

# THE RESIDENCES AT MORGAN CROSSING

## FIRST AMENDMENT TO DISCLOSURE STATEMENT REAL ESTATE DEVELOPMENT MARKETING ACT OF BRITISH COLUMBIA (the "Act") DATED March 18, 2008

*This document notes the amendments that have been made to the Disclosure Statement dated October 9, 2007 (the "Disclosure Statement") with respect to an offering by LARCO INVESTMENTS LTD. for the sale of strata lots located at property currently having civic addresses at 15735, 15765, 15745, 15775, 15785, and 15795 Croydon Drive, and 15850 – 26<sup>th</sup> Avenue, Surrey, British Columbia (the "Property"), in a development known as "The Residences at Morgan Crossing".*

**DEVELOPER:**

**Name:** LARCO INVESTMENTS LTD. (the "Developer")

**Address for Service:** c/o Parolin & Company  
Barristers and Solicitors  
1908 Cathedral Place  
925 West Georgia Street  
Vancouver, British Columbia V6C 3L2  
Attention: Dennis J.F. Parolin

**Head Office and Mailing Address:** 3<sup>rd</sup> Floor, 100 Park Royal  
West Vancouver, British Columbia V7T 1A2

**AGENT OF THE DEVELOPER:** Maverick Real Estate Corporation  
Suite 920, 475 West Georgia Street  
Vancouver, British Columbia V6B 4M9

The Developer reserves the right to appoint additional or replacement agents or subagents.

### DISCLAIMER

This Amendment 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 Amendment, or whether the Amendment 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.

AMENDMENTS

1. The City of Surrey has confirmed new civic addresses for the Property, such that the civic addresses referenced in the first paragraph of the first page of the Disclosure Statement are amended by deleting reference to the civic addresses currently referenced, and replacing them with “15735, 15765, 15745, 15775, 15785, and 15795 Croydon Drive, and 15850 – 26<sup>th</sup> Avenue, Surrey, British Columbia.” Similarly, the first paragraph in Subsection 2.1(a) is also amended to reflect the change. The first paragraph on page one of this First Amendment to Disclosure Statement also references the confirmed new civic addresses instead of the original addresses. All of the foregoing addresses except for 15850 – 26<sup>th</sup> Avenue, Surrey, British Columbia, are intended to be used for the Development, as set out in the second paragraph of Subsection 2.1(a) of the Disclosure Statement.
2. The Disclosure Statement is hereby amended by replacing the reference to the Developer’s Agent on the front page from “Platinum Project Marketing Group MacDonald Realty Ltd.”, to “Maverick Real Estate Corporation”, and replacing the address from “2105 West 38<sup>th</sup> Avenue, Vancouver, British Columbia V6M 1R8” to “Suite 920, 475 West Georgia Street, Vancouver, British Columbia V6B 4M9”.
3. The Disclosure Statement is amended by replacing reference to the names of the buildings in Subsections 2.1(a) and (b) and Subsection 3.3(a), as follows:
  - (i) Reference to “The Cedar Building” is changed to reference to “The Main”;
  - (ii) Reference to “The Dogwood Building” is changed to reference to “The Point”;
  - (iii) Reference to “The Elm Building” is changed to reference to “Focus”;
  - (iv) Reference to “The Fir Building” is changed to reference to “Central”;
  - (v) Reference to “The Greenheart Building” is changed to reference to “Pivot”;
  - (vi) Reference to “The Hemlock Building” is changed to reference to “Apex”.
4. Subsection 3.7(iii) of the Disclosure Statement is amended by deleting “one ventilation hood/microwave combo” and replacing it with “1 hood fan and 1 separate microwave”.
5. Section 3.9 of the Disclosure Statement is amended by adding an additional third sentence as follows:

“The Strata Corporation will pay for the costs of heating hot water provided to the Strata Lots, with such costs to be pro-rated to the owners of the Strata Lots in accordance with the Unit Entitlement of the Strata Lots and included in their monthly assessments.”
6. Exhibit “E” Budget and Monthly Assessments is hereby deleted and replaced with the attached Exhibit “E” Budget and Monthly Assessments attached hereto as Schedule “A”.


7. Exhibit "F" Rental Disclosure Statement of the Disclosure Statement is hereby deleted and replaced with the attached Exhibit "F" Rental Disclosure Statement attached as Schedule "B" hereto.
8. Exhibit "H" Form of Purchase Agreement of the Disclosure Statement is hereby deleted and replaced with the attached Exhibit "H" Form of Purchase Agreement attached as Schedule "C" hereto. The terms outlined in Subsection 7.2(b) of the Disclosure Statement have not been changed.
9. In all other respects, the Disclosure Statement remains unamended.

**DECLARATION**


The foregoing statements disclose, without misrepresentation, the amendments, as of March 18, 2008, to any material fact relating to the Development and contained in the Disclosure Statement dated October 9, 2007, as required by the *Real Estate Development Marketing Act* of British Columbia.

**DEVELOPER:**

**LARCO INVESTMENTS LTD.**

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

**THE DIRECTORS OF LARCO INVESTMENTS LTD.:**

 \_\_\_\_\_  
**AMINMOHAMED J. LALJI**

 \_\_\_\_\_  
**MANSOOR LALJI**

**SCHEDULE "A"**  
**EXHIBIT "E"**

**Budget and Monthly Assessments**

Feb 29, 08

**MORGAN CROSSING C-H**  
**INTERIM BUDGET**

Alarm Monitoring*		\$2,500
Audit		318
Bank Charges		120
Building Envelope Inspection		12,000
Cleaning & Janitorial		79,000
Compactor Lease		14,000
Electricity		97,000
Electricity (Common Share)*		5,000
Elevator Maintenance		20,000
Enterphone/ Security System Lease		45,000
Fire Equipment Maintenance		6,000
Garbage/ Recycling		18,500
DHW Gas & System Maintenance		80,500
Insurance/ Appraisal		73,000
Landscaping Maintenance		2,000
Legal Fees		250
Management Fees		63,405
Mechanical Equipment Maintenance*		9,000
Miscellaneous		15,000
Repairs & Maintenance		35,000
Snow Removal		1,000
Water & Sewer		115,000
Window Cleaning		15,500
Caretaker Suite Costs:		
Strata Fees	\$2,500	
Mortgages	27,012	
Property Taxes	2,000	31,512
		<hr/>
Caretaker Costs:		
Telephone & Pager	2,500	
Wages & Benefits	55,000	
Rent Recovery	(7,200)	50,300
		<hr/>
Sub-total		\$790,905
		<hr/>
Contingency Reserve - 5%		39,545
		<hr/>
Total Budget		<u>\$830,450</u>

Note: Each Strata Lot's monthly contribution to the contingency reserve fund is calculated as follows:

$$\frac{\text{unit entitlement of strata lot}}{\text{total unit entitlement of all strata lots}} \times \text{Contingency Reserve Fund Contributions}$$

Feb 29, 08

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<u>Strata Lot Number</u>	<u>Unit Entitlement</u>	<u>Monthly Strata Fees</u>
1	85	\$273.45
2	88	283.10
3	88	283.10
4	88	283.10
5	103	331.35
6	83	267.01
7	67	215.54
8	67	215.54
9	67	215.54
10	67	215.54
11	67	215.54
12	67	215.54
13	67	215.54
14	67	215.54
15	83	267.01
16	115	369.96
17	88	283.10
18	88	283.10
19	95	305.62
20	85	273.45
21	88	283.10
22	88	283.10
23	88	283.10
24	103	331.35
25	83	267.01
26	67	215.54
27	67	215.54
28	67	215.54
29	67	215.54
30	67	215.54
31	67	215.54
32	67	215.54
33	67	215.54
34	67	215.54
35	83	267.01
36	115	369.96
37	88	283.10
38	88	283.10
39	95	305.62
40	85	273.45

Feb 29, 08

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<b><u>Strata Lot Number</u></b>	<b><u>Unit Entitlement</u></b>	<b><u>Monthly Strata Fees</u></b>
41	88	283.10
42	88	283.10
43	88	283.10
44	103	331.35
45	83	267.01
46	67	215.54
47	67	215.54
48	67	215.54
49	67	215.54
50	67	215.54
51	67	215.54
52	67	215.54
53	67	215.54
54	67	215.54
55	83	267.01
56	115	369.96
57	88	283.10
58	88	283.10
59	95	305.62
60	97	312.05
61	112	360.30
62	74	238.06
63	77	247.71
64	91	292.75
65	78	250.93
66	72	231.62
67	83	267.01
68	67	215.54
69	67	215.54
70	67	215.54
71	83	267.01
72	92	295.96
73	92	295.96
74	77	247.71
75	77	247.71
76	113	363.52
77	86	276.66
78	107	344.22
79	74	238.06
80	77	247.71

Feb 29, 08

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<u>Strata Lot Number</u>	<u>Unit Entitlement</u>	<u>Monthly Strata Fees</u>
81	91	292.75
82	78	250.93
83	72	231.62
84	83	267.01
85	67	215.54
86	67	215.54
87	67	215.54
88	83	267.01
89	92	295.96
90	92	295.96
91	77	247.71
92	77	247.71
93	113	363.52
94	86	276.66
95	107	344.22
96	74	238.06
97	77	247.71
98	91	292.75
99	78	250.93
100	72	231.62
101	83	267.01
102	67	215.54
103	67	215.54
104	67	215.54
105	83	267.01
106	92	295.96
107	77	247.71
108	77	247.71
109	113	363.52
110	90	289.53
111	88	283.10
112	88	283.10
113	118	379.61
114	88	283.10
115	88	283.10
116	83	267.01
117	72	231.62
118	67	215.54
119	67	215.54
120	72	231.62



Feb 29, 08

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<b><u>Strata Lot Number</u></b>	<b><u>Unit Entitlement</u></b>	<b><u>Monthly Strata Fees</u></b>
121	86	276.66
122	72	231.62
123	72	231.62
124	67	215.54
125	101	324.92
126	77	247.71
127	117	376.39
128	72	231.62
129	72	231.62
130	88	283.10
131	115	369.96
132	90	289.53
133	88	283.10
134	88	283.10
135	118	379.61
136	88	283.10
137	88	283.10
138	83	267.01
139	72	231.62
140	67	215.54
141	67	215.54
142	72	231.62
143	86	276.66
144	72	231.62
145	72	231.62
146	67	215.54
147	101	324.92
148	77	247.71
149	117	376.39
150	72	231.62
151	72	231.62
152	88	283.10
153	115	369.96
154	90	289.53
155	88	283.10
156	88	283.10
157	118	379.61
158	88	283.10
159	88	283.10
160	83	267.01

Feb 29, 08

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<u>Strata Lot Number</u>	<u>Unit Entitlement</u>	<u>Monthly Strata Fees</u>
161	72	231.62
162	67	215.54
163	67	215.54
164	72	231.62
165	86	276.66
166	72	231.62
167	72	231.62
168	67	215.54
169	101	324.92
170	77	247.71
171	117	376.39
172	72	231.62
173	72	231.62
174	88	283.10
175	115	369.96
176	99	318.48
177	65	209.11
178	83	267.01
179	83	267.01
180	106	341.00
181	68	218.76
182	59	189.80
183	59	189.80
184	59	189.80
185	59	189.80
186	87	279.88
187	89	286.31
188	65	209.11
189	83	267.01
190	83	267.01
191	106	341.00
192	68	218.76
193	59	189.80
194	59	189.80
195	59	189.80
196	59	189.80
197	68	218.76
198	83	267.01
199	65	209.11
200	83	267.01

Feb 29, 08

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<u>Strata Lot Number</u>	<u>Unit Entitlement</u>	<u>Monthly Strata Fees</u>
201	83	267.01
202	106	341.00
203	68	218.76
204	59	189.80
205	59	189.80
206	59	189.80
207	59	189.80
208	61	196.24
209	87	279.88
210	83	267.01
211	62	199.45
212	74	238.06
213	63	202.67
214	72	231.62
215	59	189.80
216	104	334.57
217	68	218.76
218	83	267.01
219	62	199.45
220	74	238.06
221	63	202.67
222	72	231.62
223	59	189.80
224	93	299.18
225	61	196.24
226	83	267.01
227	62	199.45
228	74	238.06
229	63	202.67
230	72	231.62
231	59	189.80
232	88	283.10
233	124	398.91
234	77	247.71
235	77	247.71
236	77	247.71
237	85	273.45
238	67	215.54
239	92	295.96
240	81	260.58

Feb 29, 08

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<u>Strata Lot Number</u>	<u>Unit Entitlement</u>	<u>Monthly Strata Fees</u>
241	67	215.54
242	67	215.54
243	67	215.54
244	84	270.23
245	124	398.91
246	77	247.71
247	77	247.71
248	77	247.71
249	85	273.45
250	67	215.54
251	92	295.96
252	81	260.58
253	67	215.54
254	67	215.54
255	67	215.54
256	84	270.23
257	124	398.91
258	77	247.71
259	77	247.71
260	77	247.71
261	85	273.45
262	67	215.54
263	92	295.96
264	81	260.58
265	67	215.54
266	67	215.54
267	67	215.54
268	84	270.23
	<hr/> <hr/>	<hr/> <hr/>
	21,512	69,204.26
Yearly Strata Fees		<hr/> <hr/>
		\$830,451.12

**SCHEDULE "B"**

**EXHIBIT "F"**

***Strata Property Act***

**FORM J**

**RENTAL DISCLOSURE STATEMENT**

*(Section 139)*

Re: City of Surrey  
Parcel Identifier: 027-169-782  
Lot 1 Section 23 Township 1 New Westminster District Plan BCP31949,  
Except Part in Plan BCP31950

1. The development described above includes 268 residential strata lots.
2. The residential strata lots described below are rented out by the owner developer as of the date of this statement and the owner developer intends to rent out each strata lot until the date set out opposite its description.

Description of Strata Lot [ <i>strata lot number as shown on strata plan</i> ]	Date Rental Period Expires [ <i>month, day, year</i> ]
Nil	N/A

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 268 residential strata lots, as described below, until the date set out opposite each strata lot=s description.

Description of Strata Lot [ <i>strata lot number as shown on strata plan</i> ]	Date Rental Period Expires [ <i>month, day, year</i> ]
Strata Lots 1-268	October 9, 2207

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

Date: March 18, 2008

\_\_\_\_\_  
Signature of Owner/Developer

SCHEDULE "C"  
EXHIBIT "H"



Salesperson : \_\_\_\_\_

**THE RESIDENCES AT MORGAN CROSSING**  
**SURREY, BRITISH COLUMBIA**  
OFFER TO PURCHASE  
and  
AGREEMENT OF PURCHASE AND SALE

Building:	_____
Strata Lot:	_____
Suite No.:	_____

Vendor: **LARCO INVESTMENTS LTD.**, 3<sup>rd</sup> Floor, 100 Park Royal, West Vancouver, BC V7T 1A2

Purchaser:

Full Name:	_____	Full Name:	_____
Address:	_____	Address:	_____
	_____		_____
City:	_____	City:	_____
Postal Code:	_____	S.I.N.:	_____
Country of Residence:	_____	Country of Residence:	_____
Tel (H):	_____	(W):	_____
Cell:	_____	Fax:	_____
Email:	_____	Email:	_____

The Purchaser hereby offers and, if this offer is accepted by the Vendor, agrees to purchase from the Vendor the Strata Lot (the "Strata Lot") described below at the price and upon the terms set forth below, subject to the Permitted Encumbrances (as defined below in Section 7 of Schedule "A" of this Agreement).

- DESCRIPTION OF DEVELOPMENT AND STRATA LOT** The Strata Lot is the interior of the residential strata lot to be constructed in a residential condominium development known as The Residences at Morgan Crossing (the "Development") to be constructed on property located in Surrey, British Columbia, presently legally described as Parcel Identifier: 027-169-782, Lot 1 Section 23, Township 1, New Westminster District, Plan BCP 31949, Except Part in Plan BCP31950 (the "Property"). The Property is held in trust by Morgan Crossing Properties Ltd. (the "Registered Owner") for the Vendor.

The Property will be subdivided so as to create one or more airspace parcels and a remainder parcel in the manner described in the Disclosure Statement. The Development will be located within the airspace parcel described in the Disclosure Statement as the "Residential Parcel".

The Purchaser and the Vendor agree that the "Strata Lot" for purposes of this Offer to Purchase and Agreement of Purchase and Sale is the strata lot referred to as Strata Lot \_\_\_\_\_ on Exhibit "A" to the Disclosure Statement, being Suite No. \_\_\_\_\_, the general location and approximate size of which Strata Lot being set out in the Disclosure Statement. The Purchaser hereby acknowledges that the Strata Lot is being constructed by the Vendor on the Property.

- PURCHASE PRICE** The purchase price (the "Purchase Price") for the Strata Lot is \$ \_\_\_\_\_ payable in lawful money of Canada. The Purchase Price does not include federal goods and services tax ("GST"), nor provincial social services tax on any personal property included in the Purchase Price.

INITIAL		



**3. DEPOSIT**

- a) a deposit (the "Initial Deposit") of \$5,000.00 upon presentation of this offer to the Vendor \$ \_\_\_\_\_
  - b) a further deposit (the "Second Deposit") of 10% of the Purchase Price (less the Initial Deposit) payable within seven (7) days after the Acceptance Date \$ \_\_\_\_\_
  - c) a further deposit (the "Third Deposit") of an additional 5% of the Purchase Price payable the later of five (5) days of receipt of the Amendment (as defined in Section 20 Schedule "A" hereof) or within ninety (90) days after the Acceptance Date \$ \_\_\_\_\_
- (NOTE: Deposits (a), (b) and (c) should total fifteen percent (15%) of the Purchase Price)
- d) the balance of the Purchase Price, subject to adjustments described herein (the "Balance") shall be paid on the Completion Date (as hereinafter defined) \$ \_\_\_\_\_

All deposits shall be made payable to "Parolin & Company In Trust".

- 4. **INCLUSIONS** The Purchase Price will include the right to the exclusive use of one parking stall and one bicycle/general storage locker for the Strata Lot, to be allocated to the Purchaser as contemplated in the Disclosure Statement and located as determined by the Vendor.
- 5. **RESIDENCY STATUS** The Purchaser covenants and represents that the Purchaser is/is not [circle one] a resident of Canada for the purposes of the *Income Tax Act* of Canada.
- 6. **MATERIAL SELECTIONS** The Purchaser shall select the colour scheme/finishing material package as noted in Section 39 of Schedule "A" of this Agreement.

SCHEDULES "A" AND "B" ATTACHED HERETO FORM AN INTEGRAL PART HEREOF. THE PURCHASER ACKNOWLEDGES THAT HE/SHE HAS READ ALL PARAGRAPHS AND SCHEDULES OF THIS AGREEMENT.

**The terms of this Agreement along with the provisions of the Disclosure Statement are the terms under which the Strata Lot is being sold and purchased.**

This offer shall be open for acceptance by the Vendor on or before 5:00 p.m., PST time, on \_\_\_\_\_, 200\_\_ and upon acceptance by the Vendor signing a copy of this Offer, there shall be a binding agreement of sale and purchase of the Strata Lot for the Purchase Price, on the terms and subject to the conditions set out herein.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Witness:

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Witness:

\_\_\_\_\_  
Purchaser

**VENDOR'S ACCEPTANCE**

This Offer to Purchase is accepted by the Vendor this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ (the "Acceptance Date").

Receipt of \$ \_\_\_\_\_ is hereby acknowledged by the Vendor as deposit monies paid by the Purchaser

**LARCO INVESTMENTS LTD.**

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



**SCHEDULE "A"**  
**ADDITIONAL TERMS AND CONDITIONS**

1. **DEPOSIT-HOLDER** All deposit payments will be made by **certified cheque, bank draft, wire transfer or by such other fashion as agreed to in writing by the Vendor**. Subject to Section 2 below, the Deposit shall be held in trust at a Canadian chartered bank in Vancouver, B.C. by the Vendor's solicitors, Parolin & Company (the "Vendor's Solicitors"), in an interest bearing trust account until completion of the purchase and sale of the Strata Lot, or earlier termination, pursuant to the *Real Estate Development Marketing Act* of British Columbia, and:
  - (a) except as provided in Sections 2 and 19 hereof, and subject to the Purchaser completing the purchase on the Completion Date (as defined below), all interest earned shall be for the benefit of the Purchaser; and
  - (b) the Deposit shall be paid to the Vendor on the Completion Date upon the completion of the purchase and sale of the Strata Lot on account of the Purchase Price.
  
2. **RELEASE OF DEPOSIT** If, prior to the completion of the transaction herein contemplated, the Vendor has complied with all of the requirements set out in Section 19 of the *Real Estate Development Marketing Act* in respect of a developer's use of deposits, as defined therein, the Vendor shall be entitled without any further authorization or consent of the Purchaser to the release to it of all or any portion of the Deposit and in such case the Purchaser does hereby irrevocably authorize and direct the Vendor's Solicitors to release to the Vendor so much of the Deposit as requested by the Vendor and is permissible at law.
  
3. **COMPLETION** The completion of the purchase and sale of the Strata Lot shall take place on a date (the "Completion Date") to be specified by the Vendor which is not less than ten (10) business days after the Vendor or the Vendor's Solicitors notifies the Purchaser or the Purchaser's solicitor that:
  - (a) the City of Surrey has given or is expected to give permission to occupy the Strata Lot; and
  - (b) the Strata Plan in respect of the Development has been or is expected to be fully registered in the New Westminster Land Title Office prior to the Completion Date.

Permission to occupy the Strata Lot for the purposes of this Section 3 means the initial permission given by the City of Surrey to occupy the Strata Lot whether such permission is temporary, conditional or final and is intended to refer to the occupation of the Strata Lot only and not any other strata lots in the Development or the common property within the Development. In the event any such permission is temporary or conditional, the Vendor will provide the Purchaser with the final occupancy permit issued by the City of Surrey for the Strata Lot or the Development as soon as is reasonably practicable. The notice of the Completion Date delivered by the Vendor or the Vendor's Solicitors to the Purchaser or the Purchaser's solicitor may be based on the Vendor's estimate as to when the City of Surrey is expected to give permission to occupy the Strata Lot and the Strata Plan in respect of the Development is expected to be fully registered in the New Westminster Land Title Office. If the City of Surrey has not given permission to occupy the Strata Lot, and the Strata Plan in respect of the Development has not been fully registered, on the Completion Date so specified by the Vendor, then the Vendor may delay the Completion Date from time to time as required, by notice of such delay to the Purchaser or the Purchaser's solicitor, but any such delay will not exceed, in the aggregate, ninety (90) days from the date of the originally specified Completion Date.

4. **PURCHASER'S TERMINATION OPTION** Subject to Section 6 and the last sentence of this Section 4, if the Vendor or the Vendor's Solicitors has not provided notice specifying the Completion Date by June 30, 2011 (the "Purchaser's Termination Option Date"), the Purchaser will have the right to cancel this Agreement by giving ten (10) business days written notice to the Vendor, provided such notice is received by the Vendor no later than fourteen (14) days following the Purchaser's Termination Option Date. If the Purchaser exercises this right to terminate the Agreement, this Agreement will terminate at the end of the ten (10) business day notice period, the Deposit and interest will be returned to the Purchaser and neither party will have any further obligation to the other. Notwithstanding the foregoing, the Vendor may,

INITIAL		



at its option, exercisable by notice to the Purchaser or the Purchaser's solicitor or notary, and in addition to any extension period referred to in Section 6 below and whether or not any delay described in Section 6 below has occurred, elect to extend the Purchaser's Termination Option Date from time to time, but in any event, for not more than an aggregate of two hundred and seventy (270) days.

