosure statement dated the 29th day of May, 2012 and all amendments thereto, if any, filed up to the date hereof (collectively the "Disclosure Statement"). The Purchaser acknowledges to the Vendor that this Agreement shall constitute a receipt by the Purchaser of the Disclosure Statement.

The Purchaser hereby confirms that he/she/they has/have read this Agreement of Purchase and Sale including the attached Part 2 and further confirms that other than the warranties and representations and the terms and conditions contained in writing herein and in the Disclosure Statement, NO REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS MADE BY ANY PERSON OR AGENT SHALL BE BINDING UPON THE VENDOR.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser

This Offer to Purchase and Agreement of Purchase and Sale will be open for acceptance by the Vendor up to and including \_\_\_\_\_ and is irrevocable prior to that time and upon acceptance by the Vendor will be a binding agreement for the purchase and sale of the Strata Lot on the terms and conditions herein contained.

THE PURCHASER HAS EXECUTED THIS AGREEMENT this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser

THIS AGREEMENT OF PURCHASE AND SALE is accepted by the Vendor this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ARTHUR BELL HOLDINGS LTD.

Per: \_\_\_\_\_  
Authorized Signatory







**THE CRESCENT**  
ON MCRAE

A UNIQUE ENCLAVE OF TOWNHOME RESIDENCES  
IN TRADITIONAL SHAUGHNESSY STYLE

**Agreement of Purchase and Sale**  
**PART 2**

1. AGREEMENT

If this Offer is accepted by the Vendor, the Purchaser agrees to purchase from the Vendor by way of conveyance of the strata lot (the "Strata Lot") described in Section 2.1 at the price and upon the terms set forth below subject to:

- (a) the exceptions listed in Section 23(1) of the Land Title Act (British Columbia);
- (b) the charges and encumbrances described in the Disclosure Statement; and
- (c) claims of builders liens where the Vendor's solicitor has undertaken to remove same pursuant to paragraph 6.1 hereof.

(collectively the "Permitted Encumbrances").

2. DESCRIPTION OF STRATA LOT

2.1 The Strata Lot is part of the townhome development (the "Development") to be constructed on the Lands and shown on the preliminary strata plan (the "Preliminary Strata Plan") attached to the Disclosure Statement. The Purchaser acknowledges that the Strata Lot includes the items listed in paragraph 1.02 of Part 1. Fixtures, fittings and furnishings will be those as viewed by the Purchaser on or before the date the Purchaser executed this Agreement. One of the townhomes will be used for display purposes (the "Display Townhome"). Display Townhome furnishings, decoration features and fixtures demonstrated are not included and specifically, without limitation, not included are hanging dining room light fixtures, built-in wall shelving, decorator wall coverings or wall treatments and draperies. Paint colour will be as viewed by the Purchaser on the colour boards displayed.

3. PURCHASE PRICE, DEPOSIT AND PAYMENT

3.1 The Purchaser will pay the Purchase Price to the Vendor as follows:

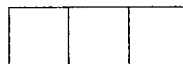
- (a) the deposit monies in the amounts set out in paragraph 1.0 of Part 1 shall be paid by the Purchaser to the Vendor's appointed agent for holding deposits (the "Stakeholder") as directed by the Vendor. If the estimated interest to be earned will exceed the Stakeholder's administration costs, the Stakeholder will invest the deposit monies in an interest bearing trust account with a Canadian chartered bank, trust company or credit union with interest to accrue to the credit of the Purchaser, except as otherwise expressly provided herein; and
- (b) the balance of the Purchase Price (the "Balance") plus or minus adjustments pursuant to paragraphs 4.3 and 5.2 hereof shall be paid by the Purchaser to the Vendor's solicitors on the Completion Date by way of certified trust cheque or bank draft in accordance with the provisions of paragraph 6.1 hereof.

3.2 Subject to paragraph 3.3, the Deposit shall be dealt with as follows:

- (a) if the Purchaser completes the purchase of the Strata Lot on the terms and conditions herein contained, then the Deposit shall form part of and be applied to the Purchase Price and be paid by the Stakeholder to the Vendor. Any interest earned thereon (less the Stakeholder's reasonable administration fee) shall be paid to the Purchaser post closing;
- (b) if the Purchaser does not give proper notice to the Vendor pursuant to paragraphs 4.1 or 5.2 hereof and the Purchaser fails to complete the purchase of the Strata Lot on the terms and conditions herein contained, then the Deposit together with interest accrued thereon (less the Stakeholder's reasonable administration fee) shall be paid by the Stakeholder to the Vendor forthwith;
- (c) if the Purchaser gives proper notice to the Vendor pursuant to paragraph 4.1 or 5.2 hereof, then the Deposit together with all interest accrued thereon (less the Stakeholder's reasonable administrative fee) shall be paid by the Stakeholder to the Purchaser and the Purchaser shall have no further claim against the Vendor;
- (d) if the Purchaser does not give notice pursuant to paragraphs 4.1 or 5.2 hereof and the Vendor fails to complete the sale of the Strata Lot on the terms and conditions herein contained, then the Deposit together with all accrued interest thereon (less the Stakeholder's reasonable administrative fee) shall be paid by the Stakeholder to the Purchaser.

3.3 Notwithstanding the provisions of paragraph 3.2 hereof, if the Purchaser is a non-resident of Canada as defined under the Income Tax Act (Canada), the Stakeholder may remit directly to the Receiver General for Canada such non-resident withholding tax in respect of interest earned on the Deposit as may be required where the Purchaser is entitled to payment of the interest earned.

3.4 The Vendor and the Purchaser hereby irrevocably authorize the Stakeholder:



- (a) to deal with the Deposit and all interest earned thereon in accordance with the provisions hereof, notwithstanding the provisions of Section 18 of the Real Estate Development Marketing Act of British Columbia, and
- (b) to interplead the Deposit and all interest thereon, at the expense of the party ultimately determined to be entitled to such funds, should any dispute arise regarding the obligations of the Stakeholder with respect to the Deposit.

3.5 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") shall be paid on the Completion Date to the Vendor's Solicitors in trust. The Lien Holdback shall be held in trust 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 (the "Land Title Office") in connection with work done at the request of the Vendor. The Vendor's Solicitors are authorized to invest the Lien Holdback in an interest bearing trust account and to pay to the Vendor on the 55th day after the Strata Lot is conveyed to the Purchaser the Lien Holdback plus interest, if any, accrued thereon, less the amount of any builders' lien claims filed against the Strata Lot of which the Purchaser or the solicitors for the Purchaser (the "Purchaser's Solicitors") notifies the Vendor's Solicitors in writing by 4:00 p.m. on that day. The Purchaser hereby authorizes the Vendor to bring any legal proceedings required to clear title to the Strata Lot of any lien claims filed with respect to the Strata Lot, including payment of the lien holdback funds into Court if desired by the Vendor.

3.6 GST/HST New Housing Rebate. Except as stated otherwise, the Vendor agrees to credit to the Purchaser the full amount of the Rebate provided that:

- (a) the Purchaser qualifies for the Rebate; and
- (b) the Purchaser provides to the Vendor, at or prior to the time of closing:
  - (i) an executed copy of the form (the "GST/HST New Housing Rebate Form") from time to time prescribed for purposes of the Rebate;
  - (ii) a sworn statutory declaration stating that:
    - (A) at the time the Purchaser becomes liable under the Purchase Agreement, the Purchaser is acquiring the Strata Lot for use as the primary place of residence of, and
    - (B) after completion of the transaction, the first person to occupy the Strata Lot as a place of residence under an arrangement for that purpose will be the Purchaser or a "relation" (as that term is defined for purposes of section 254 of the Excise Tax Act (Canada) of the Purchaser;
    - (C) together with such other statements required by the Federal and Provincial governments in order to qualify the Purchaser for the Rebate;
  - (iii) an assignment of the Rebate to the Vendor, in form satisfactory to the Vendor; and
  - (iv) any other documentation reasonably required by the Vendor in connection with the crediting of the Rebate.