5. **VENDOR'S TERMINATION OPTION** Notwithstanding any provision of this Agreement and except as set out in this Section 5, if by July 31, 2008 (the "Vendor's Termination Option Date"), the Vendor has not entered into agreements of purchase and sale binding upon purchasers for a minimum of 183 strata lots in the Development, the Vendor will have the right to cancel this Agreement by giving ten (10) business days written notice to the Purchaser or the Purchaser's solicitor or notary, provided that such notice is given within sixty (60) days from the Vendor's Termination Option Date. If the Vendor exercises this right to terminate the Agreement, this Agreement will terminate at the end of the ten (10) business day notice period and the Deposit and interest will be returned to the Purchaser and neither party will have any further obligation to the other. Notwithstanding the foregoing, the Vendor's Termination Option Date will automatically be extended to December 31, 2008 unless the Vendor has by September 30, 2008 provided notice to the Purchaser or the Purchaser's solicitor or notary that such extension is not required.
6. **DELAY** If the Vendor is delayed from completing the Strata Lot, depositing the Strata Plan for the Development in the Land Title Office or in doing anything the Vendor is required to do hereunder as a result of fire, explosion or accident, howsoever caused, act of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, materials or equipment, flood, act of God, delay or failure by carriers or contractors, unavailability of supplies or materials, breakage or other casualty, unforeseen geotechnical conditions, climatic conditions, acts or omissions of third parties, 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 Purchaser's Termination Option Date and the Vendor's Termination Option Date, will be extended for a period equivalent to such period of delay.
7. **INFORMATION PACKAGE AND CLOSING PROCEDURE** The Vendor's Solicitors will provide to the solicitor or notary for the Purchaser an information package setting out pertinent information respecting the matters required to be attended to by the Purchaser for the completion of the purchase of the Strata Lot. The Purchaser will cause the Purchaser's solicitor or notary to prepare and deliver to the Vendor for execution at least five (5) business days prior to the Completion Date, a Freehold Transfer in Form A under the *Land Title Act* of British Columbia in respect of the Strata Lot (the "Transfer"), a Vendor's statement of adjustments prepared in accordance with the Agreement and based on the information and directions as set out in the information package. The Vendor and the Registered Owner shall not be required to execute and deliver any other documents in connection with the completion of the purchase and sale of the Strata Lot other than the Transfer and the Vendor's statement of adjustments and, without limiting the generality of the foregoing, shall not be required to execute and deliver any resolutions, certificates or declarations of any type. The Vendor will deliver the Transfer, duly executed by the Registered Owner and in registrable form, and the Vendor's statement of adjustments approved by the Vendor, duly executed by the Vendor, to the Purchaser's solicitor or notary on or prior to the Completion Date on the condition that forthwith upon the Purchaser's solicitor or notary obtaining a post registration index search from the New Westminster Land Title Office indicating that in the ordinary course of Land Title Office procedure the Purchaser will become the registered owner of the Strata Lot subject only to subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other disposition from the Crown, registered or pending restrictive covenants and rights of way in favour of public utilities and public authorities, the encumbrances contemplated by or referred to in the Disclosure Statement (collectively, the "Permitted Encumbrances"), the encumbrances contemplated by Section 9 below, and any encumbrances relating to any financing arranged by the Purchaser, the Purchaser's solicitor or notary will cause the balance of the Purchase Price due on the Completion Date (the "Funds") to be paid to the Vendor's Solicitors by way of a **certified cheque or bank draft**. The Purchaser will ensure that the Funds will be available to the Vendor's Solicitor not later than 3:00 pm (Vancouver time) on the Completion Date.
8. **ACCEPTANCE OF TRANSFER** The Purchaser hereby agrees to accept the Transfer executed by the Registered Owner.
9. **VENDOR'S FINANCING AND BUILDERS' LIEN CLAIMS** The Transfer may be subject to the encumbrances relating to the Vendor's financing and any builders lien claims provided the Vendor's Solicitors undertake to clear title of all such encumbrances within a reasonable period of time after receiving the Funds. The Purchaser acknowledges that encumbrances relating to the Vendor's financing may remain as a charge against the common property of the

INITIAL		

Development until the Vendor has completed the sale of the balance of the strata lots in the Development whereupon the Vendor covenants such encumbrances relating to its financing will be discharged entirely.

10. **PURCHASER'S MORTGAGE** If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Vendor until after the transfer and new mortgage documents have been lodged for registration in the New Westminster Land Title Office, but only if, before such lodging, the Purchaser has:
  - (a) made available for tender to the Vendor that portion of the Purchase Price not secured by the new mortgage;
  - (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration; and
  - (c) made available to the Vendor, a lawyer's or notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.
  
11. **LIEN HOLDBACK** That portion, if any, of the balance of the Purchase Price required by law to be held back by the Purchaser in respect of builders' lien claims (the "Lien Holdback") shall be paid to the Vendor's Solicitors on the Completion Date. The Lien Holdback shall be held in trust pursuant to the *Strata Property Act* and *Builders' Lien Act* of British Columbia (or successor statutes) solely in respect of lien claims made against the Strata Lot and registered in the New Westminster Land Title Office in connection with work done or materials supplied at the behest 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 earlier of the date on which the time for filing a claim under the *Builders' Lien Act* of British Columbia (or successor statutes) expires and the 56th day 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 his or her solicitor or notary notifies the Vendor's Solicitors in writing by 2:00 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 thereto including payment of funds into court if desired by the Vendor.
  
12. **ADJUSTMENTS** The Purchaser will assume all taxes, rates, local improvement assessments, water rates and scavenging rates, assessments and maintenance fees of the strata corporation of which the Strata Lot forms a part, and all other adjustments both incoming and outgoing of whatever nature in respect of the Strata Lot shall be made, as of the Completion Date. If the amount of any such taxes, rates or assessments have been levied in respect of a parcel greater than the Strata Lot, then:
  - (a) if levied in respect of the Residential Parcel, the portion thereof which shall be allocated to the Strata Lot shall be determined by prorating the total amount among all of the strata lots in the Development on the basis of the applicable unit entitlement in each case; and
  - (b) if levied in respect of the Property as a whole, the Vendor shall in its sole discretion allocate such taxes, rates or assessments between the Residential Parcel and the remainder of the Property, and such allocation made by the Vendor shall be deemed to be conclusive as between the Vendor and the Purchaser, and the amount applicable to the Strata Lot will be prorated in the manner described at paragraph (a) above.

If any other item of adjustment is not specifically allocable to the Strata Lot, that item shall be adjusted in the manner determined by the Vendor, acting reasonably.
  
13. **COSTS** The Purchaser will pay all costs (including legal fees, property transfer tax as required under the *Property Transfer Tax Act* of British Columbia, all GST, and any social services tax payable in respect of any personal property included in the Purchase Price) in connection with the completion of the transaction contemplated by this Agreement other than costs of the Vendor incurred in clearing title to the Strata Lot.
  
14. **POSSESSION** So long as the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Strata Lot have been paid in full, the Purchaser may have vacant possession of the Strata Lot not earlier than 12:01 p.m. (Vancouver time) on the day following the Completion Date.
  
15. **RISK** The Strata Lot is to be at the risk of the Vendor until 12:01 a.m. (Vancouver time) on the Completion Date, and thereafter at the risk of the Purchaser and, in the event of loss or damage to the Strata Lot deemed material by the Vendor

INITIAL		

and occurring before such time by reason of fire, tempest, lightning, earthquake, flood, act of God or explosion which is not repaired prior to the Completion Date, either party may, at its option, by written notice to the other party cancel this Agreement and thereupon the Purchaser will be entitled to repayment of the Deposit together with all interest accrued thereon and neither the Vendor nor the Purchaser shall have any further obligation hereunder. If neither party elects to cancel this Agreement, the Purchaser will complete the purchase on the Completion Date and shall be entitled to an assignment of insurance proceeds in respect of the material loss or damage to the Strata Lot, if any, not applied by the Vendor or the insurer to the cost of repairs. All other remedies and claims of the Purchaser in the event of such damage are hereby waived.

16. **INSURANCE** The Vendor will, until and including the day preceding the Completion Date, cause the Strata Lot to be insured by insurance coverage against such risks and to such limits as, in the sole opinion of the Vendor, are reasonable.

17. **INSPECTION** The Purchaser, or a representative, and the Vendor, or a representative, 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. The parties or their representatives 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. The Purchaser acknowledges and agrees that neither the Purchaser nor the Purchaser's representatives, agents or assigns will be allowed access to the Strata Lot except for the purpose of this inspection prior to the Completion Date, except with the express written authorization of the Vendor. If the Purchaser fails to inspect the Strata Lot as required, or fails to sign the list of defects and deficiencies, or if there is any dispute as to defects or deficiencies, the project architect for the Development shall settle the list of defects and deficiencies or the matter in dispute, it being agreed that such determination by the project architect shall be binding upon the parties and need not occur prior to the Completion Date. The Vendor will remedy the defects or deficiencies noted on the list, or as settled by the project architect, as soon as reasonably possible after the Completion Date to the satisfaction of the project architect, and the parties agree that notwithstanding the existence of any defects or deficiencies on the Completion Date, such shall not permit the Purchaser to elect not to complete the purchase of the Strata Lot and there shall be no deficiency holdback in respect of any defects or deficiencies which may exist on the Completion Date.

18. **ACCESS** Except as expressly contemplated by Section 17 above, in order to ensure compliance with the Vendor's safety guidelines for the construction site, neither the Purchaser nor the Purchaser's agents or representatives will under any circumstances be permitted to inspect the Strata Lot or to enter the construction site prior to the Completion Date.

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

- (a) cancel this Agreement by written notice to the Purchaser and in such event the amount theretofore paid by the Purchaser and all accrued interest shall be absolutely forfeited to the Vendor as liquidated damages (the Vendor and Purchaser hereby agreeing that such amount constitutes a genuine pre-estimate of the damages which the Vendor will suffer as a consequence of the Purchaser's default) and the Vendor shall be entitled to be paid such amount upon written demand therefor by the Vendor. The Purchaser agrees that the Vendor will be entitled absolutely to any deposit and all accrued interest and hereby irrevocably appoints the Vendor as its agent to advise the deposit-holder to pay the sum forfeited to the Vendor; or
- (b) elect to 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 18% per annum from the date upon which such portion and amounts were due to the date upon which such portion and amounts are paid.

The Vendor may so cancel this Agreement at any time after such default by the Purchaser, even if the Vendor has previously elected to complete the transaction.

20. **AMENDMENT TO DISCLOSURE STATEMENT** The Vendor acknowledges its obligation to deliver to the Purchaser an amendment to the Disclosure Statement or a restatement of the Disclosure Statement (the "Amendment") setting out particulars of the issued building permit for the Development and the particulars of a financing commitment for the Development. The Vendor agrees that this Agreement is terminable at the option of the Purchaser for a period of seven (7) days after receipt of the Amendment if the layout or size of the Strata Lot, construction of a major common

INITIAL		

facility, or the general layout of the Development, is materially changed by the issuance of the building permit. The Vendor also agrees that if the Amendment is not received by the Purchaser within twelve (12) months after the filing of the Disclosure Statement, the Purchaser may at his or her option cancel this Agreement at any time after the end of that 12 month period until the Amendment is received by the Purchaser. If the Purchaser elects to terminate this Agreement as aforesaid then the Purchaser will be entitled to repayment of the Deposit together with all interest accrued thereon forthwith after providing notice of termination to the Vendor and there will be no further obligations as between the Vendor and the Purchaser.

21. **PURCHASER'S ACKNOWLEDGEMENTS** The Purchaser by the execution of this Agreement acknowledges and agrees that:

- (a) the civic addresses of the buildings in the Development, the suite and strata lot number assigned to the Strata Lot, and the addresses assigned to the Development as of the date hereof are all subject to change at the discretion of the Vendor, without compensation to the Purchaser;
- (b) the actual size and dimensions of the Strata Lot will vary somewhat from what is depicted on the draft Strata Plan attached as Exhibit "A" to the Disclosure Statement and the architectural plans and specifications. The areas, dimensions, lot lines and location of the Strata Lot set out on the draft Strata Plan, and in sales brochures, advertisements, websites or other marketing materials, are provided for information purposes only and are not represented as being the actual final areas, dimensions, lot lines or location of the Strata Lot. The Vendor reserves the right to and may make, from time to time, modifications to the Vendor's plans, specifications, proposed materials or features in, to or for the Development, including without limitation, modifications to the siting of the Strata Lot, the numbering of the Strata Lot and the layout, area and the floor plans of the Strata Lot, and use alternative materials, all as are desirable and reasonable in the opinion of the Developer or its architects, and the Purchaser acknowledges and agrees that the plans, specifications, materials, features and designs as may be illustrated or reflected in any sales material, models, display suites, etc. shown to the Purchaser are for illustration purposes only and are not a representation of the Vendor, are not to be relied on by the Purchaser and do not form a collateral obligation of the Vendor;
- (c) this Agreement shall remain in full force and effect notwithstanding that the building plans and specifications (including without limitation features, design, materials, layout, location, size and number of windows and doors and common facilities) may be varied by the Vendor, as deemed desirable and reasonable in the sole opinion of the Vendor and/or the Vendor's architects, or as may be required by any authorities having jurisdiction in respect thereof between the date of this Agreement and the Completion Date, and that in any such event the Purchaser shall have absolutely no claim or cause of action against the Vendor;
- (d) should certain materials not be available to the Vendor for installation in time for the Vendor's scheduled installation date, the Vendor reserves the right to select substitute materials of equal or better grade, at the Vendor's discretion;
- (e) the Purchaser is aware that the monthly strata corporation assessment as set out in Exhibit "E" to the Disclosure Statement is an estimate only;
- (f) the Vendor's display centre and the displays and representations of the display centre are representative of the general finishing and design style of the Development only. Actual design, specifications, materials, finishing, features, room dimensions, room configurations and layouts may vary;
- (g) models, images and view representations in the Vendor's display centre, including any display centre mockups, and in the marketing materials, advertisements and websites for the Development are not actual and are intended only to convey the general character of the Development and of the neighbourhood in which the Development will be situate and the general view outlooks that may be available from various locations within the completed Development. View representations cannot be relied upon to be representative of actual views available from any perspective within the completed Development;
- (h) neither the Purchaser nor the Strata Corporation or the Development will be entitled to any rights of any kind in connection with the use of any name and any marks relating to the Retail Component as referred to in the

INITIAL		

Disclosure Statement, including without limitation any right in the name and logo “Morgan Crossing”, and any names incorporating same and any related marks and logos;

- (i) the Vendor and any future owner of the Retail Component as described in the Disclosure Statement has reserved the right to amend the layout, size, dimensions, parking areas, loading bays, and vehicular and pedestrian access ways of the Retail Component, to alter the boundaries of the Retail Component by the addition or subtraction of land or airspace parcel, to make changes in and to the features and design of the Retail Component, to construct additions to the existing improvements comprising the Retail Component, and to construct additional buildings and improvements which will comprise part of the Retail Component, all at any time and from time to time, and acknowledges and agrees that neither the Purchaser nor the Strata Corporation or the Development will be entitled to any claim for damages alleged to arise or arising in connection thereto and will not have any claim for nuisance, inconvenience or loss to the Purchaser, the Strata Corporation or the Development in connection thereto.

22. **AREA OF THE STRATA LOT** If the area of the Strata Lot is more than 3% smaller than indicated for the Strata Lot in the Disclosure Statement, when measured in the same manner as provided therein, the Purchase Price will be reduced by an amount determined under the formula:

R = (.97 - A/P) x the Purchase Price

where:

- R = the amount of the reduction of the Purchase Price in accordance with this Section 22;
- A = the actual area of the Strata Lot when measured in the same manner as provided in the Disclosure Statement; and
- P = the area of the Strata Lot as indicated in the Disclosure Statement.

If the Strata Lot is smaller by more than 10% than indicated for the Strata Lot in the Disclosure Statement, then the Purchaser may, by written notice to the Vendor, elect to have the Purchase Price adjusted as aforesaid or cancel this Agreement. If the Purchaser elects to cancel the Agreement, the Deposit and any interest accrued thereon will be paid to the Purchaser and there will be no further obligations as between the Vendor and the Purchaser. If the Purchaser elects to complete the purchase of the Strata Lot, the Purchaser will have no claim against the Vendor other than for adjustment to the Purchase Price as aforesaid.

23. **NOTICES** Any notice to be given to the Purchaser will be well and sufficiently given if deposited in any post office in Greater Vancouver Regional District, British Columbia, postage prepaid addressed or delivered by hand or transmitted by facsimile or other means of electronic communication to the Purchaser’s solicitor or notary at his or her office or the Purchaser at the Purchaser’s address as set out above, or to such other address as the Purchaser may have last notified the Vendor in writing. Such notice shall be deemed to have been received if delivered, when delivered, and if mailed, on the fourth business day (exclusive of Saturdays, Sundays and statutory holidays) after such mailing, and if transmitted by facsimile or other means of electronic communication, after confirmation of successful transmittal by print out from sender’s machine.

24. **TENDER** Any tender of documents or money under this Agreement may be made upon the solicitor or notary acting for the party upon whom tender is desired and it shall be sufficient that a negotiable certified cheque or bank draft drawn on a Canadian chartered bank is tendered instead of cash.

25. **NO ASSIGNMENT BY PURCHASER** Subject to Sections 26 and 27 below, the Purchaser will not sell or assign its rights, benefits and obligations under this Agreement.

26. **ASSIGNMENT TO RELATED INDIVIDUAL** The Purchaser may assign its rights, benefits and obligations under the Agreement to a Related Individual or Individuals provided that:

- (a) if the Vendor receives notices of the assignment more than forty-eight (48) hours after acceptance of this Agreement by the Vendor, an administrative fee equal to \$1,000.00 plus GST is paid by the Purchaser to the Vendor; and

INITIAL		

- (b) the Related Individual and the Purchaser enter into an assignment agreement and a consent agreement, the forms of which are to be obtained from the Vendor, wherein:
  - (i) the Related Individual agrees to assume all the obligations of the Purchaser under this Agreement;
  - (ii) the Deposit is assigned to and deemed to belong to the Related Individual as if the Deposit was paid by the Related Individual to the Vendor under this Agreement; and
  - (iii) the Related Individual has confirmed receipt, and the opportunity to read, the Disclosure Statement and each amendment thereto;

and a copy of each agreement is delivered to the Vendor.

- (c) For the purposes of this Agreement, "Related Individual" means:
  - (i) a child, grandchild, parent or grandparent of the Purchaser;
  - (ii) a spouse of the Purchaser or any one of the individuals described in paragraph (i) above; or
  - (iii) a company in which the Purchaser or any of the individuals described in paragraphs (i) or (ii) above has a controlling interest.

27. **ASSIGNMENT TO THIRD PARTY** The Purchaser hereby agrees that the Purchaser will not assign its rights, benefits and obligations under the Agreement without the prior written consent of the Vendor, which consent may be arbitrarily withheld in the Vendor's sole discretion, until the Purchaser has received written notice from the Vendor that every strata lot in the Development has been sold. Following receipt of such notice, the Purchaser may assign its rights, benefits and obligations under the Agreement to a person other than a Related Individual (the "Third Party") provided that:

- (a) an assignment fee equal to one and one-half percent (1.5%) of the Purchase Price plus GST is paid by the Purchaser to the Vendor; and
- (b) the Third Party and the Purchaser enter into an assignment agreement and a consent agreement, the forms of which are to be obtained from the Vendor, wherein:
  - (i) the Third Party agrees to assume all the obligations of the Purchaser under the Agreement;
  - (ii) the Deposit is assigned to and deemed to belong to the Third Party as if the Deposit was paid by the Third Party to the Vendor under this Agreement; and
  - (iii) the Third Party has confirmed receipt, and the opportunity to read, the Disclosure Statement and each amendment thereto;

and a copy of each agreement is delivered to the Vendor.

The Purchaser hereby covenants and agrees that it will not advertise or solicit offers from the public, nor directly or indirectly permit any third party to so advertise, solicit or list the Strata Lot on any listing service, including any multiple listing service, with respect to any resale, lease, or assignment of the Purchaser's interest in the Strata Lot prior to the Completion Date without the prior written consent of the Vendor, which consent may be refused by the Vendor in the Vendor's sole discretion.

The Purchaser hereby agrees to obtain their own legal, tax and accounting advice in respect of entering into such assignment and shall provide the Vendor with any documentation reasonably required by the Vendor.

28. **LIABILITY OF PURCHASER** In the event of an assignment in accordance with either Section 26 or 27, the Purchaser will remain fully liable under the Agreement and such assignment will not in any way relieve the Purchaser of its obligations under this Agreement.

INITIAL		

29. **ASSIGNMENT BY VENDOR** The Vendor will be entitled to sell and/or assign its rights, benefits and/or obligations under this Agreement without the consent of the Purchaser. In such case, the Purchaser acknowledges and confirms that:
- (a) the new developer will be the assignee of the Vendor; and
  - (b) other entities involved in the development of the Development may sell and/or assign their interest in the Development.
30. **CONTRACTUAL RIGHTS ONLY** This offer and the agreement which results from its acceptance creates contractual rights only and not any interest in land, and the Purchaser hereby acknowledges and agrees that the Purchaser shall not under any circumstances be entitled or become entitled to register any charge, encumbrance or notice against title to the Property or the Strata Lot in respect of or pertaining to this Agreement or the Strata Lot including, without limitation, a certificate of pending litigation.
31. **COMMISSIONS** In the event that the Purchaser does not complete the purchase and sale of the Strata Lot on the Completion Date, the Purchaser hereby irrevocably authorizes the Vendor to deduct from the Deposit the amount of the pre-paid commission paid by the Vendor to the Purchaser's real estate agent, plus all legal fees and administrative costs related to the failure of the Purchaser to complete.
32. **PRIVACY CONSENT**
- (a) The Purchaser consents to the collection, use and disclosure of personal information contained in this Agreement and otherwise collected by or on behalf of the Vendor and its agents, affiliates and service providers (collectively, the "Information") for the following purposes:
    - (i) to complete the transaction contemplated by this Agreement, including investment of the Deposit;
    - (ii) to engage in business transactions, including securing financing for the construction of the Development; and
    - (iii) to market, sell, provide and inform the Purchaser of the Vendor's product and services, including information about future projects.
  - (b) The Purchaser consents to the collection, use and disclosure of the Information to agents, contractors and service providers of the Vendor and its affiliates in connection with the above purposes.
33. **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.
34. **ENUREMENT** This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.
35. **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 Agreement.
36. **GOVERNANCE** This contract shall be governed and construed in accordance with the laws of the Province of British Columbia. The Purchaser hereby irrevocably agrees to attorn to the jurisdiction of the Province of British Columbia in respect of any and all matters pertaining to or connected with this Agreement or the Strata Lot.
37. **SURVIVAL** The rights and obligations of the parties contained herein and in the Disclosure Statement will continue and will not be merged with the completion of the sale and purchase of the Strata Lot on the Completion Date.
38. **CONSTRUCTION** All words in this Agreement will be read and construed in the singular, plural, masculine, feminine or body corporate, as the context may require.
39. **COLOUR SCHEME/FINISHING MATERIAL PACKAGE** The Purchase Price includes the installation of the standard colour scheme and finishing material package selected by the Purchaser as set out in Schedule "B" hereto. If the

INITIAL		

Purchaser does not select one of the 3 colour schemes and finishing material packages set out in Schedule “B” upon execution of this Agreement, the Purchaser will, on or before that date which is ten (10) days after the Acceptance Date, advise the Vendor in writing as to which of the 3 standard colour schemes and finishing material packages the Purchaser has selected, failing which, the Vendor will select one of the standard 3 colour schemes and finishing material packages and will advise the Purchaser as to the Vendor’s selection. The Developer reserves the right and may make changes in and to the features, design and specification of the standard finishing material package and may use alternative materials of equal or better quality, all as are desirable and reasonable in the opinion of the Developer or its architects.