Reduction and Disallowance of Rebate Claim. The Vendor reserves the right to refuse to credit all or any portion of the Rebate claimed by the Purchaser if the Vendor has reason to believe that the Purchaser is not entitled to the Rebate or that the Rebate amount claimed by the Purchaser exceeds the Rebate to which the Purchaser is entitled. By delivering an executed copy of the GST/HST New Housing Rebate Form to the Vendor, the Purchaser warrants and warrants to the Vendor that the Purchaser is eligible for the Rebate claimed in such form in respect of the transaction contemplated by the Purchaser Agreement. In the event that the Vendor credits a Rebate to the Purchaser and Canada Revenue Agency, disallows all or any part of the Rebate claim, the Purchaser will immediately, upon receiving a written demand from the Vendor, reimburse such disallowed amount to the Vendor together with any interest, penalty or other amount payable by the Vendor as a result of such disallowance, plus interest thereon at the rate provided in section 10.1(b) the Purchase Agreement from the date of demand up to the date of payment.

In the event the Purchaser has signed an addendum entitled Addendum/Amendment Agreement-GST/HST, such addendum will supersede and replace this paragraph 3.6.

4. COMPLETION, POSSESSION AND ADJUSTMENT DATES

4.1 The completion date of the purchase and sale of the Strata Lot will be on the date selected by the Vendor (the "Completion Date") and set out in a notice (the "Completion Notice") given by the Vendor or Vendor's Solicitors to the Purchaser or the Purchaser's Solicitors at any time after:

- (a) the Vendor has received oral or written permission from the municipality or the city, as the case may be, to occupy the Strata Lot, as opposed to any common property within the Development, regardless of whether or not such permission is temporary, conditional or final; and
- (b) a separate title to the Strata Lot has been issued by the applicable Land Titles Office.

If the Completion Date has not occurred by April 30, 2013 (the "Outside Date") then the Purchaser or the Vendor shall have the right to cancel this Agreement by giving ten (10) business days written notice to the other party, provided that such notice is given before the last to occur of:

- (i) the date permission is given by a municipality or city to occupy the Strata Lot; and
- (ii) the date the Strata Plan creating the Strata Lot is submitted for filing in the Land Title Office.

If the Vendor or Purchaser exercises the said right, the Deposit and any interest accrued thereon will be paid to the Purchaser in accordance with paragraph 3.2(c) hereof.

The Purchaser acknowledges and agrees that the Completion Date will be established by the Vendor in accordance with this section 4.1 notwithstanding that the estimated date for completion of construction for the Development as set out in the Disclosure Statement or any amendment thereto (the "Estimated Construction

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Completion Date”) is an estimate only and may vary based on time gained or lost during the construction process. For greater certainty, the Purchaser acknowledges and agrees that the actual Completion Date, as established by the date set forth in the Completion Notice, may occur before, on or after the Estimated Construction Completion Date.

The Purchaser hereby:

(a) agrees to complete the purchase of the Strata Lot on the Completion Date as set out in the Completion Notice regardless of the amount of time between the Completion Date and the Estimated Construction Completion Date;

(b) acknowledges and agrees that the decision to enter into and to perform the terms of this Agreement is not predicated upon whether or not the actual Completion Date occurs before, at or after the Estimated Construction Completion Date; and

(c) acknowledges and agrees that a Completion Date occurring before, at or after the Estimated Construction Completion Date will not affect the value, price or use of the Strata Lot to the Purchaser.

4.2 If the Vendor is delayed from completing the construction of the Strata Lot as a result of fire, explosion or accident, however caused, act of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, materials or equipment or flood, act of God, inclement weather, delay or failure by carriers or contractors, unavailability of supplies or materials, breakage or other casualty, interference of the Purchaser or any other event beyond the control of the Vendor, then the time within which the Vendor must do anything hereunder and the Outside Date referred to in paragraph 4.1 will be extended for a period equivalent to such period of delay.

4.3 Adjustments

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 part, and all other adjustments both incoming and outgoing of whatever nature in respect of the Strata Lot shall be made, as of the Completion Date. If the amount of any such taxes, rates or assessments has been levied in respect of a parcel greater than the Strata Lot, the portion thereof that shall be allocated to the Strata Lot shall be determined by the Vendor by prorating the total amount among all of the Strata Lots in the Development on the basis of the applicable unit entitlement.

4.4 Possession

Provided the Vendor’s Solicitors have received the balance of the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Strata Lot on the Completion Date, the Purchaser shall have possession of the Strata Lot on the day immediately following the Completion Date.