40. **EXECUTION AND ADDENDUMS** This Agreement may be executed and delivered in one or more counterparts or facsimile counterparts, or transmitted by facsimile or other means of electronic communication Any Addendum to this Agreement, if completed and signed by both the Purchaser and the Vendor, forms a part of this Agreement.

41. **ENTIRE AGREEMENT** This Agreement shall constitute the entire agreement between the Vendor and the Purchaser and there are no representations, warranties, conditions, guarantees, promises, agreements or previous statements made by any person or agent (including, without limitation, arising out of marketing materials, sales brochures, displays, photographs, drawings or any other materials provided to or viewed by the Purchaser) other than those contained in this Agreement and the Disclosure Statement. No modification of this Agreement shall be valid unless made in writing and signed by the parties hereto.

INITIAL		





**SCHEDULE "B"**  
**COLOUR SCHEME/FINISHING MATERIAL PACKAGE**

Selection pursuant to Section 39 of this Agreement:

The Purchaser, \_\_\_\_\_, hereby chooses the following colour scheme and finishing material package for the Strata Lot, which the Vendor will provide at no additional cost (pick one selection only):

VERVE \_\_\_\_\_  
[initial]

VIBE \_\_\_\_\_  
[initial]

ZEAL \_\_\_\_\_  
[initial]

The Purchaser understands that the Vendor will also be providing the following finishing options (the "Finishing Options") to the Purchaser, at the Purchaser's cost:

- Engineered Hardwood Flooring

If the Purchaser is unable to select the Finishing Options within \_\_\_\_\_ days after Acceptance Date, the Finishing Options will not be available thereafter.

INITIAL		



Building \_\_\_\_\_ Strata Lot \_\_\_\_\_ Suite No \_\_\_\_\_

**THE RESIDENCES AT MORGAN CROSSING**

**ADDENDUM  
AGENCY REPRESENTATION**

Date : \_\_\_\_\_

Further to the Offer To Purchase and Agreement of Purchase and Sale (the "Agreement") dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ between Larco Investments Ltd. (the "Vendor") and \_\_\_\_\_ (the "Purchaser") in respect of proposed Strata Lot \_\_\_\_\_, (the "Strata Lot"), Suite No. \_\_\_\_\_, Building \_\_\_\_\_ in the development known as "The Residences at Morgan Crossing" to be constructed on lands presently located at 15735, 15745, 15765, 15775, 15785 and 15795 Croydon Drive and 15850 – 26<sup>th</sup> Avenue , in the City of Surrey, Province of British Columbia, the undersigned hereby agree as follows:

**AGREEMENT OF AGENCY REPRESENTATION**

1. The Vendor and the Purchaser acknowledge having received, read and understood the brochure published by the B.C. Real Estate Association entitled "Working with a Realtor" and acknowledge and confirm that:
  - (a) the Vendor has an agency relationship with Maverick Real Estate Corporation (the "Listing Brokerage") -; and
  - (b)
    - The Purchaser has no agency relationship
    - OR
    - The Purchaser has an agency relationship with \_\_\_\_\_ as brokerage ("Selling Brokerage") and \_\_\_\_\_ as their representative
  
2. The Purchaser further acknowledges to the Vendor and to the Listing Brokerage that \_\_\_\_\_ (the "Vendor's Representative") has disclosed to the Purchaser the agency relationship between the Listing Brokerage and the Vendor and that while fully representing the Vendor with respect to loyalty, disclosure, confidentiality and diligence, the Vendor's Representative and Listing Brokerage are committed to providing the following customer services to the Purchaser:
  - (a) full disclosure of all relevant information;
  - (b) full explanation of all forms and contracts used in this transaction; and
  - (c) full assistance with preparation and presentation of this Agreement.

This Addendum forms a part of and is subject to the terms and conditions set out in the Agreement. The Agreement, as amended by this Addendum, remains in full force and effect, and all terms and conditions in the Agreement remain the same, except to the extent expressly amended by this Addendum. This Addendum may be executed and transmitted via fax or other electronic means.

**LARCO INVESTMENTS LTD.**

\_\_\_\_\_  
Witness: Purchaser

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

\_\_\_\_\_  
Witness: Purchaser

# THE RESIDENCES AT MORGAN CROSSING

## DISCLOSURE STATEMENT

### REAL ESTATE DEVELOPMENT MARKETING ACT OF BRITISH COLUMBIA

(the "Act")

DATED October 9, 2007

*This Disclosure Statement is with respect to an offering by LARCO INVESTMENTS LTD. for the sale of strata lots located at property currently having civic addresses at 15705, 15707, 15745, 15759, 15779, 15827, 15831 and 15843 Croydon Drive, and 15879, 15891 and 15909 – 24<sup>th</sup> Avenue, Surrey, British Columbia (the "Property"), in a development known as "The Residences at Morgan Crossing".*

**DEVELOPER:**

**Name:**

**LARCO INVESTMENTS LTD.**

(the "Developer")

**Address for Service:**

c/o Parolin & Company  
Barristers and Solicitors  
1908 Cathedral Place  
925 West Georgia Street  
Vancouver, British Columbia V6C 3L2

**Head Office and Mailing Address:**

3<sup>rd</sup> Floor, 100 Park Royal  
West Vancouver, British Columbia V7T 1A2

**AGENT OF THE DEVELOPER:**

Platinum Project Marketing Group  
MacDonald Realty Ltd.  
2105 West 38<sup>th</sup> Avenue  
Vancouver, British Columbia V6M 1R8

The Developer reserves the right to appoint additional or replacement agents or subagents.

#### DISCLAIMER

This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether the Disclosure Statement contains a misrepresentation or otherwise fails to comply with the requirements of the *Real Estate Development Marketing Act*. It is the responsibility of the Developer to disclose plainly all material facts, without misrepresentation.

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

# THE RESIDENCES AT MORGAN CROSSING

## RIGHT OF RESCISSION

**Under section 21 of the *Real Estate Development Marketing Act* (the “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 the 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 broker, if any, at the address shown in the disclosure statement received by the purchaser, or**
- (d) the developer’s broker, if any, at the address shown in the purchaser’s purchase agreement.**

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

# **THE RESIDENCES AT MORGAN CROSSING**

## **DISCLOSURE STATEMENT SALE OF STRATA LOTS PRIOR TO OBTAINING BUILDING PERMIT**

### **NOTICE TO PURCHASERS UNDER POLICY STATEMENT 5 OF THE *REAL ESTATE DEVELOPMENT MARKETING ACT* (BRITISH COLUMBIA)**

**Pursuant to Policy Statement 5, the Superintendent will accept for filing Disclosure Statements where the developer has been granted development approval prior to the issuance of a building permit, provided that:**

- 1. The estimated date, as disclosed in the Disclosure Statement, for the issuance of a building permit, is 9 months or less from the date the developer filed the Disclosure Statement with the Superintendent;**
- 2. The Developer markets the proposed development units under the Disclosure Statement for a period of no more than 9 months from the date the Disclosure Statement was filed with the Superintendent, unless an amendment to the Disclosure Statement that sets out particulars of the issued building permit is filed with the Superintendent during that period;**
- 3. Any purchase agreement used by the Developer, with respect to any development unit offered for sale or lease before the purchaser's receipt of an amendment to the Disclosure Statement that sets out particulars of the issued building permit, contains the following provisions:**
  - (a) The purchaser may cancel the purchase agreement for a period of seven days after receipt of an amendment to the Disclosure Statement that sets out particulars of the issued building permit if the layout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the building permit;**
  - (b) If an amendment to the Disclosure Statement that sets out particulars of an issued building permit is not received by the purchaser within 12 months after the initial disclosure statement was filed, the purchaser may at his or her option cancel the purchase agreement at any time after the end of that 12 month period until the required amendment is received by the purchaser, at which time the purchaser may cancel the purchase agreement for a period of seven days after receipt of that amendment only if the layout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the building permit;**
  - (c) The amount of the deposit to be paid by a purchaser who has not yet received an amendment to the disclosure statement that sets out particulars of an issued building permit is no more than 10% of the purchase price; and**
  - (d) All deposits paid by a purchaser, including interest earned if applicable, will be returned promptly to the purchaser upon notice of cancellation from the purchaser.**

# **THE RESIDENCES AT MORGAN CROSSING**

## **DISCLOSURE STATEMENT SALE OF STRATA LOTS PRIOR TO OBTAINING FINANCING**

### **NOTICE TO PURCHASERS UNDER POLICY STATEMENT 6 OF THE *REAL ESTATE DEVELOPMENT MARKETING ACT* (BRITISH COLUMBIA)**

Pursuant to Policy Statement 6, the Superintendent will accept for filing Disclosure Statements where the developer has yet to obtain any commitment as to financing, provided that:

1. The estimated date for obtaining a satisfactory financing commitment, as disclosed in the disclosure statement, is 9 months or less from the date the developer filed the disclosure statement with the superintendent;
2. The developer markets the proposed development units under the disclosure statement for a period of no more than 9 months from the date the disclosure statement was filed with the superintendent, unless an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment is filed with the superintendent during that period;
3. Any purchase agreement used by the developer, with respect to any development unit offered for sale or lease before the purchaser's receipt of an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment, contains the following terms:
  - (a) If an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment is not received by the purchaser within 12 months after the initial disclosure statement was filed, the purchaser may at his or her option cancel the purchase agreement at any time after the end of that 12 month period until the required amendment is received by the purchaser;
  - (b) The amount of the deposit to be paid by a purchaser who has not yet received an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment is no more than 10% of the purchase price; and
  - (c) All deposits paid by a purchaser, including interest earned if applicable, will be returned promptly to the purchaser upon notice of cancellation from the purchaser.

**TABLE OF CONTENTS**

<b>1.</b>	<b>THE DEVELOPER .....</b>	<b>6</b>
1.1	Jurisdiction and Origin.....	6
1.2	Purpose and Assets .....	6
1.3	Registered and Records Office Addresses.....	6
1.4	Directors.....	6
1.5	Background of Developer, Directors, Officers and Shareholders .....	6
1.6	Disclosure of Interest in the Retail Component.....	7
<b>2.</b>	<b>GENERAL DESCRIPTION .....</b>	<b>7</b>
2.1	General Description of the Development .....	7
2.2	Use of the Strata Lots.....	12
2.3	Not a Phased Development.....	12
<b>3.</b>	<b>STRATA INFORMATION.....</b>	<b>12</b>
3.1	Unit Entitlement.....	12
3.2	Voting Rights.....	12
3.3	Common Property and Facilities .....	12
3.4	Limited Common Property .....	14
3.5	Bylaws .....	15
3.6	Parking Facilities .....	15
3.7	Furnishings and Equipment .....	16
3.8	Budget.....	16
3.9	Utilities and Services .....	18
3.10	Strata Management Contracts.....	19
3.11	Insurance.....	19
3.12	Rental Disclosure Statement.....	20
3.13	Cost Sharing for Shared Systems, Facilities and Services.....	20
3.14	Bicycle/Storage Lockers .....	21
3.15	Cancellation of Strata Plan and Winding-Up of Strata Corporation .....	21
<b>4.</b>	<b>TITLE AND LEGAL MATTERS .....</b>	<b>21</b>
4.1	Legal Description .....	21
4.2	Ownership.....	22
4.3	Existing Encumbrances and Legal Notations .....	22
4.4	Proposed Encumbrances .....	23
4.5	Outstanding or Contingent Litigation or Liabilities .....	25
4.6	Environmental Matters .....	25
<b>5.</b>	<b>CONSTRUCTION AND WARRANTIES.....</b>	<b>26</b>
5.1	Construction Dates.....	26
5.2	Warranties.....	26
5.3	Previously Occupied Building.....	26

6.	<b>APPROVALS AND FINANCES .....</b>	<b>26</b>
6.1	Development Approval.....	26
6.2	Construction Financing.....	27
7.	<b>MISCELLANEOUS.....</b>	<b>27</b>
7.1	Deposits .....	27
7.2	Purchase Agreement .....	28
7.3	Other Material Facts .....	29
7.4	Use of Portions of Development for Marketing Purposes.....	30
7.5	Documents to be Delivered to the Strata Corporation.....	30

**EXHIBITS TO DISCLOSURE STATEMENT**

Exhibit “A”	Draft Strata Plan
Exhibit “B”	Proposed Unit Entitlement for the Strata Lots in Form V under the <i>Strata Property Act</i> of British Columbia
Exhibit “C”	Proposed Shared Systems, Facilities and Services and Cost Sharing Estimates
Exhibit “D”	Form Y, Bylaw Amendments
Exhibit “E”	Budget and Monthly Assessments
Exhibit “F”	Rental Disclosure Statement
Exhibit “G”	Summary of Existing Encumbrances and Legal Notations
Exhibit “H”	Form of Purchase Agreement



## **1 THE DEVELOPER**

### **1.1 Jurisdiction and Origin**

The Developer is Larco Investments Ltd., a company amalgamated under the laws of British Columbia on December 1, 1992 under No. BC0436664.

Morgan Crossing Properties Ltd. is the registered owner of the Property (as described below at Section 4.1) and holds the Property in trust, as agent and nominee for the Developer.

### **1.2 Purpose and Assets**

The Developer is a company involved in various real estate activities, including, without limitation, real estate investment and development. The Developer owns assets other than the lands upon which the Residences at Morgan Crossing (the "Development") is to be constructed.

### **1.3 Registered and Records Office Addresses**

The registered and records office address of the Developer is: Suite 1908 – 925 West Georgia Street, Vancouver, BC V6C 3L2.

### **1.4 Directors**

The directors of Larco Investments Ltd. are Aminmohamed J. Lalji and Mansoor Lalji.

Mr. Aminmohamed J. Lalji and Mr. Mansoor Lalji are required by Section 14 of the Act and Section 9 of the regulations thereto to sign this Disclosure Statement dated October 9, 2007 (the "Disclosure Statement").

### **1.5 Background of Developer, Directors, Officers and Shareholders**

- (a) The Developer, either directly through affiliated corporations, and its officers and directors, have 30 years of experience in the development industry. This experience includes the development of residential strata and hotel strata development properties, as well as shopping centre and self storage facility development properties, and the development of mixed-used properties.
- (b) Neither the Developer, nor any shareholder of the Developer, nor any director or officer of the Developer or any shareholder of the Developer, within the ten (10) years before the date of the Developer's declaration attached to this Disclosure Statement, has 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.
- (c) Neither the Developer, nor any shareholder of the Developer, nor any director or officer of the Developer or any shareholder of the Developer, within the five (5) 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 relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

- (d) No director, officer or shareholder of the Developer, nor any director or officer of any shareholder of the Developer, within the five (5) years prior to the date of the Developer's declaration attached to this Disclosure Statement, has been a director, officer or shareholder of any other developer that, while that person was acting in that capacity, that other developer:
- (i) was subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud, or
  - (ii) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

## **1.6 Disclosure of Interest in the Retail Component**

As disclosed below in this Disclosure Statement, the Developer will be concurrently developing the Retail Component (as described below in Subsection 2.1(b)) and, once the Retail Component has been constructed, the Retail Component will be operated as a retail shopping centre. As such, the Developer on its own behalf, and on behalf of any and all future owners of the Retail Component, has an interest in ensuring that the Retail Component will be able to be operated as a shopping centre in the normal course and that the Residential Component, and the owners, occupants and tenants within the Residential Component, will not adversely affect the normal operation of the Retail Component. As a result, the encumbrances in favour of the Retail Component described below at Subsection 4.4(f) of this Disclosure Statement will be registered against title to the Residential Component. Otherwise, the Developer is not aware of any existing or potential conflicts of interest among the Developer, the Manager (as defined below at Section 3.10), any directors, officers and shareholders of the Developer and Manager, any directors and officers of such shareholders, and any person providing goods or services to the Developer, Manager or owners of the Strata Lots in connection with the Development which could reasonably be expected to affect the purchase decision of any purchaser of a Strata Lot.

## **2 GENERAL DESCRIPTION**

### **2.1 General Description of the Development**

#### **(a) Location of Development**

The Development will consist of 268 residential strata lots, all of which will be offered for sale by the Developer pursuant to this Disclosure Statement (the "Strata Lots"). The Development will be located within 6 separate buildings (the "Buildings") at property currently having civic addresses at 15705, 15707, 15745, 15759, 15779, 15827, 15831 and 15843 Croydon Drive, and 15879, 15891 and 15909 – 24<sup>th</sup> Avenue, Surrey, British Columbia.

The proposed initial civic addresses of the 6 Buildings, which will be referred to as The Cedar Building, The Dogwood Building, The Elm Building, The Fir Building, The Greenheart Building and The Hemlock Building are as follows:

- (i) The Cedar Building: 15735 Croydon Drive;
- (ii) The Dogwood Building: 15765 Croydon Drive;
- (iii) The Elm Building: 15745 Croydon Drive;
- (iv) The Fir Building: 15775 Croydon Drive;
- (v) The Greenheart Building: 15785 Croydon Drive; and
- (vi) The Hemlock Building: 15795 Croydon Drive.

The civic addresses of the Development may be amended by the City of Surrey (the “City”) and the Developer reserves the right to change the civic addresses from time to time.

**(b) General Description**

The Development will be part of an integrated retail commercial and residential project (the “Project”) which will be carried out by the Developer on the Property. The Development will comprise only the residential component (the “Residential Component”) of the Project. The Development will be comprised of the top three (3) storeys of each of the Buildings, which storeys will be of wood frame construction, a lobby (each, a “Lobby” and collectively, the “Lobbies”), and certain other Common Property described below at Subsection 3.3(a) comprising part of the first storey (that is, ground floor) of each of the Buildings, and will include a one level underground concrete parking structure with a total of approximately 440 parking stalls (the “Parking Facility”). The balance of the first storey (that is, the ground floor) of each Building will be comprised of concrete commercial and retail units which will not form part of the Development but, rather, will form part of the Retail Component described below.

The Developer intends to subdivide the Property to create three legal parcels:

- (i) an airspace parcel (the “Residential Parcel”) within which the Strata Lots will be constructed;
- (ii) a further airspace parcel (the “Second Residential Airspace Parcel”) within which a future residential strata development may, at the Developer’s sole option, be constructed; and
- (iii) the remainder of the Property (the “Remainder Parcel”) upon and within which, and together with additional lands owned by Morgan Crossing Properties Ltd. in trust for the Developer which are located to the south of Croydon Drive (the “South Parcel”), the Developer will construct a retail shopping centre (collectively, the “Retail Component”).

The Developer at its sole option may only subdivide the Property into the Residential Parcel and the Remainder Parcel and not create the Second Residential Airspace Parcel.

The Residential Parcel will be volumetric, with its height, length and width defined on the airspace subdivision plan which will be registered at the Lower Mainland Land Title Office (the "Land Title Office") to create the Residential Parcel and will include all horizontal membrane areas in and around all areas separating the Residential Parcel (which will include the Parking Facility) from the Retail Component, including those areas above and below the Retail Component, and the Residential Component will be responsible for the repair, maintenance and replacement of all such membrane areas.

The Residential Parcel will then be subdivided by a strata plan to create the Strata Lots. Subject to Subsection 2.1(c) below, the legal description of the Development will be Strata Lots 1 to 268, inclusive, of a proposed strata plan subdivision of the Residential Parcel.

A reduced copy of the draft strata plan (the "Draft Strata Plan") is attached as Exhibit "A" to this Disclosure Statement. Subject to Subsection 2.1(c) below, the approximate location and layout of the Development and the approximate dimensions, layout and areas of the Strata Lots, Limited Common Property (as defined below) and Common Property (as defined below) are shown on the Draft Strata Plan. The final strata plan (the "Final Strata Plan") will be prepared upon completion of the construction of the Development and the Strata Lots will be created upon the deposit and registration of the Final Strata Plan in the Land Title Office. The dimensions, lot lines, layouts and locations of the Strata Lots and the dimensions, layouts and locations of the Limited Common Property and the Common Property on the Final Strata Plan may vary from those shown on the Draft Strata Plan when construction is completed.

The owners of the Strata Lots (the "Owners") will each be entitled to a proportionate share of the Common Property of the Development, including the common facilities and other assets of the strata corporation (the "Strata Corporation") to be created upon the deposit of the Final Strata Plan in the Land Title Office, which the Owners will own as tenants in common. Each Owner's entitlement to a proportionate share of the Common Property of the Development and the common facilities and other assets of the Strata Corporation is subject to the bylaws of the Strata Corporation, any designations of Common Property as Limited Common Property, and any licenses, easements, leases, rights of way, equitable charges, covenants or any other encumbrances or charges described in this Disclosure Statement which are granted by the Developer prior to the registration of the Final Strata Plan or by the Strata Corporation once the Final Strata Plan is registered in the Land Title Office and the Strata Corporation is formed.

Subject to Subsection 2.1(c) below, it is expected the Strata Lots will be of the following types:

<u>Type of Strata Lot</u>	<u>Number</u>
one bedroom	37
one bedroom and den	80
two bedrooms	125
two bedrooms and den	13
three bedrooms	13

Also subject to Subsection 2.1(c) below, it is expected that the number of Strata Lots in each Building will be as follows:

<u>Building</u>	<u>Number</u>
The Cedar Building	59
The Dogwood Building	50
The Elm Building	66
The Fir Building	33
The Greenheart Building	24
The Hemlock Building	36

As generally described above, the Buildings will include both the Residential Component and the Retail Component, with the Residential Component being comprised of the second, third and fourth storey of each Building, a Lobby and certain other Common Property described below at Subsection 3.3(a) comprising a portion of the first (ground) floor of each Building, and the Parking Facility below each Building. As a result, and since the Residential Component will be physically integrated with the Retail Component, there will be some integrated and shared utility and base building services which are described below at Subsection 3.3(c) and Sections 3.13 and 4.4 of this Disclosure Statement.

The Retail Component will be comprised of the first (ground) floor of each of the six (6) Buildings (excluding the Lobbies, the elevator shafts and other portions of the Development connecting the Parking Facilities to the second floor of each Building, and certain other Common Property of the Development described below at Subsection 3.3(a)), in addition to a two (2) storey commercial/retail building and two restaurant buildings located within the Remainder Parcel, and a one-storey commercial/retail building, two restaurant buildings and a one level underground parking facility for the exclusive use of the Retail Component located within the South Parcel. The Retail Component will also include all surface parking and loading bay areas, all of which will not comprise part of the Residential Component or the Development. The Developer and any future owner of the Retail Component reserves the right to amend the layout, size, dimensions, parking areas, loading bays, and vehicular and pedestrian access ways of the Retail Component, to make changes in and to the features and design of the Retail Component, to construct additions to the existing improvements comprising the Retail Component, and to construct additional buildings and improvements which will comprise part of the Retail Component, all at any time and from time to time.