5.0 CONSTRUCTION

5.1 The Strata Lot is as shown on the Preliminary Strata Plan attached to the Disclosure Statement given to the Purchaser. The Vendor may make alterations to the features, ceiling heights and layout of the Strata Lot, including, without limiting the generality of the foregoing, alterations required to accommodate structural elements, electrical, plumbing and mechanical systems within the Development without compensation to the Purchaser.

5.2 The Purchaser acknowledges that the total expected area of the Strata Lot (“Expected Area”) as shown on the Preliminary Strata Plan (and the room measurements as shown in any advertising material) are approximate only and may vary from the total actual area (“Actual Area”) as shown on the final strata plan registered in the applicable Land Title Office. If the proportion by which the Actual Area varies from the Expected Area (the “Variance”) is less than ±3%, there will be no adjustment to the Purchase Price to reflect same. If the Variance exceeds ±3%, the Purchase Price will be increased or decreased, as the case may be, by the “Adjustment Factor” (as hereinafter defined) per square foot in respect of that part of the Variance which exceeds ±3%. If the Variance exceeds ±10%, the Purchaser may by written notice cancel this Agreement of Purchase and Sale, whereupon the Purchaser will be entitled to repayment of the Deposit as provided in paragraph 3.2 hereof unless the Variance is positive by virtue of the Actual Area exceeding the Expected Area and the Vendor waives the adjustment to the Purchase Price in which event the Purchaser will complete the transaction of purchase and sale on the Completion Date. In this paragraph “Adjustment Factor” means the price per square foot determined by dividing the Purchase Price noted in paragraph 1.0 by the Expected Area.

5.3 If required by the Purchaser, the Purchaser and a representative of the Vendor shall inspect the Strata Lot at a reasonable time designated by the Vendor prior to the Completion Date. At the conclusion of such inspection, a conclusive list of any defects or deficiencies shall be prepared and the parties may agree upon the dates by which corrections are to occur. There will be no holdbacks of any portion of the Purchase Price on the Completion Date while the corrections are still outstanding. The parties shall sign the list and the Purchaser shall be deemed to have accepted the physical condition of the Strata Lot subject only to the listed corrections.

5.4 The Vendor reserves the right to alter the common property of the Development at any time and from time to time, if, in its sole opinion, such alteration or alterations improve the structural integrity of the Development, its mechanical systems, its ability to withstand water penetration or its esthetics and no adjustment will be made to the Purchase Price on account thereof.

6.0 CONVEYANCE, RISK, PERMITTED ENCUMBRANCES

6.1 Conveyance

It shall be the Purchaser’s responsibility to prepare the documents necessary to complete this transaction and the Purchaser shall deliver to the Vendor a Freehold Transfer, in registrable form, and a Statement of

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Adjustments at least three (3) days prior to the Completion Date. The Purchaser will be responsible for obtaining a Form F Certificate of Full Payment as required under the Strata Property Act.

The Vendor and Purchaser agree that on the Completion Date, the Vendor will transfer or, if not registered in its name, cause the title holder to transfer title to the Strata Lot to the Purchaser free and clear of all registered liens, mortgages, charges and encumbrances of any nature whatsoever save and except Permitted Encumbrances and on or before the Completion Date, the Vendor will have taken whatever steps are necessary in order to obtain or make arrangements for any release or discharge of any registered liens, mortgages, charges and encumbrances save and except the Permitted Encumbrances. The Purchaser agrees to accept such title and acknowledges and agrees that the Vendor will be using the purchase monies received from the Purchaser to obtain a partial discharge of any construction mortgage and security collateral thereto. The Purchaser's solicitor or notary public (the "Purchaser's Solicitor") will pay the balance of the adjusted Purchase Price on the Completion Date by way of certified trust cheque or bank draft made payable and delivered at the Purchaser's expense to the Vendor's Solicitor in trust on their undertaking to pay and discharge the aforesaid charges from title to the Strata Lot and, in the case of a claim of builders lien, on his undertaking to cause same to be discharged within thirty (30) days after the Completion Date. If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the balance of the adjusted Purchase Price on the Completion Date, may wait to pay same until after the Transfer and new mortgage documents have been lodged for registration at the applicable Land Title Office but only if before such lodging against title to the Strata Lot, the Purchaser has:

- (a) deposited in trust with the Purchaser's Solicitor the cash balance of the Purchase Price not being financed by the mortgage;
- (b) fulfilled all the new mortgagee's conditions for funding except lodging for registration; and
- (c) made available to the Vendor's Solicitor an undertaking given by the Purchaser's Solicitor to pay on the Completion Date the balance of the adjusted Purchase Price upon the lodging of the Transfer and the new mortgage documents and the advance by the new mortgagee of the mortgage proceeds.