As a result of the integrated nature of the Project, and as more particularly described at Subsection 4.4(f) below, the Strata Corporation and the Owners will require the prior written approval of the owner of the Retail Component from time to time prior to changing or modifying the exterior layout or exterior appearance of the Buildings or Development, or making any changes to the exterior of the Common Property of the Residential Component.

All or any part of the Remainder Parcel, Retail Component and/or Second Residential Airspace Parcel may be sold and/or leased by the Developer to developers, end users and investors. The Retail Component is presently intended to be managed by an entity associated with the Developer and the Second Residential Airspace Parcel is presently intended to be developed by the Developer or an entity associated with the Developer. However, the Developer makes no representations or warranties whatsoever with respect to the Retail Component and/or the Second Residential Airspace Parcel, this Disclosure Statement being solely in respect of the Development. The intended business name for the Retail Component is "Morgan Crossing", and no purchaser of a Strata Lot nor the Strata Corporation, will be entitled to any rights of any kind in connection with the use of such name or any marks belonging to the Developer or its associated entities.

**(c) Size and Layout of Strata Lots**

The proposed layout of the Development, and the proposed dimensions, lot lines and location of the Strata Lots, are set out in the Draft Strata Plan attached as Exhibit "A" to this Disclosure Statement.

The areas, dimensions, lot lines and locations of the Strata Lots set out on the Draft Strata Plan, and in any sales brochures, advertisements, websites or other marketing materials, are provided for informational purposes only and are not represented as being the actual final areas, dimensions, lot lines or locations of the Strata Lots. The Strata Lots are to be constructed substantially in accordance with the Draft Strata Plan attached to this Disclosure Statement as Exhibit "A", and substantially in accordance with the plans and specifications prepared by the Developer's architects, Creekside Architects Ltd. and Musson Cattell Mackey Partnership, as the same may be approved and modified by the City. The Developer reserves the right to make, and may make, changes in and to the features and design set out in the Draft Strata Plan and the architectural plans and specifications, including without limitation modifications to the siting of the Strata Lots and the layout, area and floor plans of the Strata Lots, and using alternative materials, all in the event, and to the extent, such changes and modifications are desirable and reasonable in the opinion of the Developer and/or its architects. The actual size and dimensions of the Strata Lots as constructed will vary from what is depicted on Exhibit "A" and the architectural plans and specifications. The Developer also reserves the right to amend the size, number and type of units for the Development, to combine two or more Strata Lots into a single Strata Lot, to subdivide single Strata Lots into two Strata Lots, to renumber the Strata Lots, to renumber the unit numbers assigned to the Strata Lots, to add or subtract one or more floors to any of the buildings, and to amend the size and layout of any Limited Common Property and Common Property prior to filing the Final Strata Plan.

## **2.2 Use of the Strata Lots**

The zoning for the Property which permits the Project to be constructed upon the Property is Comprehensive Development (CD). As described in Subsection 2.1(b), the Strata Lots are being developed for residential use, and the Remainder Parcel will be developed for commercial and retail use, as permitted under the zoning.

## **2.3 Not a Phased Development**

The Development will not be constructed in phases.

## **3 STRATA INFORMATION**

### **3.1 Unit Entitlement**

The unit entitlement (the “Unit Entitlement”) of each Strata Lot is a figure indicating its share in the common property, common facilities and other assets of the Strata Corporation and is used to determine each Strata Lot’s proportionate contribution to the expenses incurred in respect of the common property, common facilities and liabilities of the Strata Corporation. The Unit Entitlement for the Strata Lots will be based on the habitable area of each Strata Lot, expressed in square metres, as determined by a British Columbia land surveyor, rounded to the nearest whole number, and excluding any non-living areas such as patio, deck or storage area (other than closet space). A schedule of the proposed Unit Entitlement for the Strata Lots in Form V under the *Strata Property Act* of British Columbia is attached as Exhibit “B” to this Disclosure Statement.

The calculation of Unit Entitlement set out on Exhibit “B” of this Disclosure Statement is based on architectural drawings. The actual Unit Entitlement may vary from the figures shown when calculated on the basis of the surveyed Final Strata Plan for the Development. The final Form V setting out the actual Unit Entitlement will be filed in the Land Title Office concurrently with the deposit of the Final Strata Plan.

### **3.2 Voting Rights**

Each Strata Lot will have one (1) vote in the Strata Corporation.

### **3.3 Common Property and Facilities**

#### **(a) General Description**

Each of the Owners of the Strata Lots will be entitled to a proportionate share of the common property (the “Common Property”), including the common facilities and other assets of the Strata Corporation, shown on the Final Strata Plan as filed in the Land Title Office. The proportionate share of each Owner of a Strata Lot of the Common Property shall be based on the proportionate Unit Entitlement of the Strata Lot as described above in Section 3.1. The Owners of the Strata Lots will own such Common Property as tenants in common. The Common Property of the Development shall include all of the areas designated as Limited Common Property on the Final Strata Plan, as described in Section 3.4 below and shown on the Draft Strata Plan, as same may be modified or amended in the manner described in Subsections 2.1(b) and (c), and as described in Section 3.4 below.

This entitlement of the Owners of the Strata Lots in the Common Property is subject to the bylaws of the Strata Corporation, any designations of Common Property as Limited Common Property, and any licences, easements, leases, rights of way, equitable charges, covenants or any other encumbrance or charges described in this Disclosure Statement which are granted by the Developer prior to the registration of the Final Strata Plan or by the Strata Corporation once the Final Strata Plan is registered in the Land Title Office and the Strata Corporation is formed.

The estimated cost of operating and maintaining those portions of the Common Property available for use by the owners of Strata Lots will be shared by the Owners of the Strata Lots and included in their monthly assessments.

It is intended that the Common Property of the Development will include the Lobbies, the meeting/amenity room, common patio area, hallways and corridors, service rooms, stairs, visitor parking, the Bicycle/Storage Lockers in the Parking Facility, if any, not designated as Limited Common Property as set out at Section 3.14 below, vehicular and pedestrian access routes, and all other Limited Common Property referred to in Section 3.4. The amenity/meeting room and common patio area for the Development will be located in The Cedar Building, and all Owners of the Strata Lots will have access to them.

The Common Property of the Development will also include 8 passenger elevators (2 will be located in each of The Cedar Building and The Elm Building and 1 in the other 4 Buildings)

There are no restrictions on the use of the Common Property except as imposed under the proposed bylaws of the Strata Corporation (as described in Section 3.5 below), the proposed charges, encumbrances and agreements described at Section 4.4 below, the zoning bylaw applicable to the Development, the development permit obtained in respect of the Development and other bylaws of the City of Surrey applicable to the Development from time to time.

**(b) Recreational and Other Facilities**

The owners of the Strata Lots will also have the use or enjoyment of the following facilities and amenities:

- (i) meeting/amenity room; and
- (ii) outdoor landscaped or open space comprising the common patio area.

**(c) Shared Systems, Facilities and Services**

Given the integrated nature of the Development with the Retail Component and, if and once developed, the Second Residential Airspace Parcel, there may be a number of systems, facilities and services within the Project which will be shared between the Development, the Retail Component and the Second Residential Airspace Parcel, and/or any combination of them (the “Shared Systems,



Facilities and Services”) including, but not limited to those described in Exhibit “C” attached to this Disclosure Statement.

The right of the Development and Residential Component, the Retail Component and the development within the Second Residential Airspace Parcel, as the case may be, to use and access such Shared Systems and Facilities shall be secured by way of one or more easements registered in the Land Title Office.

### **3.4 Limited Common Property**

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 any additional maintenance expenses created thereby will be paid by such owners. The Developer will designate Limited Common Property upon tendering the Final Strata Plan for registration in the Land Title Office. Any area adjacent to the Strata Lots shown as patio, deck area, terrace or balcony on the Draft Strata Plan will be designated as Limited Common Property for the exclusive use of the adjacent Strata Lot upon tendering the Final Strata Plan for registration. In addition, the Developer will designate at least one (1) parking stall as Limited Common Property for the exclusive use of each Strata Lot and will designate at least one (1) bicycle/storage locker as Limited Common Property for each of the Strata Lots, in the manner more particularly described below at Sections 3.6 and 3.13. The allocation of any and all of such Limited Common Property to each Strata Lot will be as determined by the Developer in its sole discretion. Any such designation of Limited Common Property on the Strata Plan may only be removed by unanimous resolution of the members of the Strata Corporation. The Developer reserves the right to increase or decrease the size of the Limited Common Property, alter the configuration and location of the Limited Common Property, or change any designation from Limited Common Property to Common Property, and vice versa, all without compensation to the Strata Corporation and/or the purchasers of the Strata Lots. A designation of Limited Common Property on the Strata Plan may only be removed or altered by unanimous resolution of the members of the Strata Corporation.

The Strata Corporation is responsible for maintaining all common property, including limited common property. However, pursuant to the *Strata Property Act*, the Strata Corporation may, by bylaw, make owners responsible for the repair and maintenance for Limited Common Property which they use. The Owner of the Strata Lot that has, or the Owners of the Strata Lots that have, the exclusive use of Limited Common Property is or are responsible for maintaining and repairing the Limited Common Property, except the following, which the Strata Corporation is obliged to repair and maintain:

- (i) repair and maintenance which in the ordinary course of events occurs less than once a year;
- (ii) the structure of a building;
- (iii) the exterior of a building;
- (iv) chimneys, stairs, balconies and other things attached to the exterior of a building;
- (v) doors, windows or skylights, on the exterior of a building or that front on the common property; and

- (vi) fences, railings and similar structures that enclose patios, balconies and yards.

### **3.5 Bylaws**

The bylaws of the Strata Corporation will be those contained in the Schedule of Standard Bylaws attached to the *Strata Property Act* of British Columbia, as amended by the amendment (Form Y) attached as Exhibit “D” to this Disclosure Statement, which will be filed in the Land Title Office concurrently with the deposit of the Final Strata Plan. There are no bylaws that impose restrictions on the age of occupants, or rentals or the resale of Strata Lots. The proposed bylaws of the Strata Corporation do not create sections or types of strata lots. The proposed bylaws of the Strata Corporation do impose the following restrictions:

- (i) there are limitations on the number of specific kinds of pets permitted to be kept on a Strata Lot and provisions relating to pets being on Common Property; and
- (ii) no signage will be allowed on any of the Common Property including Limited Common Property or within any Strata Lots that can be seen from the exterior of the Development or Strata Lots.

### **3.6 Parking Facilities**

The Development will include approximately 440 parking stalls (the “Residential Parking Stalls”), including visitor parking, within the Parking Facility and located substantially as shown on the Draft Strata Plan.

The Developer intends to designate up to 383 of the Residential Parking Stalls as Limited Common Property for the exclusive use of the owners of the Strata Lots. The remaining 57 Residential Parking Stalls will comprise visitor parking and will be shown on the Final Strata Plan as Common Property. At least one (1) Residential Parking Stall will be designated as Limited Common Property for the exclusive use of the owner of each Strata Lot. Such designation will either be made on the Final Strata Plan which will be filed in the Land Title Office or by way of an amendment to the Strata Plan designating Residential Parking Stalls as Limited Common Property prior to the first annual general meeting of the Strata Corporation. Any such designation may be only be removed by unanimous resolution of the members of the Strata Corporation.

The granting of exclusive use of such Residential Parking Stalls by designating such Residential Parking Stalls as Limited Common Property in favour of the Strata Lots shall be determined by the Developer in its sole discretion and any consideration derived therefrom shall be for the sole benefit of the Developer.

The configuration and size of the Residential Parking Stalls as depicted on the Draft Strata Plan attached hereto as Exhibit “A”, and the number of Residential Parking Stalls, may be altered by the Developer without compensation to the Strata Corporation and/or the purchasers of the Strata Lots so long as each Strata Lot has designated to it at least one (1) Residential Parking Stall as Limited Common Property for the exclusive use of such Strata Lot.

Security gates at the Parking Facility will divide the Residential Parking Stalls and visitor parking stalls from the surface and other retail parking areas in the Remainder Parcel.

### **3.7 Furnishings and Equipment**

The following equipment will be included in each Strata Lot:

- (i) 1 electric stove/oven;
- (ii) 1 refrigerator;
- (iii) 1 ventilation hood/microwave combo;
- (iv) 1 washer/dryer;
- (v) 1 electric fireplace;
- (vi) 1 dishwasher; and
- (vii) 1 garburator.

Any social services tax payable in respect of such equipment will be for the account of each purchaser of a Strata Lot.

As the estimated completion date for the Development is October, 2009, the brands, models and features of the above-mentioned equipment installed in the finished Strata Lots, and the actual materials and furnishes of the completed Strata Lots, may differ from those featured in any of the display suites, brochures or other promotional materials viewed by the purchasers of the Strata Lots. To the extent reasonably possible, the Developer will endeavour to provide equipment of comparable brand and quality and similar materials and furnishes, to those displayed or featured in the promotional materials.

### **3.8 Budget**

#### **(a) Estimated Budget**

The estimated initial annual budget for the Strata Corporation for the 12 month period commencing on the first day of the month following the date of the first conveyance of a Strata Lot to a purchaser is attached to this Disclosure Statement as Exhibit "E". The Developer must pay all expenses of the Strata Corporation until the first day of the month following the first conveyance of a Strata Lot to a purchaser. Exhibit "E" also sets out the estimated monthly assessments for the Strata Lots using this estimated budget. The actual monthly assessments will be calculated upon the finalization of the Unit Entitlement figures when the Strata Plan is filed and monthly assessments will be further adjusted upon the establishment by the Strata Corporation of the actual annual budget of operating expenses following the first annual general meeting of the Strata Corporation.

**(b) Contingency Reserve Fund**

Pursuant to Section 12 of the *Strata Property Act* of British Columbia, the Developer will establish a contingency reserve fund by making a contribution to that fund at the time of the first conveyance of a Strata Lot to a purchaser. The contribution by the Developer to the fund will be 5% of the estimated operating expenses as set out in the interim budget attached hereto as Exhibit "E". The interim budget attached hereto as Exhibit "E" includes a contingency reserve fund of 5% of the estimated operating expenses (in addition to the 5% contributed by the Developer).

**(c) Budget Shortfalls**

The Developer must pay the Strata Corporation's expenses up to the end of the month in which the first conveyance of a Strata Lot to a purchaser occurs. After that month, and before the first annual budget takes effect, if the Strata Corporation's actual expenses exceed the estimated expenses as set out in the interim budget attached hereto as Exhibit "E", the Developer must pay the excess to the Strata Corporation within eight weeks after the first annual general meeting. In addition to paying the amount of the excess expenses, where those excess expenses are more than 10% (but less than 20%) of the amount estimated in the interim budget, Subsection 3.1(1) of the Regulations to the *Strata Property Act* of British Columbia requires the Developer to pay to the Strata Corporation a further amount equal to two times the amount of the excess. If the amount of the excess expenses exceed the amount estimated in the interim budget by 20% or more, Subsection 3.1(1) of the Regulations to the *Strata Property Act* of British Columbia requires the Developer to pay to the Strata Corporation a further amount equal to three times the amount of the excess.

**(d) Other Expenses**

- (i) Each Strata Lot Owner will be responsible for real property taxes for his or her Strata Lot from the date of closing. Property taxes are levied by and payable to the City;
- (ii) Electricity, telephone, and cablevision for each of the Strata Lots will be separately metered and assessed to each Strata Lot Owner and will be the responsibility of each Strata Lot Owner;
- (iii) In addition to the other costs and expenses described in this Disclosure Statement, the following utilities and services to be provided to the Development will be paid by the Strata Corporation and the cost will be pro-rated to the Owners of the Strata Lots in accordance with their respective Unit Entitlements and included in the monthly assessments for the operating budget:
  - (A) electricity for the Common Property and telephone, if any, on the Common Property;
  - (B) repair, maintenance and janitorial service for the Common Property and common facilities including mechanical systems and elevators;
  - (C) garbage collection, recycling and two leased garbage compactors;

- (D) water and sewer;
- (E) window washing and, other than as to limited common property, snow removal;
- (F) leases of certain security equipment;
- (G) common property enterphone and security systems; and
- (H) such other services that the Strata Corporation may from time to time provide.

### **3.9 Utilities and Services**

The Development will be serviced by a water system, electricity, sewerage, natural gas, telephone wiring (not service), fire protection, cable television wiring (not service), road access, and high speed internet wiring (not service).

The wires, cables and other equipment (the “Telecommunications Equipment”) for the provision of telephone, enterphone, cablevision, internet access and certain other future telecommunication services may be owned by the suppliers of such services and, if and to the extent so owned, the Telecommunications Equipment will not form part of the Common Property. The purchasers and/or the Strata Corporation will be responsible for the payment for all charges and expenses payable to the supplier in connection with the hook-up and maintenance of such utilities and services.

The Strata Corporation will pay for the costs of providing electricity to the Common Property and for the costs of operating and maintaining the enterphone and security systems servicing each Building. Such costs will be pro rated to the owners of the Strata Lots in accordance with the Unit Entitlement of the Strata Lots and included in their monthly assessments.

All other utilities will be separately metered and will be the responsibility of each Strata Lot owner.

The City or a private contractor will provide garbage collection services to the Development. The Strata Corporation will paid for the cost of these services and such cost will be pro rated to the owners of the Strata Lots in accordance with the Unit Entitlement of the Strata Lots and included in their monthly assessments.

The Developer may enter into, or may cause the Strata Corporation to enter into, agreements, licences, covenants, easements and/or statutory rights of way with and/or in favour of the City, public utilities or other entities with respect to the provision of these utilities and services. Without limiting the generality of the foregoing, the Developer may enter into, or may cause the Strata Corporation to enter into, agreements, covenants, easements and/or statutory rights of way governing the provision of water and/or electricity to the Strata Corporation by the owner of the Retail Component, on the understanding that the consumption of such water and/or electricity by the Strata Corporation will be separately metered and invoiced by the owner of the Retail Component to the Strata Corporation and the cost thereof will be pro-rated to the Owners of the Strata Lots in accordance with their respective Unit Entitlements and included in the monthly assessments for the operating budget.

### 3.10 Strata Management Contracts

The Developer intends to cause the Strata Corporation to enter into a management agreement with respect to the control, management and administration of the Common Property with Crosby Property Management Ltd. (the “Manager”). Under section 24 of the *Strata Property Act* of British Columbia, such management agreement will terminate automatically on the date that is four weeks after the date of the second annual general meeting of the Strata Corporation unless the Strata Corporation, by majority vote at the second annual general meeting, resolves to continue the contract. The management agreement may also be terminated at any time on two months’ notice: (i) by the Strata Corporation if the cancellation is approved by a 3/4 vote at a meeting of the Strata Corporation; and (ii) by the manager.

### 3.11 Insurance

#### (a) Developer

Upon commencement of construction, the Developer will place course of construction insurance for the period up to completion of the Development for not less than full replacement cost, as well as general liability coverage of not less than \$10,000,000.

#### (b) Strata Corporation

Upon the filing of the Final Strata Plan, the Developer will cause the Manager to obtain insurance coverage as required under Sections 149 and 150 of the *Strata Property Act*, in the name of the Strata Corporation. Pursuant to Section 149 of the *Strata Property Act*, the Strata Corporation must obtain and maintain, on a full replacement value basis, insurance on:

- (i) Common Property;
- (ii) common assets;
- (iii) buildings shown on the Final Strata Plan; and
- (iv) “fixtures” (as described below) built or installed in a Strata Lot by the Developer as part of the original construction of the Strata Lot.

For purposes of Section 149 of the *Strata Property Act* and this Disclosure Statement, “fixtures” means 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.

The above described insurance will insure against “major perils” which will mean the perils of 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 arrange comprehensive liability coverage to insure the Strata Corporation against liability for property damage and bodily injury, as required under Section 150 of the *Strata Property Act*, in an amount of no less than \$2,000,000.00 per occurrence.

Purchasers should obtain their own liability insurance coverage for their Strata Lots and insurance with respect to the contents of their Strata Lots and any improvements made to their Strata Lot to the extent that such improvements do not constitute “fixtures” as described above. Each purchaser will be responsible for their liability insurance coverage for their Strata Lot and insurance with respect to the contents of his or her own Strata Lot as soon as the transfer of such Strata Lot from the Developer to the purchaser is complete.

### **3.12 Rental Disclosure Statement**

Under section 139 of the *Strata Property Act* of British Columbia, an owner developer who rents or intends to rent one or more residential strata lots must disclose to any purchaser the number of strata lots rented out by the owner developer and particulars of any additional strata lots the owner developer intends to rent out, and the text of any bylaw limiting the number of strata lots in the strata plan that may be rented out by the owners. A rental disclosure statement containing this information with respect to the Strata Lots, in the form (Form J) attached as Exhibit “F” to this Disclosure Statement, will be filed with the Superintendent of Real Estate by the Developer concurrently with the Disclosure Statement.

### **3.13 Cost Sharing for Shared Systems, Facilities and Services**

Given the integrated nature of the Development with the Retail Component, there will be costs and expenses relating to the Shared Systems, Facilities and Services described on the attached Exhibit “C” which will be shared amongst the Strata Corporation, the Retail Component and the Second Residential Airspace Parcel, if developed, and/or any combination of them.

The Strata Corporation will be responsible for paying a portion of the costs and expenses to be incurred in connection with the management, operation, cleaning, maintenance, repair, fixturing, furnishing and replacement (including the cost of utilities, personnel, materials, supplies and equipment, insurance and administration necessary for such purpose), of the Shared Systems, Facilities and Services as set out in Exhibit “C” attached to this Disclosure Statement. If and when the Second Residential Airspace Parcel is created and/or developed by the Developer or any future owner of the Retail Component, the Developer or such future owner of the Retail Component, may, at its option, reapportion the share of the costs and expenses shown on the attached Exhibit “C” as costs of the Strata Corporation, such that those costs and expenses will be shared between the Strata Corporation and the development located within the Second Residential Airspace Parcel, on the basis of their respective proportionate share of the aggregate gross building area.

The proportionate share of the costs and expenses to be incurred by each of the Strata Corporation and the Retail Component described above have been determined based on the Developer’s calculation of the proportionate gross building areas of each of the Development and the Retail Component, unless otherwise noted, and the Strata Corporation’s share of the costs and expenses has been included in the estimated Budget attached to this Disclosure Statement as Exhibit “E”.

### **3.14 Bicycle/Storage Lockers**

The Development will include bicycle/storage lockers (“Bicycle/Storage Lockers”). The Developer intends to designate at least one of such Bicycle/Storage Lockers as Limited Common Property for the exclusive use of the owner of each Strata Lot. The remainder Bicycle/Storage Lockers, if any, will remain as Common Property. The Developer shall determine, in its sole discretion, which Strata Lots, if any, will have the exclusive use of more than one of such Bicycle/Storage Lockers. Such designation will be made on the Final Strata Plan which will be filed in the Land Title Office. Any such designation may be only be removed by unanimous resolution of the members of the Strata Corporation.

The granting of the exclusive use of such Bicycle/Storage Lockers by designating such Bicycle/Storage Locker areas as Limited Common Property in favour of a particular Strata Lot shall be determined by the Developer in its sole discretion and any consideration derived therefrom shall be for the sole benefit of the Developer.

The location, configuration, size and number of the Bicycle/Storage Lockers as depicted on the Draft Strata Plan attached hereto as Exhibit “A” may be altered by the Developer without compensation to the Strata Corporation and/or purchasers of the Strata Lots.