6.2 The Purchaser will pay all costs (including the Purchaser's Solicitors' fees and disbursements) in connection with the completion of the sale (including any federal and provincial sales tax (HST), GST, value-added, property transfer or other tax (other than income tax) required to be paid by the Vendor or the Purchaser in connection with the purchase and sale of the Strata Lot and the equipment and appliances included within the Strata Lot other than the costs of the Vendor incurred in clearing title to the Strata Lot of financial encumbrances and the legal fees of the Vendor.

6.3 The Strata Lot shall be at the risk of the Vendor until and including the date preceding the Completion Date and at the risk of the Purchaser from and including the Completion Date.

7.0 ASSIGNMENT BY PURCHASER

7.1 Assignment

The Purchaser may only assign the Purchaser's interest in the Strata Lot or in this Agreement or direct the transfer of the Strata Lot to any other or additional party with the written consent of the Vendor, which consent may be arbitrarily withheld by the Vendor and, unless the Vendor so consents, the Vendor shall not be required to convey the Strata Lot to anyone other than the Purchaser named herein. If, with the consent of the Vendor, the Purchaser assigns the Purchaser's interest in the Strata Lot or this Agreement or directs the transfer of the Strata Lot to any other or additional party, the Purchaser will pay to the Vendor a handling charge in the amount of one percent (1%) of the Purchase Price referred to in 1.01 to compensate the Vendor for legal and administrative costs in connection with such assignment or direction except that such handling charge will be reduced to One Thousand Dollars (\$1,000.00) if the assignee is the Purchaser's spouse, parent, child, grandparent or grandchild.

Any purchaser seeking the Vendor's consent to an assignment must give the Vendor at least fourteen (14) days written notice of such request prior to submitting the written form of assignment agreement for the Vendor's consideration and approval which approval may be arbitrarily withheld.

The Vendor will not consider any request for consent if:

- (a) made prior to ninety (90) days after the date of this Agreement, or
- (b) made after that date which is sixty (60) days prior to the estimated Completion Date as set forth in paragraph 4.1 of the Purchase Agreement.
- (c) the Vendor has previously consented to an assignment by the Purchaser; or
- (d) the Purchaser has not complied with the marketing restrictions set out in paragraph 8.1 hereof

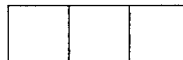
No assignment by the Purchaser of the Purchaser's interest in the Strata Lot or this Agreement or direction of transfer to any other person shall have the effect of releasing the Purchaser from any of the Purchaser's obligations or liabilities hereunder.

8.0 MARKETING

8.1 The Purchaser will not advertise or solicit offers from the public with respect to the resale of the Strata Lot by the Purchaser before the Completion Date without the express written consent of the Vendor, which consent may be arbitrarily withheld.

8.2 The Purchaser agrees that after completion of the conveyance contemplated by this Offer to Purchase and Agreement of Sale he/she shall allow the Vendor (whether by resolution of the Strata Corporation or otherwise) to:

- (a) maintain professional signage on the common property of the Strata Corporation for the purposes of offering the balance of the Vendor's Strata Lots for sale; and
- (b) show the common property of the Strata Corporation to prospective purchasers for the purposes of offering the balance of the Vendor's Strata Lots for sale.



9.0 MISCELLANEOUS

9.1 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 by the Purchaser hereunder are paid when due, then the Vendor may, at the Vendor's option:

- (a) terminate this Agreement and in such event the Deposit together with all accrued interest thereon will be absolutely forfeited to the Vendor on account of damages (being the minimum amount of damages the parties agree the Vendor is expected to suffer as a result of such termination), without prejudice to the Vendor's other remedies, including a right to recover any additional damages; or
- (b) elect to extend the time for completion and complete the transaction contemplated by this Agreement, in which event the Purchaser will pay to the Vendor, in addition to the Purchase Price, interest on the unpaid portion of the Purchase Price and other unpaid amounts payable hereunder at the rate of 3% per annum above the annual rate of interest designated by the Vendor's principal bank as its "prime rate", as that rate changes from time to time, such interest to be calculated daily from the date upon which such payment and amounts were due to the date upon which such payment and amounts are paid.