### **3.15 Cancellation of Strata Plan and Winding-Up of Strata Corporation**

Upon a voluntary winding up of the Strata Corporation, the interest of each Owner in the proceeds of distribution of the assets of the Strata Corporation will be determined in accordance with the relevant provisions of the *Strata Property Act*. Pursuant to Section 273 (in the case of a voluntary winding up without a liquidator) and Section 278 (in the case of a voluntary winding up with a liquidator), each Owner’s share of the proceeds of distribution will be determined on the basis of the then municipally assessed value of the Strata Lots or if there is no assessed value, upon appraised values determined by an independent appraiser which appraisal is approved by a resolution passed with a  $\frac{3}{4}$  vote at an annual or special general meeting of the Strata Corporation.

## **4 TITLE AND LEGAL MATTERS**

### **4.1 Legal Description**

The Development is to be constructed on the Property, located in the City of Surrey and currently legally described as follows:

Parcel Identifier: 027-169-782  
 Lot 1 Section 23 Township 1 New Westminster District Plan BCP31949,  
 Except Part in Plan BCP31950

(the “Property”).



## 4.2 Ownership

The Developer is the beneficial owner of the Property.

Morgan Crossing Properties Ltd. (the “Nominee”) is the registered owner of the Property and holds the Property in trust, as agent and nominee for the Developer.

## 4.3 Existing Encumbrances and Legal Notations

### (a) Legal Notations

- (i) This title may be affected by a permit under Part 26 of the Local Government Act, see BB572088;
- (ii) This title may be affected by a permit under Part 26 of the Local Government Act, see BB572089;
- (iii) This title may be affected by a permit under Part 26 of the Local Government Act, see BB580934.

### (b) Charges, Liens and Interests

The following charges, liens and interests are currently registered against title to the Property:

- (1) Statutory Rights of Way 295811C, 333290C, 333292C, 334072C, 334191C, 335499C, 339221C, BL379369, BA604027 in favour of British Columbia Hydro and Power Authority;
- (2) Mortgage BA482966, extended by BB441199, and Assignment of Rents BA482967, extended by BB441200, in favour of The Bank of Nova Scotia (the “BNS Security”);
- (3) Undersurface and Other Exceptions & Reservations BA15542 in favour of the Crown in Right of British Columbia;
- (4) Statutory Rights of Way BB412835, BB412836, BB412837, BB268448, BB268450, BB268452, BB268454, BB268456, BB268458, BB268476, BB268478, BB268480, BB268482, BB268494, BB268496, BB268498, BB268500, BB268504, BB268506 in favour of the City of Surrey;
- (5) Priority Agreements BB268449, BB268451, BB268453, BB268455, BB268457, BB268459, BB268477, BB268479, BB268481, BB268483, BB268495, BB268497, BB268499, BB268501, BB268505 and BB268507 granting Statutory Rights of Way BB268448, BB268450, BB268452, BB268454, BB268456, BB268458, BB268476, BB268478, BB268480, BB268482, BB268494, BB268496, BB268498, BB268500, BB268504 and BB268506 priority over the BNS Security.

Title to the Property is also subject to subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant, or in any other grant or disposition from the Crown.

The BNS Security will be released and discharged from title to the Property and replaced with the Construction Security at or around the time the Construction Financing described below at Section 6.2 is registered against title to the Property.

**(b) Summary of Encumbrances**

A summary of the above legal notations and encumbrances which may or will continue to be registered against title to the Property at the time the Final Strata Plan is filed in the Land Title Office is attached as Exhibit "G" to this Disclosure Statement.

**4.4 Proposed Encumbrances**

The Property, the Strata Lots and the Common Property may also be subject to such covenants, rights-of-ways, easements, indemnities and other charges in favour of the City, public utilities, other public or government authorities, service providers and other parties described below in this Section 4.4 which may be or are required or deemed advisable by the Developer in respect of the development of the Property and the Project including:

- (a) the Construction Security (as described in Section 6.2 below);
- (b) any encumbrances (including any covenants, statutory rights of way, easements or other charges and modifications to existing encumbrances and charges) required or deemed necessary by the City or any other government authority in order to approve the subdivisions referred to in Subsection 2.1(b), the Development or as a condition of issuance of any development, building or occupancy permits in respect of the Project, or as may be deemed necessary or advisable by the Developer in connection with the Development, including without limitation one or more Section 219 Covenants in favour of the City which may be required by the City as a result of the integrated nature of the Project;
- (c) any covenants, statutory rights of way, easements, restrictive covenants, dedications and other rights, restrictions or charges required by the City or any other governmental authority or public or other utility (which may include British Columbia Hydro and Power Authority, Terasen Gas, Telus and Shaw Communications Inc.) or such other service providers or other entities with respect to the provision of utilities and services, including without limitation, electricity, natural gas, telephone, cablevision, internet and other communication services and including any such encumbrances required in order to provide any such utilities and services to the Development;
- (d) such liens, charges, security interests, encumbrances or legal notations as may be registered against title to the Development to secure any obligations for financing or lease charges for any equipment that may form part of or be installed within the Development, such as security

monitoring equipment, communications equipment and garbage compactors, and which may be leased or mortgaged by the Developer;

- (e) one or more encumbrances (including any covenants, easements, statutory rights of way or other charges) in favour of one or more of the Remainder Parcel, the Second Residential Airspace Parcel and the Residential Parcel (including the Development and Common Property), and charging one or more of the Remainder Parcel, the Second Residential Airspace Parcel and/or the Residential Parcel (including the Development and Common Property), containing such provisions as may be required or desirable to properly address all access (including without limitation, access for the purposes of moving furniture, furnishings and equipment to and from the Lobbies), support, encroachment, servicing, utility and other issues as are necessary or desirable to properly integrate the Retail Component and the Second Residential Airspace Parcel with the Development, including the sharing of costs and expenses in respect of same between the Retail Component and the Development and, if applicable, the Second Residential Airspace Parcel, and to provide for the integration and common usage of base building systems and utilities serving the Development and the Retail Component and the sharing of costs and expenses in that regard, including without limitation such encumbrances dealing with the Shared Systems, Facilities and Services described above at Subsection 3.3(c) and Section 3.13. Unless otherwise expressly provided in this Disclosure Statement, these encumbrances will provide that the responsibility for the operation, maintenance, repair and replacement of shared base building systems and utilities will be that of the owner from time to time of the Retail Component, subject to the contribution to the costs and expenses of same from the Residential Component as therein provided, and may also include an equitable mortgage or other charge to secure payment of such contributions;
- (f) one or more encumbrances (including covenants, easements, statutory building schemes or other charges) in favour of the Retail Component requiring that any change or modification to the exterior or external appearance of the Buildings or Development, including any changes to exterior colours and materials of the Buildings, any changes to window coverings, and any changes to the exterior Common Property and Limited Common Property of the Residential Component, any installation of fences or canopies, and any changes to or additions of landscaping and common patio areas, will not be carried out by the Strata Corporation or any Strata Lot Owner without the prior written consent of the owner of the Retail Component from time to time, a covenant not to allow any signage, including interior window or door signs, fences, billboards, placards, advertising, notices or other fixtures of any kind, on any Common Property and Limited Common Property of the Development, or within any Strata Lots that is visible from the exterior of the Residential Component, providing for access for the Residential Component owners to cross through such areas from the street and sidewalk fronting the Development for the purposes of moving furniture, furnishings and equipment to and from the Lobbies and providing notice provisions and rules and regulations regarding such move-in, move-out procedures, and providing for notice and rules and procedures with respect to washing the exterior windows of the Residential Component, and a covenant to repair and maintain the Residential Component and the Common Property of the Strata Corporation so that no damage, including water penetration and any damage caused by water penetration, will be caused to the Retail Component, and including easements providing access to the

Residential Component in order to remedy any breach by the Residential Component of its obligations under such covenants and agreements, which may also include an equitable mortgage or other charge to secure the performance of the Residential Component's obligations thereunder;

- (g) such liens, charges, security interests, encumbrances, or legal notations as may be registered against title to the Development to secure any obligations for financing or lease charges for any equipment that may form part of or be installed within the Development, such security monitoring equipment, communication equipment and garbage contractors and which may be leased or mortgaged by the Developer on behalf of the Strata Corporation;
- (h) easements which may be granted in favour of, and agreements with, adjacent property owners regarding the installation of undersurface anchor rods and the encroachment by overhead cranes and similar or related works and encroachments; and
- (i) a mortgage, assignment of rents and/or other security required by an insurer pursuant to the terms of a Deposit Protection Contract described in Subsection 7.1(b) below.

#### **4.5 Outstanding or Contingent Litigation or Liabilities**

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

#### **4.6 Environmental Matters**

The Developer is not aware of any dangers or any requirements imposed by the City or other governmental authority related to flooding, the condition of the soil or subsoil.

Statutory Rights of Way 295811C, 333290C, 333292C, 334072C, 334191C, 335499C, 339221C and BL379369, all in favour of British Columbia Hydro and Power Authority and its servants, agents and licensees (collectively, "BC Hydro") permit BC Hydro to enter upon certain portions of the Property for the installation, operation, repair, replacement, maintenance, and connection to improvements of any works relating to the transmission and distribution of electrical energy and for telecommunication services. The right of way areas are shown outlined in heavy black line on Plan 8363. Statutory Right of Way BA604027 in favour of BC Hydro grants access to enter upon portions of the Property for transmission and distribution of electric energy and for communication and aircraft warning purposes, including construction of towers and poles, insulators, transformers, underground conduits and cables, above ground or underground transformers to carry out these purposes. Pursuant to these Statutory Rights of Way, BC Hydro has constructed two 500 kV electrical transmission lines and installed ancillary equipment which produce electromagnetic fields. Prior to and as a condition of obtaining Development Permit No. 7906-0137-00 on June 26, 2007, the Developer provided evidence to the City of Surrey from two qualified engineering firms that the aforementioned field levels will be below levels recommended in the health and safety guidelines published by the IEEE International Committee on Electromagnetic Safety and the International Committee on Nonionizing Radiation Protection. The Developer is not aware of any dangers or any further requirements imposed by the City or other governmental authority in respect of the aforementioned fields.

## **5 CONSTRUCTION AND WARRANTIES**

### **5.1 Construction Dates**

Construction of the Development is anticipated to commence in October of 2007. The Developer estimates that construction of the Development will be completed in November of 2009.

### **5.2 Warranties**

The Developer will obtain coverage with respect to home warranty insurance for the Strata Lots with a warranty provider in accordance with the requirements of the *Home Owner Protection Act* of British Columbia in respect of the following:

- (a) defects in materials and labour for a period of at least two years after the date on which the warranty begins;
- (b) defects in the building envelope, including defects resulting in water penetration, for a period of at least five years after the date on which the warranty begins; and
- (c) structural defects for a period of at least 10 years after the date on which the warranty begins.

Any manufacturers' warranties for appliances and equipment will be passed on to the purchasers of the Strata Lots or the Strata Corporation, as the case may be, if and to the extent permitted by such warranties.

Other than as specifically provided for above, there are no construction or equipment warranties.

### **5.3 Previously Occupied Building**

All portions of the Development are to be newly constructed and none of the improvements comprising the Development will have been previously occupied.

## **6 APPROVALS AND FINANCES**

### **6.1 Development Approval**

The Development was approved by the City pursuant to general development permit No. 7906-0137-00 which was issued by the City on June 26, 2007, and development permit No. 7907-0223-00 which was issued by the City on September 10, 2007. A building permit has not yet been issued by the City. The estimated date for issuance of the building permit is October 30, 2007. An amendment to this Disclosure Statement setting out the particulars of the issuance of such building permit for the Development will be filed with the Superintendent of Real Estate and a copy of such amendment will be delivered to each purchaser after a building permit has been issued.

## 6.2 Construction Financing

The Developer has not yet received a commitment from an institutional lender (the “Lender”) for financing the construction of the Development (the “Construction Financing”). The estimated date for issuance of a financing commitment is October 30, 2007.

Following receipt of a commitment for the Construction Financing from the Lender, title to the Property and, once created, the Strata Lots and Common Property, will be subject to a mortgage, assignment of rents and/or any other security reasonably required by the Lender with respect to the Construction Financing (the “Construction Security”). The Developer will cause the Lender to provide a partial discharge of the Construction Security in respect of any Strata Lot within a reasonable period after completion of the purchase and sale thereof. The Construction Financing may remain as a charge against the Common Property until such time as all sums secured by the Construction Financing have been paid in full.

An amendment to this Disclosure Statement setting out the particulars of the financing commitment for the Development will be filed with the Superintendent of Real Estate after a financing commitment has been issued and a copy of the amendment will be delivered to each purchaser.

## 7 MISCELLANEOUS

### 7.1 Deposits

- (a) Subject to Subsection 7.1(b) below, all deposits and other monies received shall be held in trust by Parolin & Company in accordance with the terms of the contract of purchase and sale and the *Real Estate Development Marketing Act* until such time as the strata plan has been deposited for registration in the appropriate Land Title Office, the Strata Lot purchased or leased is capable of being occupied and an instrument evidencing the interest of the purchaser or lessee in the Strata Lot has been filed for registration in the appropriate Land Title Office, or the contract has been earlier terminated.
- (b) Notwithstanding the terms for handling deposits set out above in Subsection 7.1(a), the Developer may use for the Developer’s own purposes (as defined in the *Act*), a deposit the Developer has placed with a trustee if, in accordance with Section 19 of the *Act*, the Developer:
  - (i) enters into a deposit protection contract (as defined in the *Insurance Act* of British Columbia, as amended or replaced from time to time) (a “Deposit Protection Contract”), with an insurer in relation to the deposit(s); and
  - (ii) provides notice of a Deposit Protection Contract to the purchaser which contains the name and contact information of the insurer, the name of the Developer and the date the insurance takes effect.

## 7.2 Purchase Agreement

- (a) The Developer intends to use the form of purchase agreement attached to this Disclosure Statement as Exhibit "H" (the "Purchase Agreement") in connection with the sale of the Strata Lots, unless otherwise agreed between the Developer and a purchaser.
- (b) The following provisions are included in the form of Purchase Agreement:
- (i) The purchaser has the option to terminate the Purchase Agreement if notice specifying the completion date has not been provided by June 30, 2011. This date will be extended by reason of delays beyond the control of the Developer as set out in the purchase contract, or at the option of the Developer, but in the latter event, and in addition to delays beyond the control of the Developer, for not more than an aggregate of two hundred seventy (270) days.
  - (ii) The Developer will have an option to terminate the Purchase Agreement in the event it has not entered into agreements of purchase and sale binding on purchasers for a minimum of one hundred eighty-three (183) Strata Lots by July 31, 2008, which date will be automatically extended to December 31, 2008, unless the Developer provides notice to the purchaser or the purchaser's solicitor or notary by September 30, 2008 that such automatic extension is not required.
  - (iii) The Developer will have the option to terminate the Purchase Agreement in the event of the default of the purchaser in making all payments on account of the purchase price when due, or in the alternative, the Developer may elect to complete the transaction, in which event the purchaser will pay to the Developer, in addition to the purchase price, interest on the unpaid portion of the purchase price and other unpaid amounts payable under the Purchase Agreement at the rate of 18% per annum from the date upon which such portion and amounts were due to the date upon which such portion and amounts are paid.
  - (iv) The Purchase Agreement includes provision for assignment by the purchaser to a new purchaser, on certain conditions:
    - (a) if the assignment is to a related individual or individuals (as described in the Purchase Agreement), if notice of such assignment is given more than 48 hours after acceptance of the Purchase Agreement by the Developer, an administration fee of \$1,000 plus GST will be payable by the Purchaser;
    - (b) if the purchaser wishes to assign to a third party other than a related individual, the prior written consent of the Developer will be required, which may be arbitrarily withheld in the Developer's sole discretion, until the purchaser has received written notice from the Developer that every Strata Lot in the Development has been sold. Following receipt of such notice, the purchaser may assign to a third party without prior written consent. In either event, an assignment fee equal to 1.5% of the purchase price plus GST is payable by the purchaser to the Developer.

Any assignment, whether to a related party or to a third party, will require that the purchaser and the new assignee purchaser enter into an assignment agreement and consent agreement whereby the assignee purchaser agrees to assume all the obligations of the purchaser under the Purchase Agreement, all deposits paid under the Purchase Agreement are assigned to and deemed to belong to the assignee purchaser, and the assignee purchaser has confirmed receipt and the opportunity to read the Disclosure Statement and each amendment thereto.

- (v) The Purchase Agreement provides for interest on the deposit monies to accrue for the benefit of the purchaser unless:
  - (i) the deposit monies are released to the Developer prior to the completion of the transaction as provided for in the Purchase Agreement and where the Developer has complied with all of the requirements set out in Section 19 of the *Real Estate Development Marketing Act* in respect of a developer's use of deposits, in which event interest on the deposit monies will accrue for the benefit of the purchaser only until such time as the deposit is released to the Developer, after which time the purchaser shall not be entitled to the benefit of any further accrued interest; or
  - (ii) the purchaser has defaulted in payment when due of any amount payable under the Purchase Agreement and the Developer has exercised its option to terminate the Purchase Agreement, in which event all accrued interest will be paid to the Developer.

### **7.3 Other Material Facts**

#### **(a) Caretaker's Suite**

One of the Strata Lots (the "Caretaker's Suite") will be designated by the Developer for use by the caretaker of the Development. The Developer will sell the Caretaker's Suite to the Strata Corporation at fair market value at the time of transfer, plus applicable goods and services tax, and will cause the Strata Corporation to acquire the Caretaker's Suite on these and the following terms. To finance the purchase of the Caretaker's Suite, the Strata Corporation will grant a first mortgage to an institutional lender securing the whole or a portion of the principal sum for a probable term of five years, with a per annum interest rate equivalent to the average of the respective rates for five year closed residential mortgages published by the five largest Canadian chartered banks (in assets) as at the date of completion of the purchase and sale of the Caretaker's Suite, amortized over 25 years, and, if only a portion of the principal sum is so secured, it is intended that the Strata Corporation will also grant a second mortgage to another institutional lender, or to the Developer or its nominee, securing the balance of the principal sum, plus all costs relating to the purchase of the Caretaker's Suite, including, without limitation property transfer tax and legal fees and disbursements, for a probable term of three years, with interest at the then current market rate per annum for second mortgages of residential property, amortized over 25 years. Such mortgage(s) will be registered against title to the Caretaker's Suite. Any such mortgage may also be secured by an assignment of rents from the Caretaker's Suite.



**(b) Other Contracts Affecting the Development**

In addition to the contracts/agreements elsewhere disclosed herein, the Developer may also enter into, or cause the Strata Corporation to enter into and assume, maintenance, service, equipment, rental agreements and other ordinary course arrangements in connection with the Development, or agreements with respect to Common Property or the equipment and facilities of the Development, including, without limitation, agreements for garbage collection, waste removal, recycling and compaction, elevator service and maintenance, security system, emergency and fire alarm system maintenance, monitoring and rental, window cleaning, mechanical systems service and maintenance, landscape maintenance, entry phone, high speed internet, janitorial services and such other servicing, maintenance, equipment and rental agreements as may be required.

If at the time of entering into such contracts the Strata Corporation is in existence, the Developer will enter into such contracts on behalf of the Strata Corporation. If at the time of entering into such contracts the Final Strata Plan has not been filed, the Developer will assign such contracts to, and the obligations of the Developer thereunder will be assumed by, the Strata Corporation upon its formation.

The estimated costs associated with all of the foregoing arrangements are included in the interim budget for the Strata Corporation attached as Exhibit "E".

**7.4 Use of Portions of Development for Marketing Purposes**

The Developer may retain Strata Lots in the Development for use as sales and administrative offices and/or display suites for marketing purposes or otherwise. While the Developer is the owner of any Strata Lots in the Development, the Developer may carry out marketing, promotional and sales activities within the Common Property of the Development or Strata Lots owned or leased by the Developer, including, without limitation, maintaining display suites, other display areas and signage (including signage on the exterior of the Development) and permitting public access to same for the purpose of marketing any unsold Strata Lots. The Developer may conduct tours of the Development from time to time with prospective purchasers and hold events and other activities within the Development from time to time with prospective purchasers and hold events and other activities within the Development in connection with such marketing and sales activities of the Developer.

**7.5 Documents to be Delivered to the Strata Corporation**

The Developer must hold the first annual general meeting of the Strata Corporation within six weeks of the earlier of:

- (i) the date on which 50% plus one of the Strata Lots have been conveyed to purchasers; and
- (ii) the date which is nine months after the first conveyance of a Strata Lot to a purchaser.

If the first annual general meeting is not held within the required time, the Developer must pay to the Strata Corporation \$1,000.00 for a delay of up to 30 days, and a further \$1,000.00 for each additional delay of seven days.

The Developer must provide copies of the following documents to the Strata Corporation at the first annual general meeting:

- (i) all plans required to obtain a building permit and any amendments to the building permit plans;
- (ii) any document in the Developer's possession that indicates the location of pipes, wires, cables, chutes, ducts or other service facilities that are not shown on a plan;
- (iii) all contracts entered into by the Strata Corporation;
- (iv) any disclosure statement filed under the *Real Estate Development Marketing Act* (British Columbia), any amendments thereto, and any rental disclosure statement;
- (v) the registered Final Strata Plan from the Land Title Office;
- (vi) the names and addresses of contractors, subcontractors and persons primarily responsible for supplying labour or materials to the Development;
- (vii) the names and addresses of any technical consultants, including building envelope specialists, if any;
- (viii) the name and address of any project manager;
- (ix) all warranties, manuals, schematic drawings, operating instructions, service guides, manufacturers' documentation and other similar information relating to the Common Property or common assets;
- (x) the records required to be prepared and retained by the Strata Corporation under Section 35 of the *Strata Property Act*; and
- (xi) an annual budget for the Strata Corporation for the 12 month period beginning on the first day of the month following the date of the first annual general meeting.

**DEEMED RELIANCE**

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

**DECLARATION**

**The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of the 9<sup>th</sup> day of October, 2007.**

**DEVELOPER:**

**LARCO INVESTMENTS LTD.**

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

**THE DIRECTORS OF LARCO INVESTMENTS LTD.:**

\_\_\_\_\_  
**AMINMOHAMED J. LALJI**

\_\_\_\_\_  
**MANSOOR LALJI**

**SOLICITOR'S CERTIFICATE**

IN THE MATTER OF the *Real Estate Act* and )  
the Disclosure Statement for property within )  
the City of Surrey known as "Morgan )  
Crossing" and currently legally described as: )

Parcel Identifier: 027-169-782 )  
Lot 1 Section 23 Township 1 )  
New Westminster District Plan BCP 31949, )  
except part in Plan BCP31950 )

I, Dennis J.F. Parolin, Solicitor, a member of the Law Society of British Columbia, HEREBY CERTIFY that I have read over the above described Disclosure Statement dated as of October 9, 2007, and have reviewed same with the Developer therein named, and that the facts contained in Section 4.1, 4.2 and 4.3 of the Disclosure Statement are correct.

DATED at Vancouver, British Columbia, this 9<sup>th</sup> day of October, 2007.

  
\_\_\_\_\_  
Dennis J.F. Parolin

**EXHIBIT "A"**

**Draft Strata Plan**

SKETCH PLAN OF A PROPOSED  
STRATA PLAN OVER AIR SPACE PARCEL A,  
SECTION 23, TOWNSHIP 1,  
NEW WESTMINSTER DISTRICT, PLAN BCP . . . . .

SHEET 1 OF 33 SHEETS  
STRATA PLAN BCS \_\_\_\_\_

- SL DENOTES STRATA LOT
- D DENOTES DECK AREA (LCP)
- P DENOTES PATIO AREA (LCP)
- E DENOTES ENTRY AREA (LCP)
- ⊙ DENOTES COMMON FACILITY
- ⊙ DENOTES OPEN TO BELOW
- ⊙ DENOTES COMMON PROPERTY
- PS DENOTES PARKING SPACE
- SM DENOTES SMALL CAR
- SM DENOTES HANDICAP
- ⊙ DENOTES STRUCTURE BRACING
- ⊙ IN CONCEALED SPACE
- E/C DENOTES ELECTRICAL CLOSET
- S DENOTES SHAFT AREA
- L DENOTES BICYCLE STORAGE LOCKERS

- STRATA LINES ARE FROM :
- 1) CENTRE OF PARTY WALLS,
  - 2) TO EXTERIOR SIDE OF THE EXTERIOR SHEETING,
  - 3) THE CORRIDOR SIDE OF THE CORRIDOR STUD WALL,
  - 4) AT ELEVATIONS THE STUD WALL BE PART OF THE STRATA LOT,
  - 5) AT STAIRS WELLS TO THE STAIR SIDE OF THE STUD WALL

LIMITED COMMON PROPERTY IS NOT INCLUDED IN THE UNIT ENTITLEMENT AFTER FINAL SURVEY.  
STRATA LOT AREAS MAY VARY.

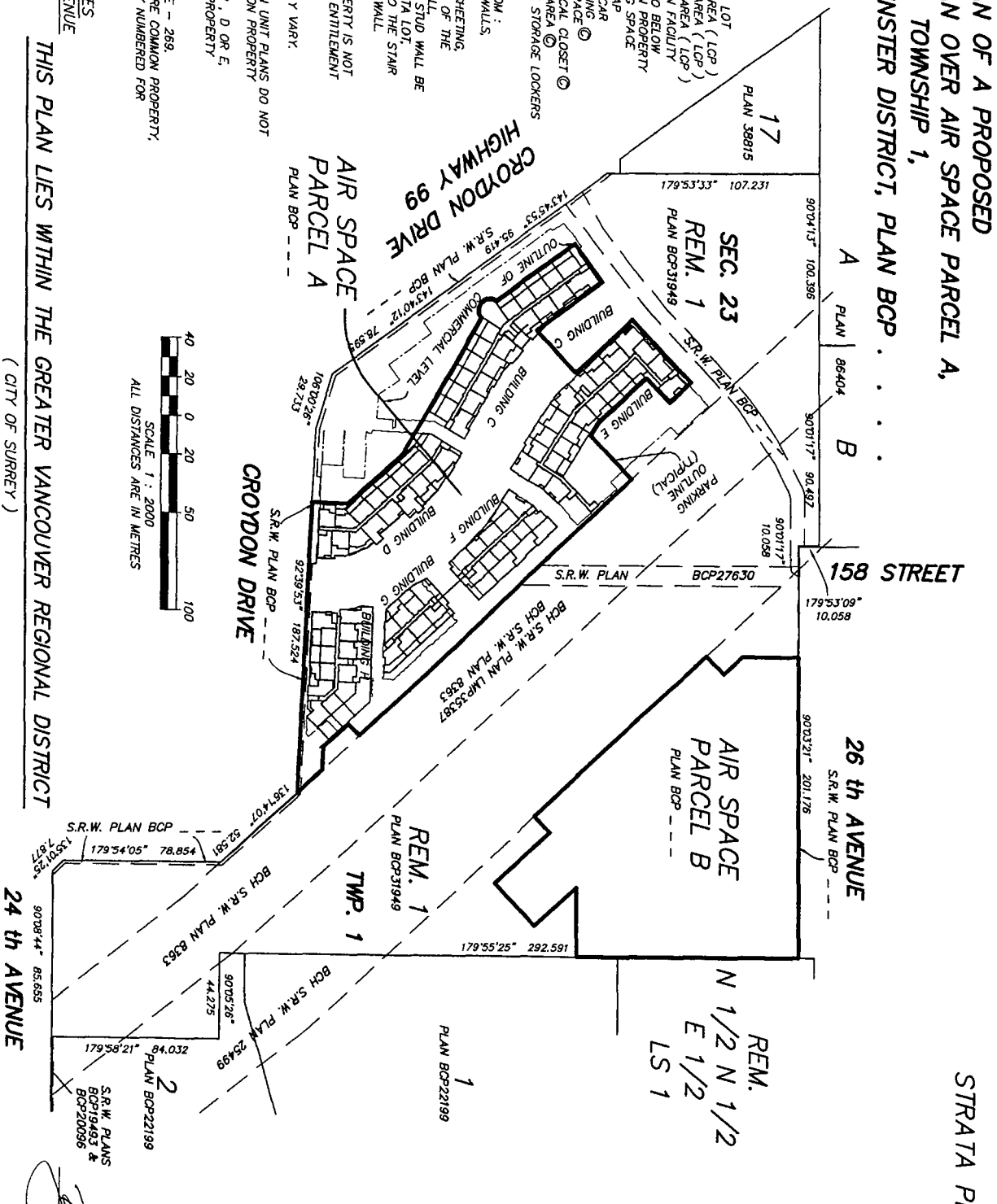
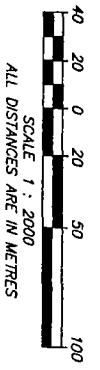
TOTAL AREA SHOWN ON UNIT PLANS DO NOT INCLUDE LIMITED COMMON PROPERTY.  
AREAS INDICATED AS P, D OR E, ARE LIMITED COMMON PROPERTY, APPURTENANT TO THE STRATA LOT INDICATED.  
I.e. P - 1.0 - 1 OR E - 289.  
ALL PARKING SPACES ARE COMMON PROPERTY, AND ARE SEQUENTIALLY NUMBERED FOR REFERENCE PURPOSES.

MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

THIS PLAN LIES WITHIN THE GREATER VANCOUVER REGIONAL DISTRICT  
(CITY OF SURREY)

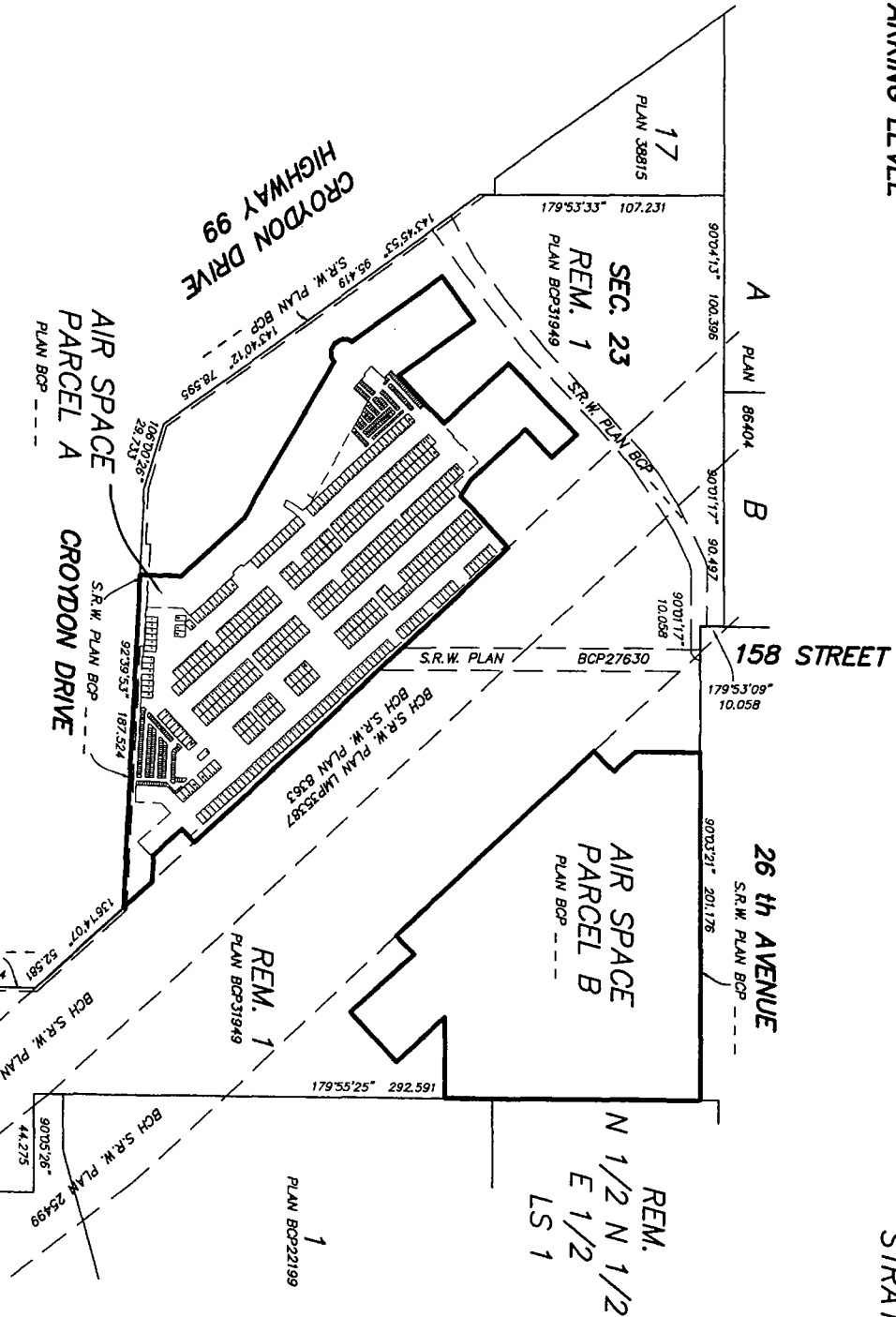
24th AVENUE

B. C. L. S.  
3rd October 2007  
FILE 9223B

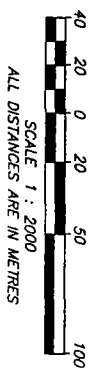


OVERALL PARKING LEVEL

SHEET 2 OF 33 SHEETS  
STRATA PLAN BCS



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189



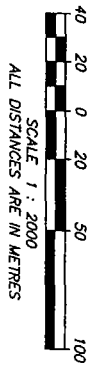
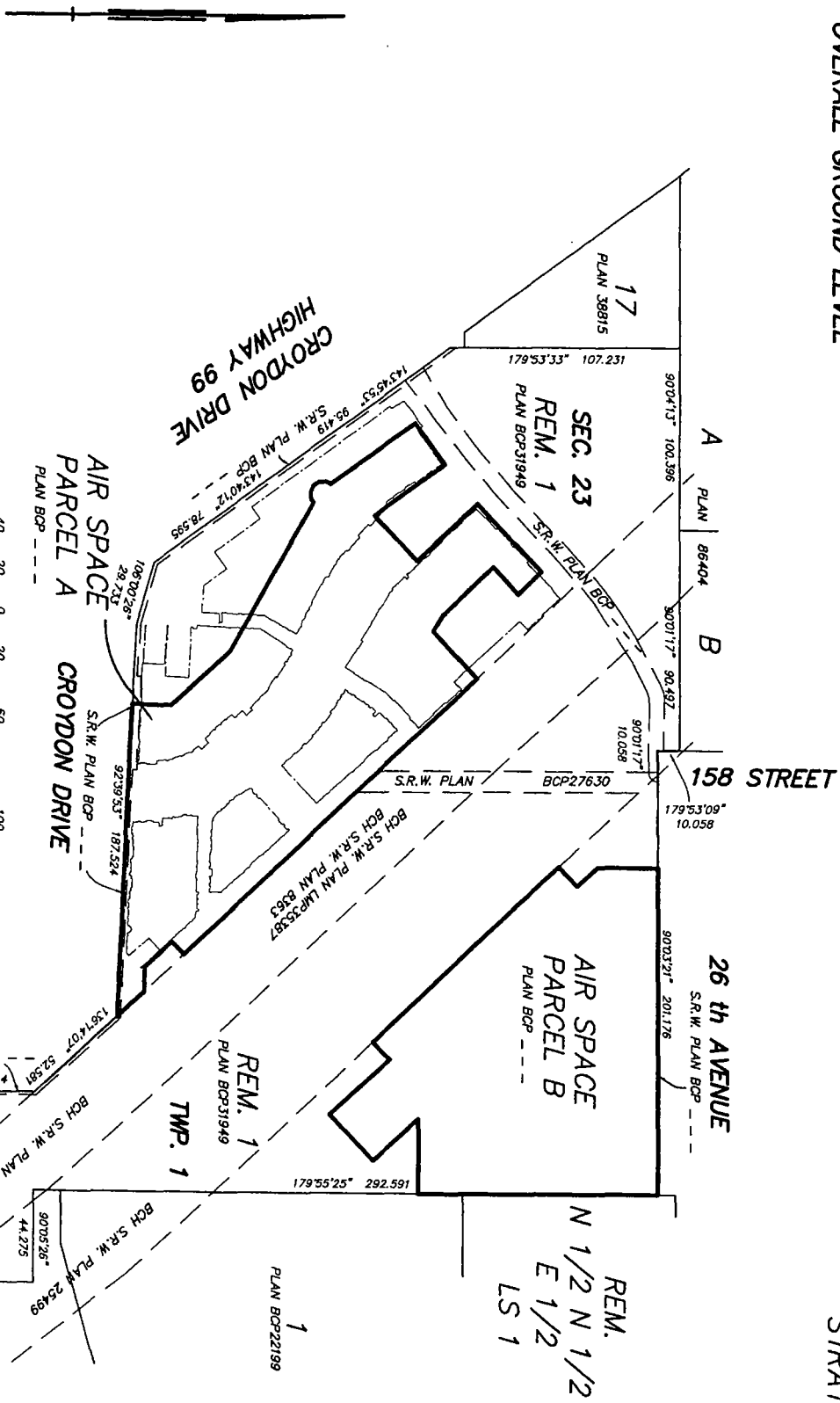
B. C. L. S.  
Oct 2007  
FILE 9223B



OVERALL GROUND LEVEL

STRATA PLAN BCS

SHEET 3 OF 33 SHEETS



MURRAY & ASSOCIATES  
 201-12448 82nd AVENUE  
 SURREY, B.C.  
 V3W 3E9  
 (604) 597-9189

24th AVENUE

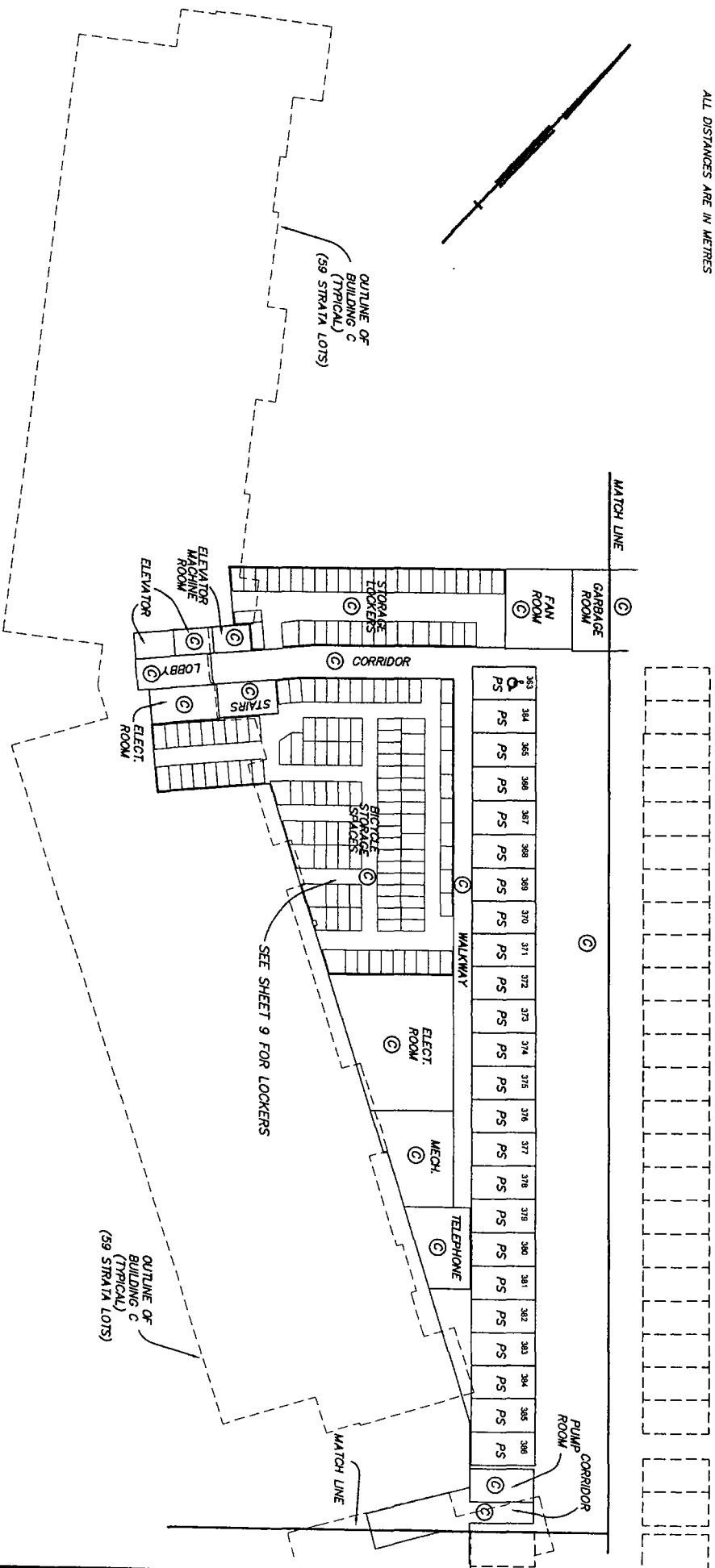
*[Signature]*

B. C. L. S.  
 3rd October 2007  
 FILE 9223B

# PARKING LOCATION PLAN AND OUTLINE OF SECOND LEVEL ABOVE

## STRATA PLAN BCS

SHEET 4 OF 33 SHEETS



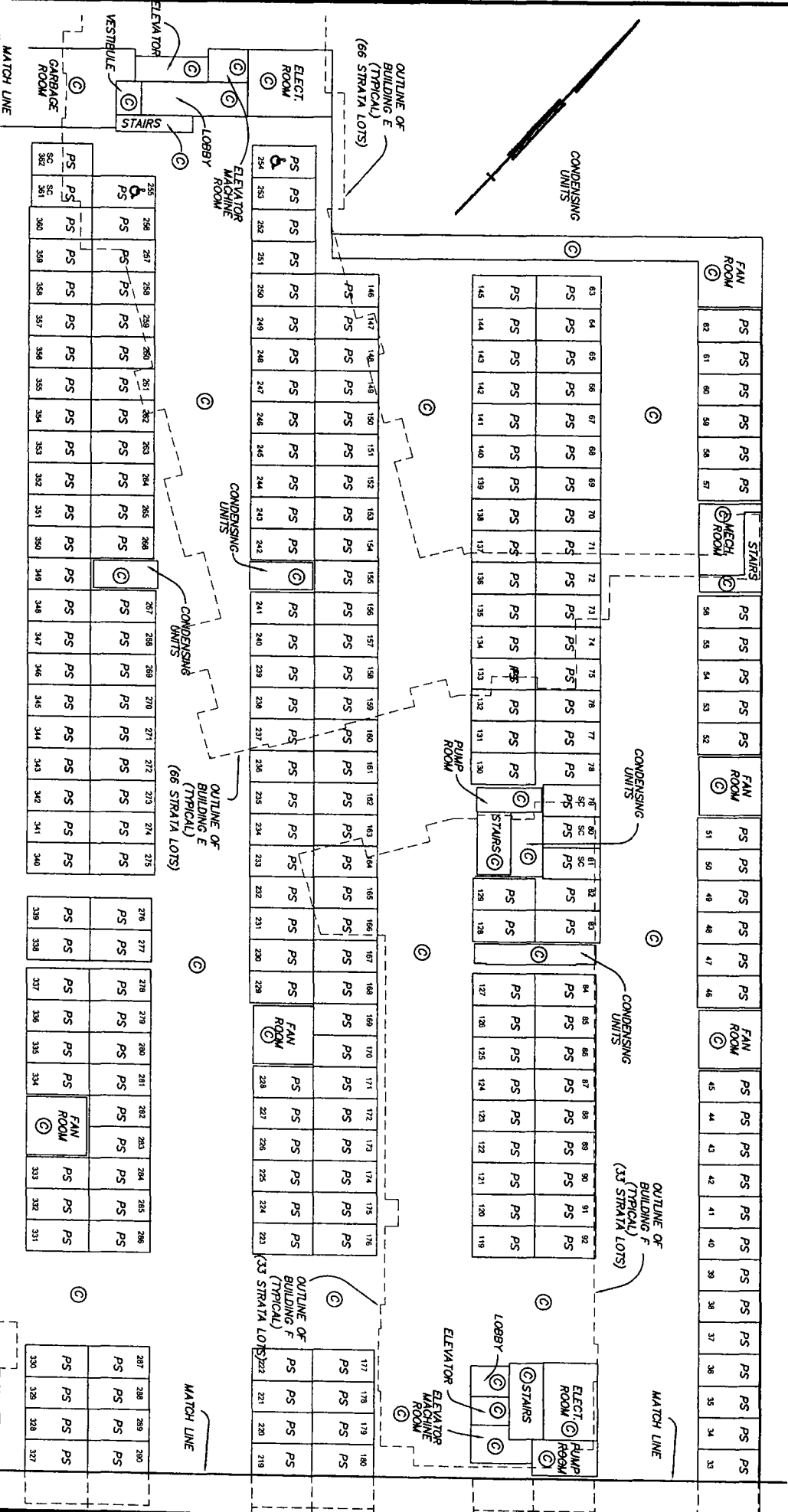
MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