If from time to time the Purchaser's default continues beyond the last extended date for completion established pursuant to subsection (b) the Vendor may thereafter elect to terminate this Agreement pursuant to subsection (a) or permit a further extension pursuant to subsection (b).

9.2 Condition Removal

Notwithstanding anything herein contained to the contrary if the Purchaser's obligation to purchase the Strata Lot is subject to one or more conditions then the conditions shall be set out in an Addendum attached hereto and if such conditions exist then the Vendor may, on written notice delivered to the Purchaser require the Purchaser to either satisfy or waive the satisfaction of all conditions by delivering written notice within twenty-four (24) hours from the time the Vendor gives notice to the Purchaser. If such written waiver is not received within such time, then this Agreement shall terminate and the Deposit together with all accrued interest thereon (if any) less the Stakeholder's reasonable administration fee shall be promptly refunded to Purchaser.

9.3 Notices and Tender. Any notice to be given to the Purchaser will be well and sufficiently given if deposited in any postal receptacle in Canada addressed to the Purchaser at the Purchaser's address or the Purchaser's Solicitors at their offices and sent by regular mail, postage prepaid, or if delivered by hand or if transmitted by telecopy or electronic mail ("e-mail") to the Purchaser's Solicitors at their office or to the Purchaser. Such notice shall be deemed to have been received if so delivered or transmitted by telecopy or by e-mail, when delivered or transmitted and if mailed, on the second business day (exclusive of Saturdays, Sundays and statutory holidays) after such mailing. The address and telecopy number or e-mail address (if any) for the Purchaser will be as set out above or such other address or telecopy number or e-mail address the Purchaser has last notified the Vendor in writing in accordance with this notice provision. Any documents to be tendered on the Purchaser may be tendered on the Purchaser or the Purchaser's Solicitors. Any notice to be given to the Vendor may be given to the Vendor or the Vendor's Solicitors in the same manner, and shall be deemed to have been received, as provided for in the preceding provisions of this section, mutatis mutandis. Any documents or money to be tendered on the Vendor shall be tendered by way of certified funds or bank draft and shall be delivered at the Purchaser's expense to the Vendor or the Vendor's Solicitors.

9.4 Governing Law. This offer, the contract of purchase and sale resulting from the acceptance of this offer and all matters arising hereunder will be construed in accordance with and governed by the laws of British Columbia which will be deemed to be the proper law hereof, and the courts of British Columbia will have the exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this offer and the validity, existence and enforceability hereof.

9.5 Purchaser Comprising More Than One Party. If the Purchaser is comprised of more than one party, then the obligations of the Purchaser hereunder will be the joint and several obligations of each party comprising the Purchaser and any notice given to one of such parties shall be deemed to have been given at the same time to each other such party.

9.6 Execution of Counterparts and Delivery of Telecopied Agreement. This Agreement may be executed by the parties in counterparts or transmitted by telecopy, or both, and if so executed and delivered, or if so transmitted, or if so executed and transmitted, this Agreement will be for all purposes as effective as if the parties had executed and delivered to one another a single original agreement.

9.7 Residency of Vendor. The Vendor represents and warrants to the Purchaser that it is a resident of Canada within the meaning of the Income Tax Act of Canada.

9.8 Urea Formaldehyde. To the best of the Vendor's knowledge, the Strata Lot is free of materials containing urea formaldehyde foam insulation.

9.9 Contractual Rights. This Offer and the agreement which results from its acceptance creates contractual rights only and not any interest in land and is not registrable in any land title office.

9.10 Further Assurances. The parties hereto shall do all further acts and things and execute all such further assurances as may be necessary to give full effect to the intent and meaning of this Contract.

9.11 References. All references to any party, whether a party to this Contract or not, will be read with such changes in number and gender as the context or reference requires.