B.C.L.S.  
3rd October 2007  
FILE 9223B

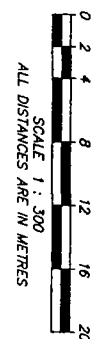
# PARKING LOCATION PLAN AND OUTLINE OF SECOND LEVEL ABOVE

## STRATA PLAN BCS

SHEET 5 OF 33 SHEETS



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

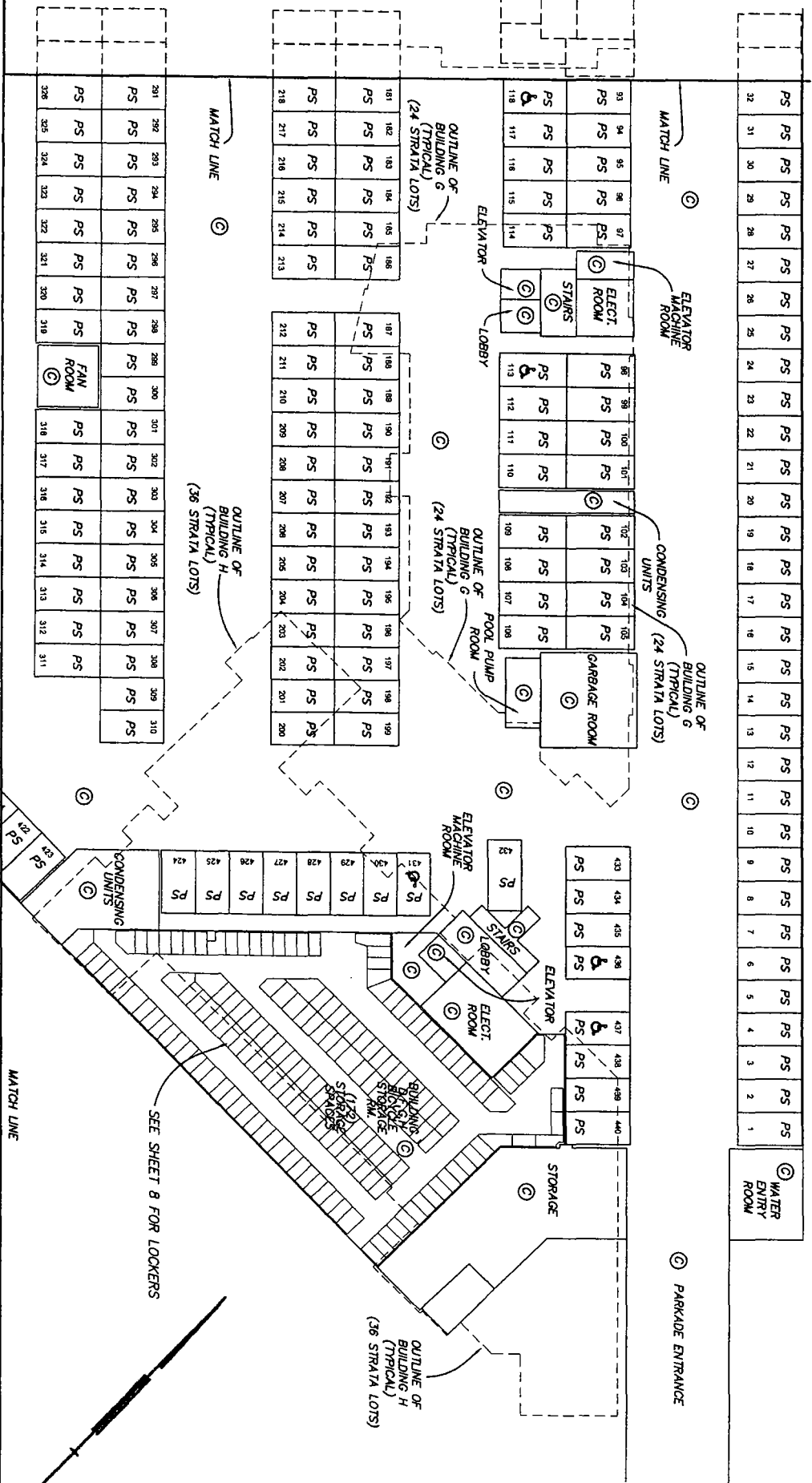


BCLS  
30 October 2007  
FILE 9223B

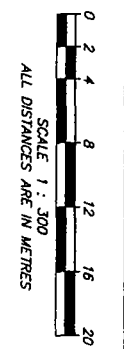
# PARKING LOCATION PLAN AND OUTLINE OF SECOND LEVEL ABOVE

## STRATA PLAN BCS

SHEET 6 OF 33 SHEETS



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

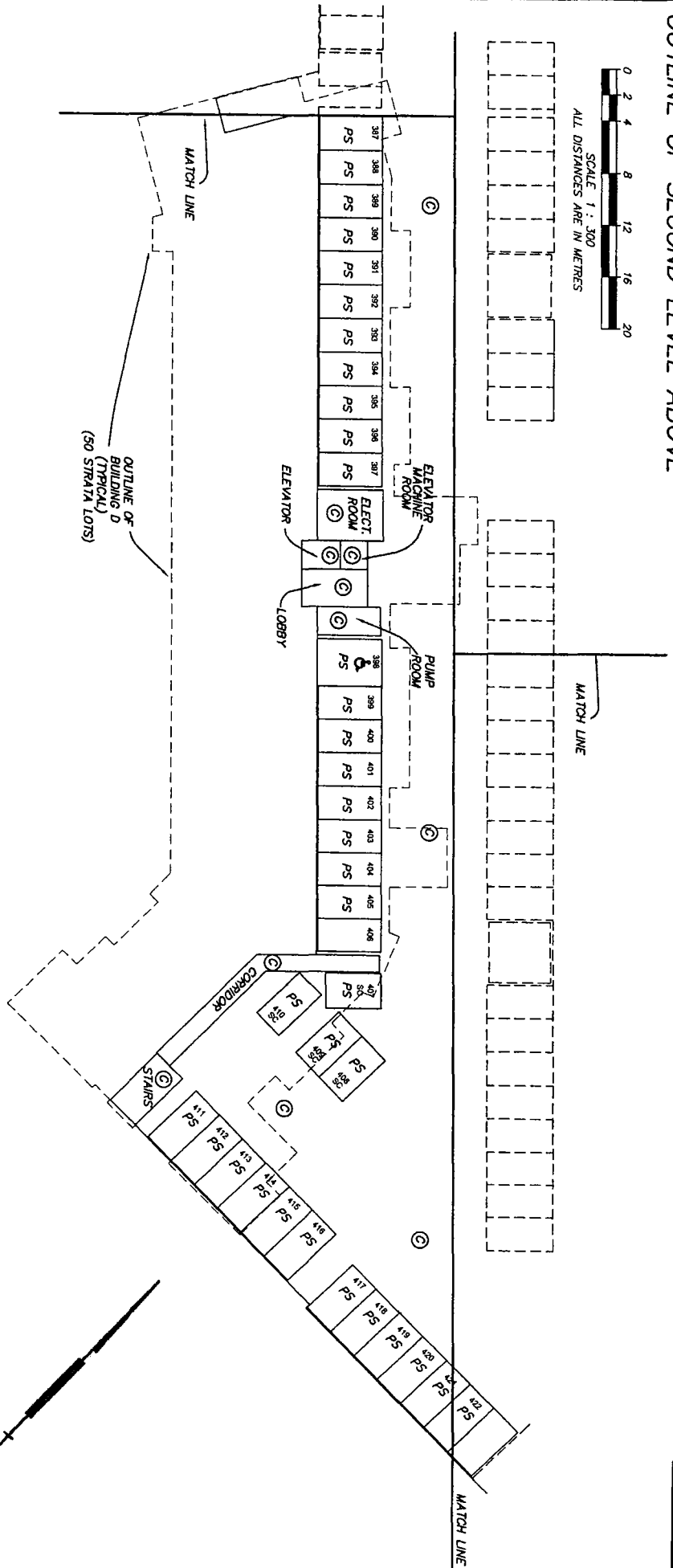
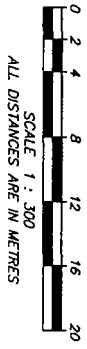


B.C.L.S.  
3rd October 2007  
FILE 9223B

PARKING LOCATION PLAN AND  
OUTLINE OF SECOND LEVEL ABOVE

STRATA PLAN BCS

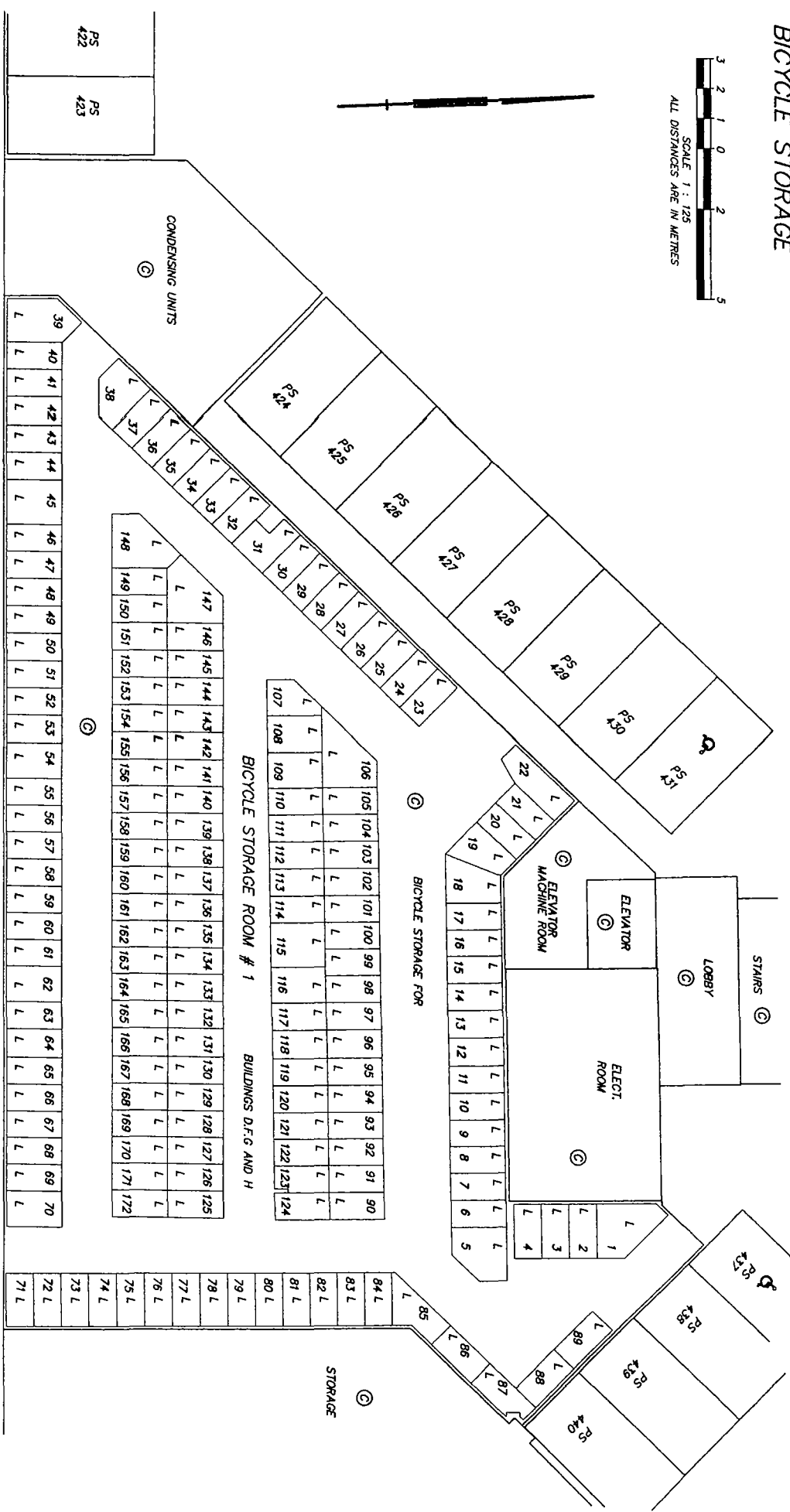
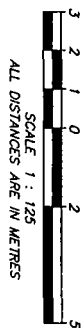
SHEET 7 OF 33 SHEETS



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
Y3W 3E9  
(604) 597-9189

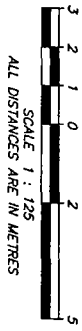
B.C.L.S.  
10 October 2007  
FILE 9223B

# BUILDINGS D, F, G AND H BICYCLE STORAGE

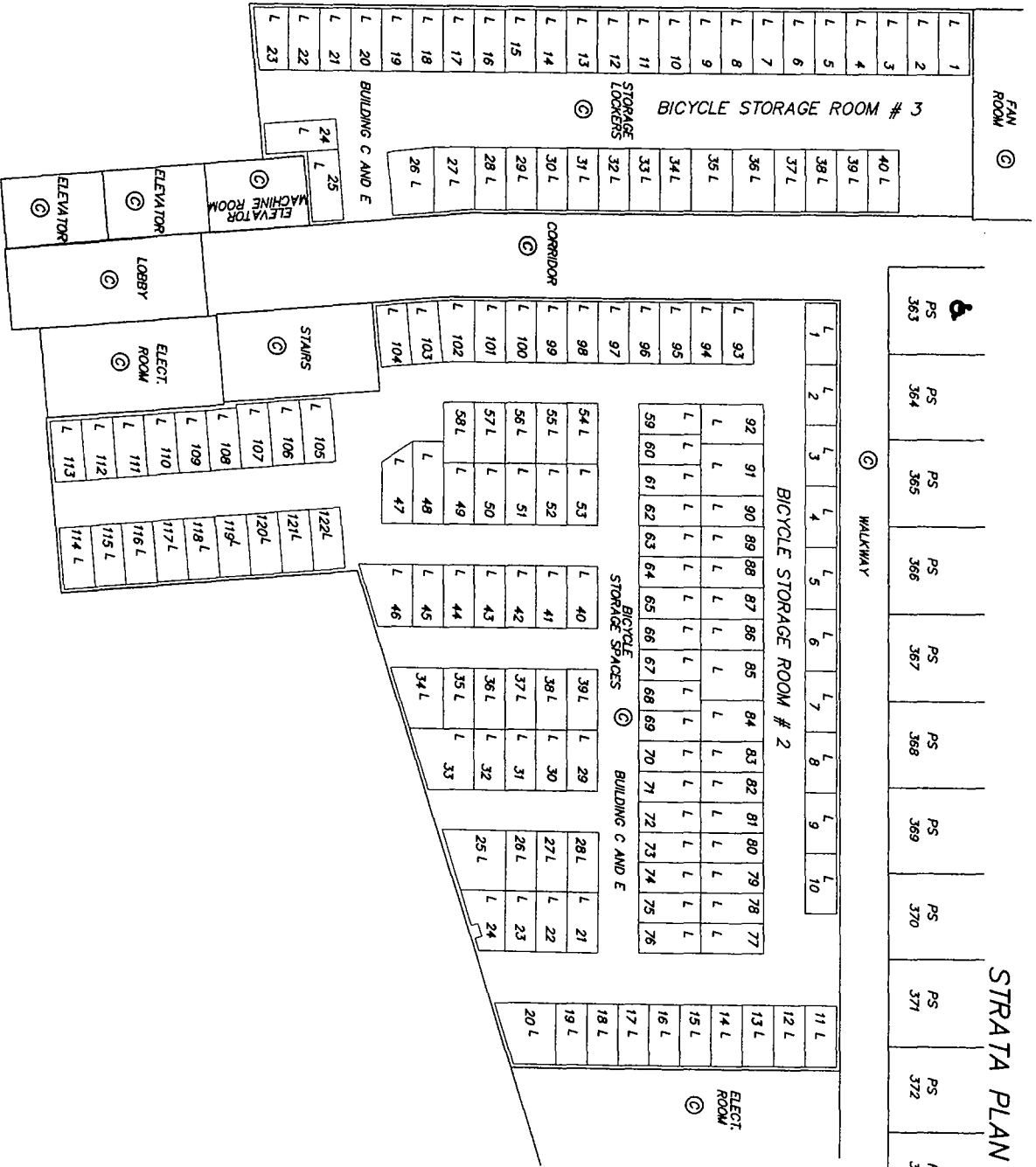


MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

# BUILDING C AND E STORAGE LOCKERS AND BICYCLE LOCKERS



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

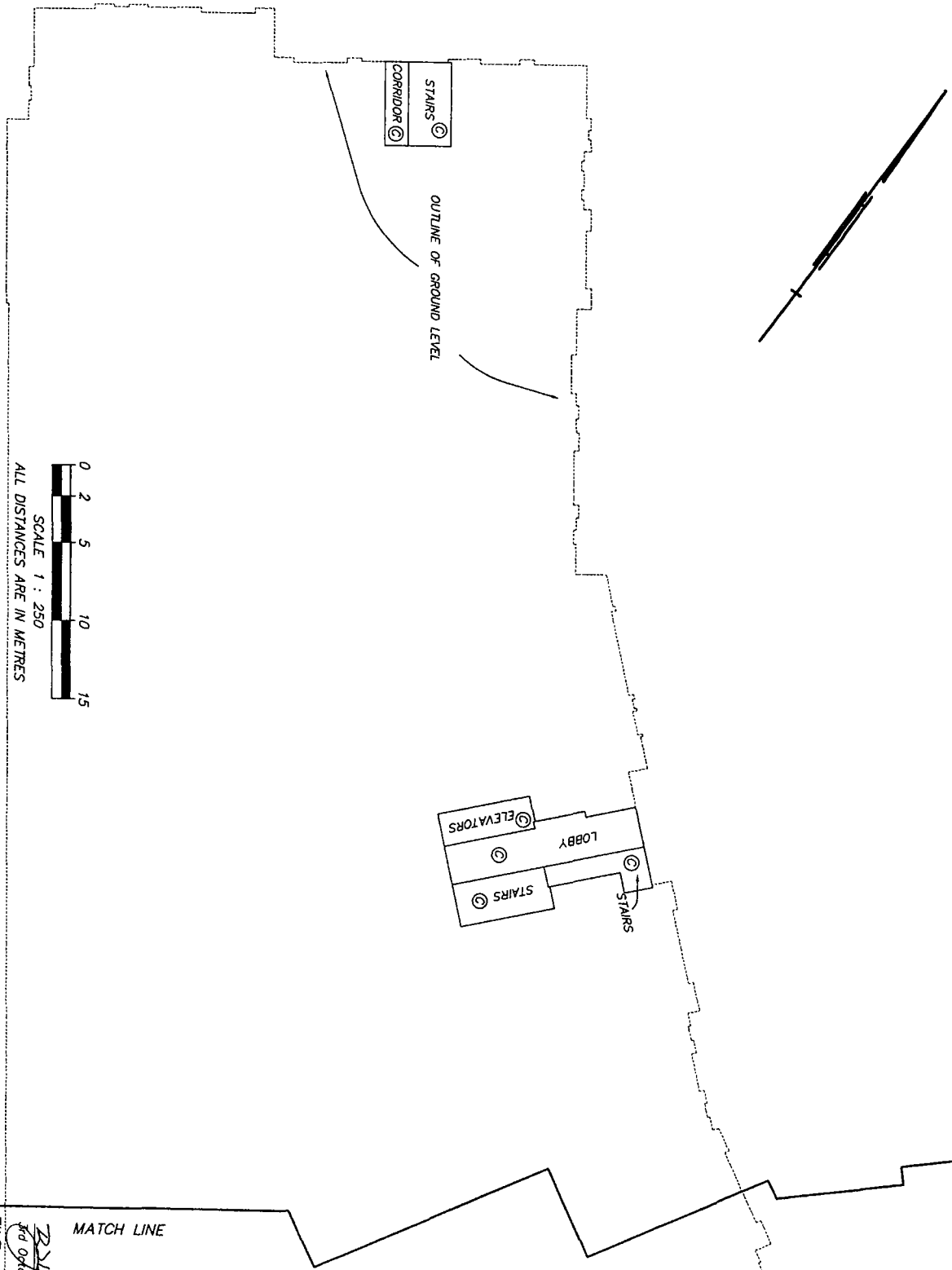


## STRATA PLAN BCS

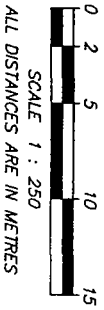
SHEET 9 OF 33 SHEETS

B.C.L.S.  
3rd October 2007  
FILE 9223B

BUILDING C  
GROUND LEVEL



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189



STRATA  
PLAN BCS

SHEET 10 OF 33 SHEETS

MATCH LINE

*RSJ*  
B.C.L.S.  
3rd October 2007  
FILE 9223B



STRATA PLAN BCS

SHEET 11 OF 33 SHEETS

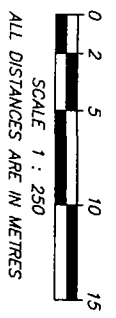
BUILDING C  
GROUND LEVEL

STAIRS  
CORRIDOR

OUTLINE OF GROUND LEVEL

MURRAY & ASSOCIATES  
201-12448 82ND AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9199

MATCH LINE

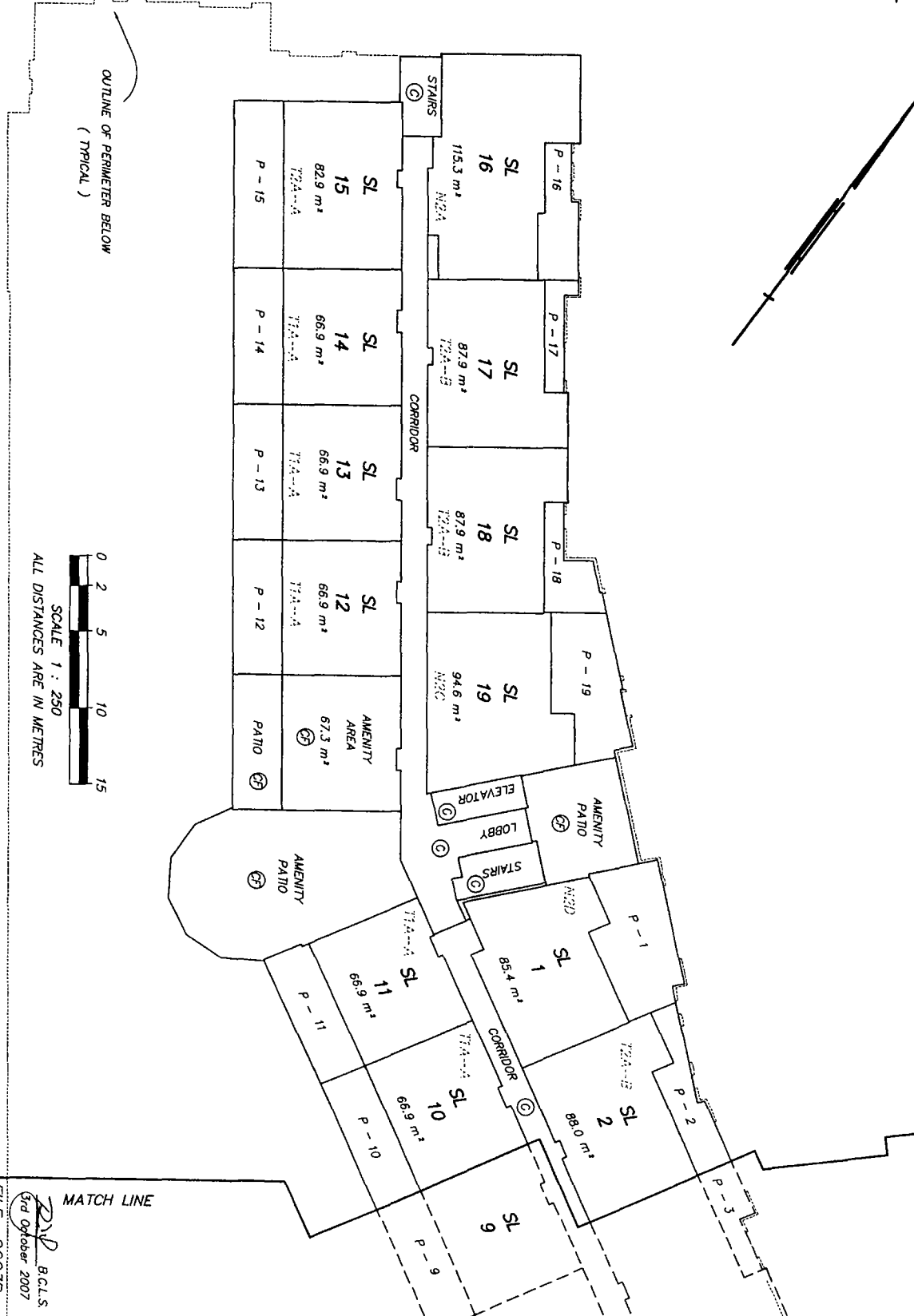


B.C.L.S.  
3rd October 2007  
FILE 9223B

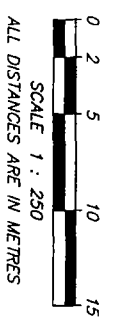
BUILDING C  
SECOND LEVEL

STRATA PLAN BCS

SHEET 12 OF 33 SHEETS

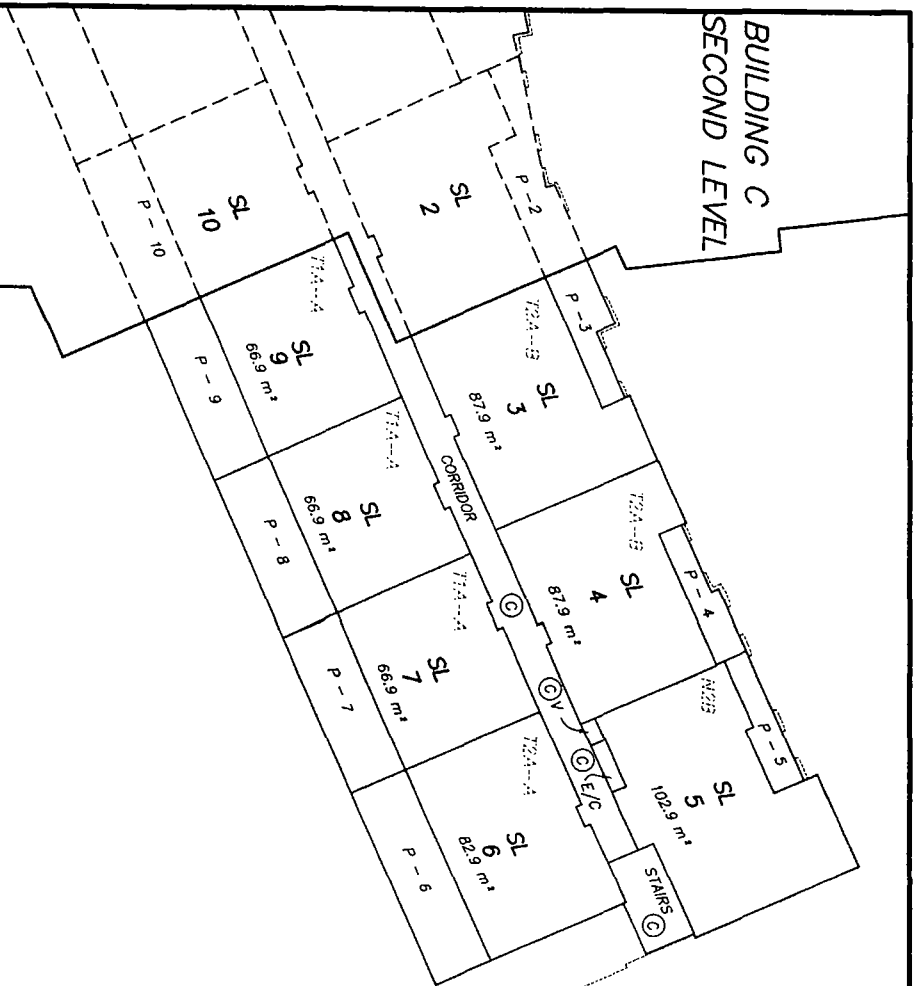


MURRAY & ASSOCIATES  
201-12448 82ND AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189



MATCH LINE  
B.C.L.S.  
3rd October 2007  
FILE 9223B

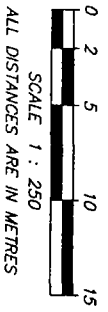
BUILDING C  
SECOND LEVEL



MURRAY & ASSOCIATES  
201-12448 82ND AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

MATCH LINE

OUTLINE OF PERIMETER BELOW  
( TYPICAL )



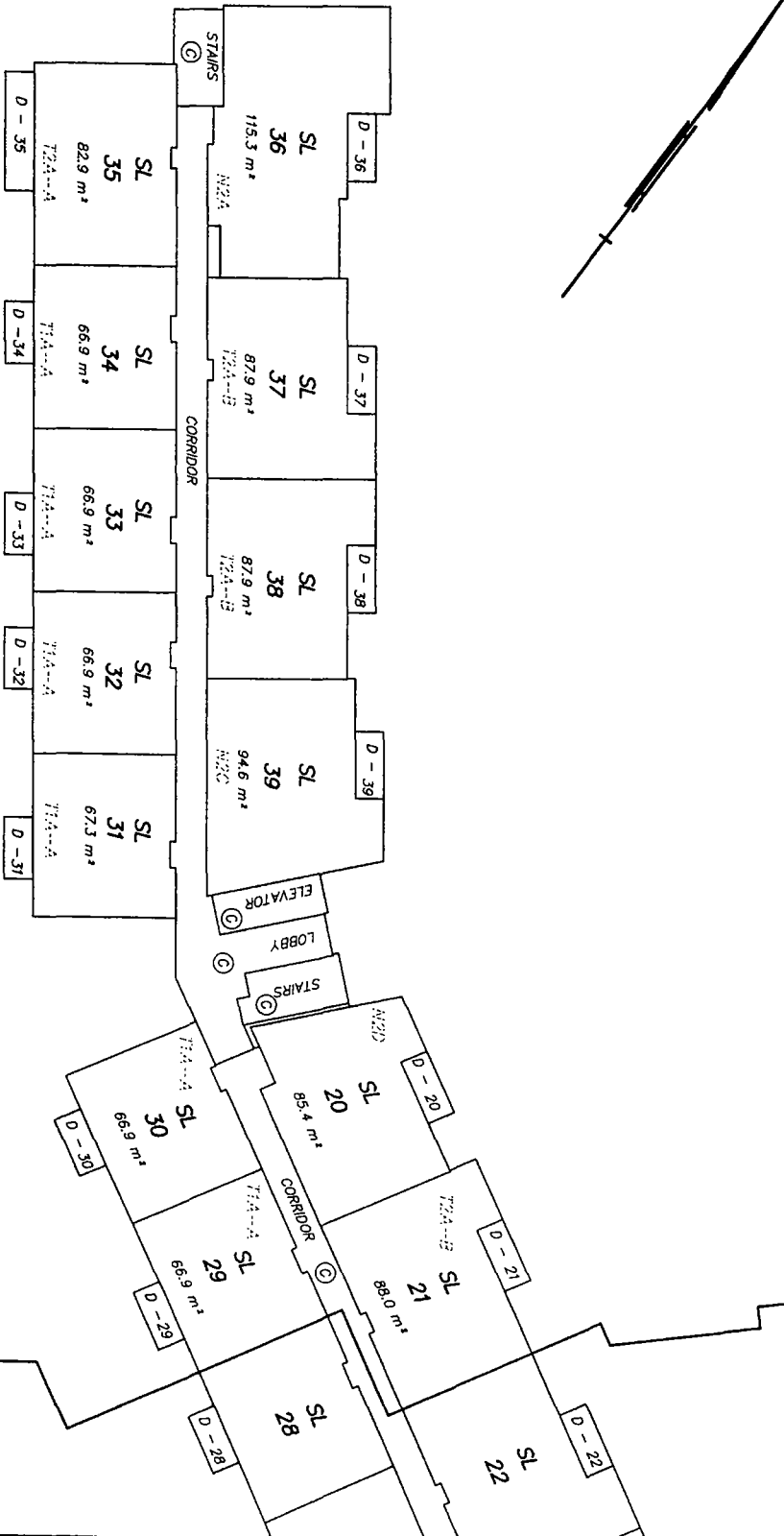
PART OF BUILDING D

STRATA PLAN BCS

SHEET 13 OF 33 SHEETS

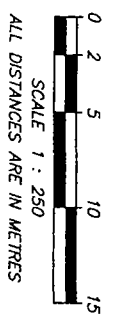
*R.J.* B.C.L.S.  
3rd October 2007  
FILE 9223B

BUILDING C  
THIRD LEVEL



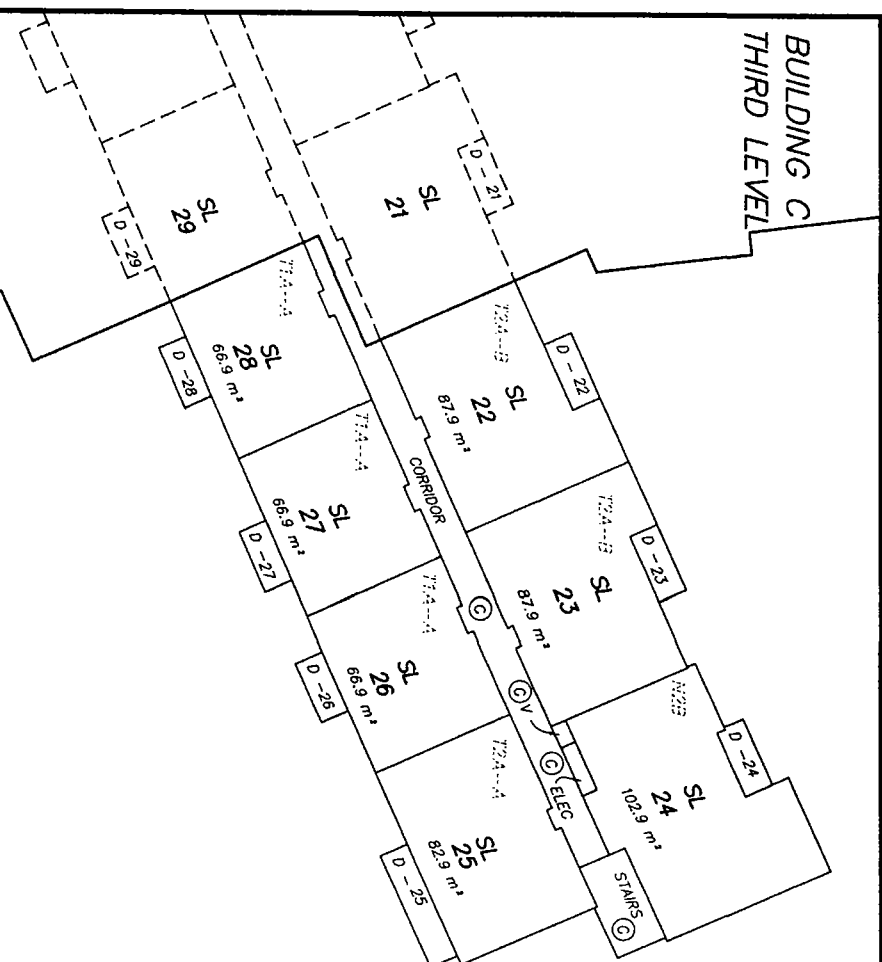
STRATA PLAN BCS  
SHEET 14 OF 33 SHEETS

MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189



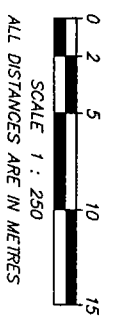
MATCH LINE  
B.C.L.S.  
6th October 2007  
FILE 9223B

BUILDING C  
THIRD LEVEL



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

MATCH LINE



PART OF BUILDING D

STRATA PLAN BCS

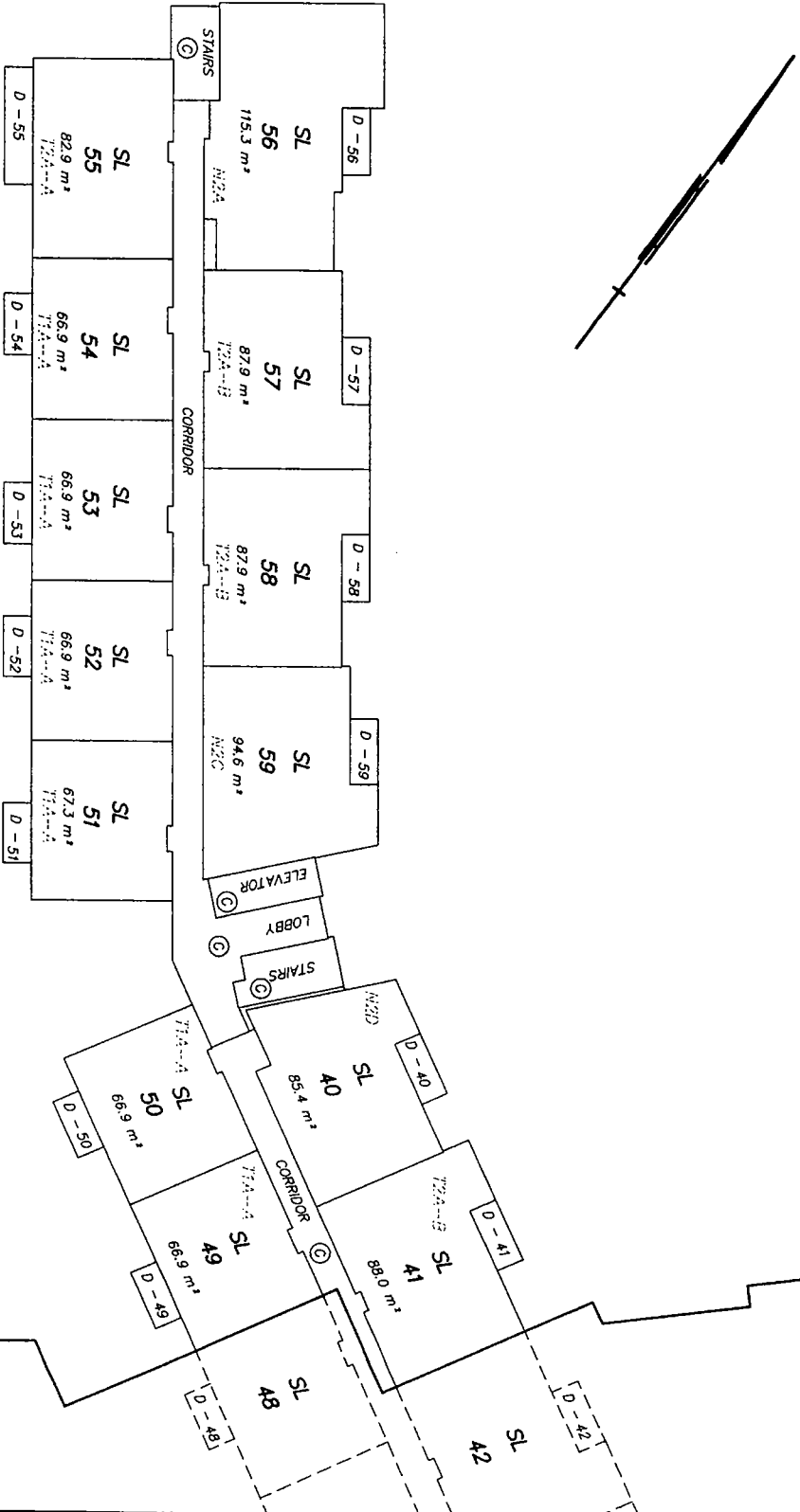
SHEET 15 OF 33 SHEETS

30 October 2007  
B.C.L.S.  
FILE 9223B

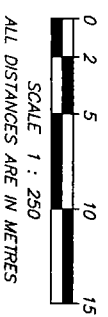
BUILDING C  
FOURTH LEVEL

STRATA PLAN BCS

SHEET 16 OF 33 SHEETS

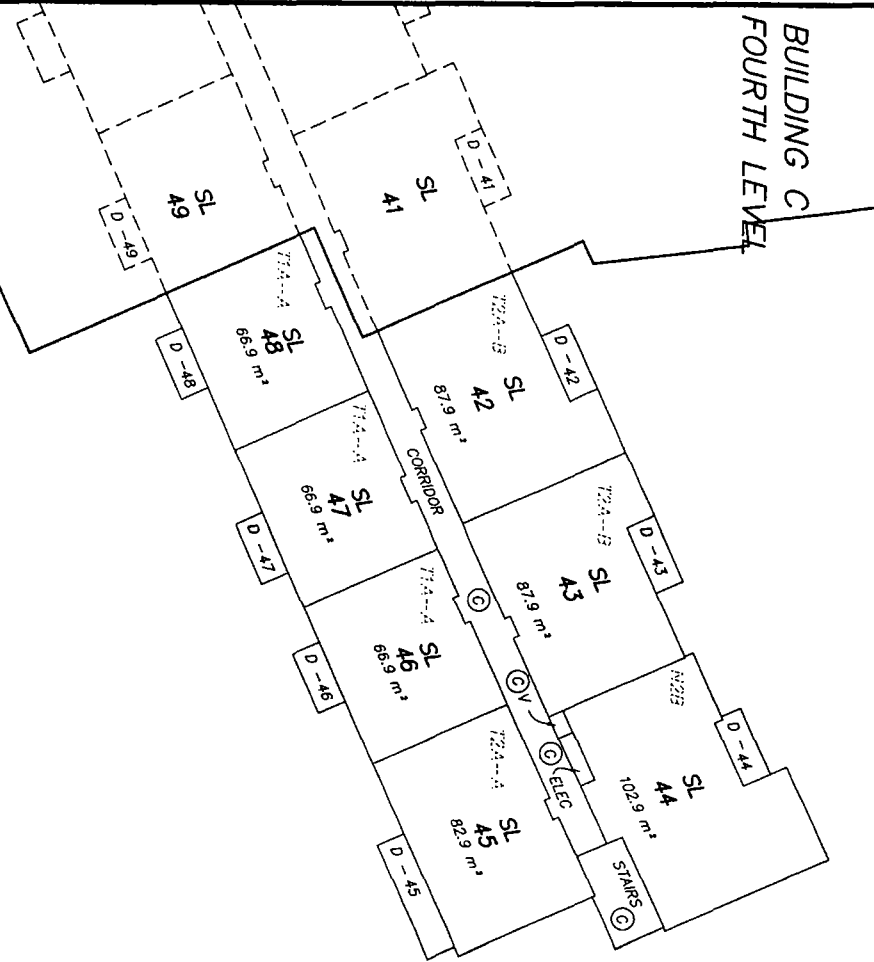


MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189



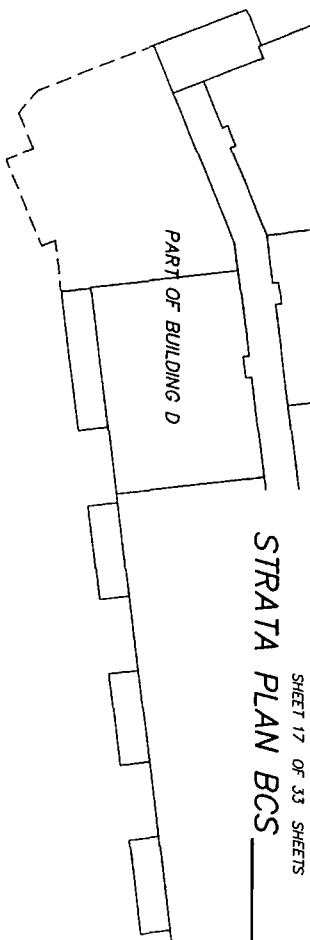
MATCH LINE  
B.C.L.S.  
3rd October 2007  
FILE 9223B

BUILDING C  
FOURTH LEVEL



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
VINW JEG  
(604) 587-9189

MATCH LINE

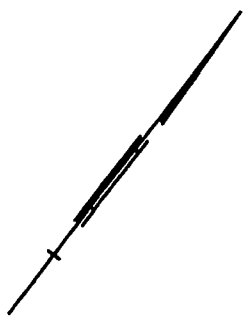


STRATA PLAN BCS

SHEET 17 OF 33 SHEETS



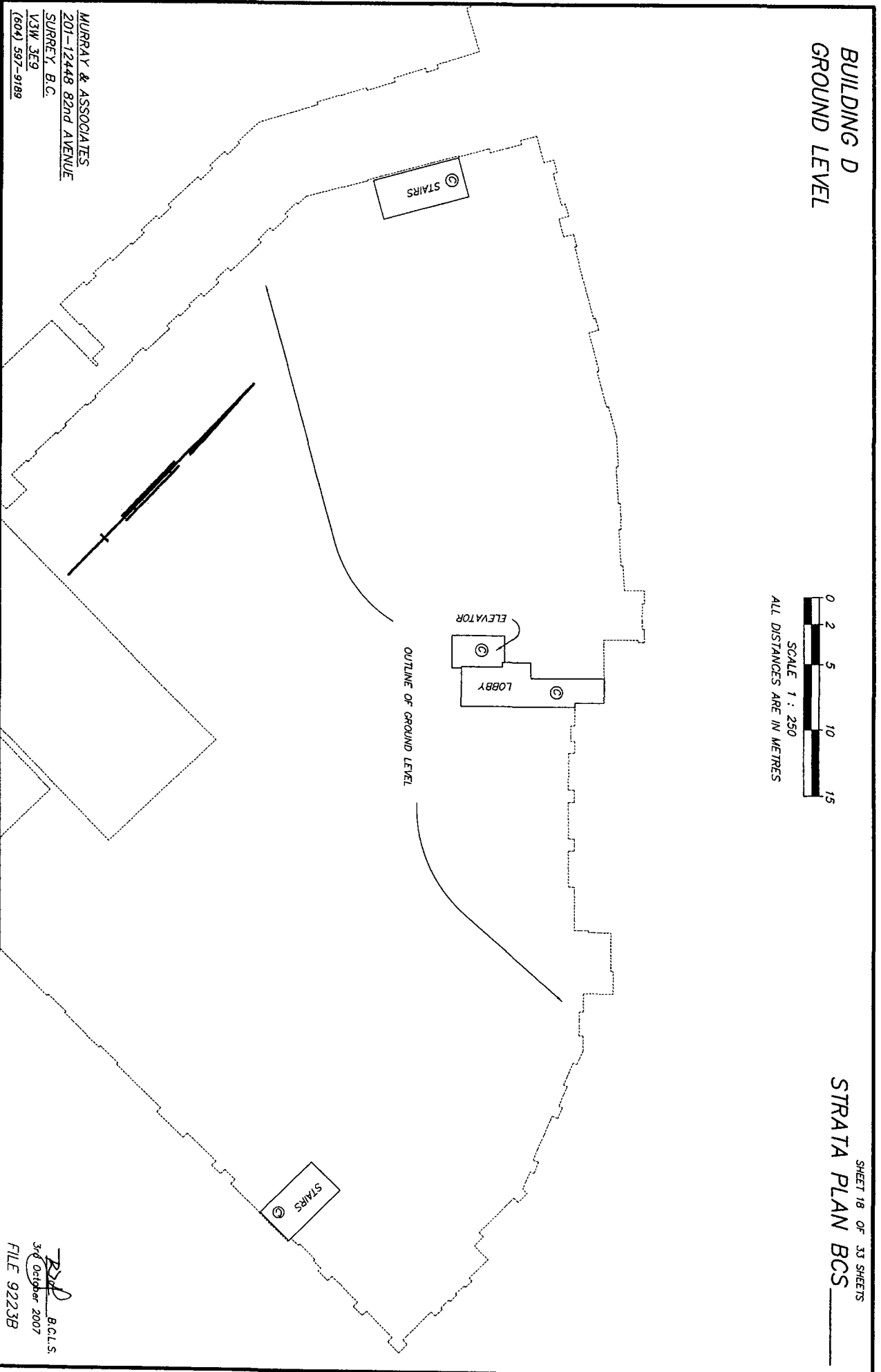
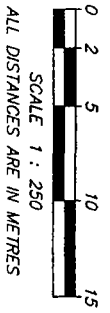
SCALE 1 : 250  
ALL DISTANCES ARE IN METRES



B.C.L.S.  
30 October 2007  
FILE 9223B

BUILDING D  
GROUND LEVEL

SHEET 18 OF 33 SHEETS  
STRATA PLAN BCS



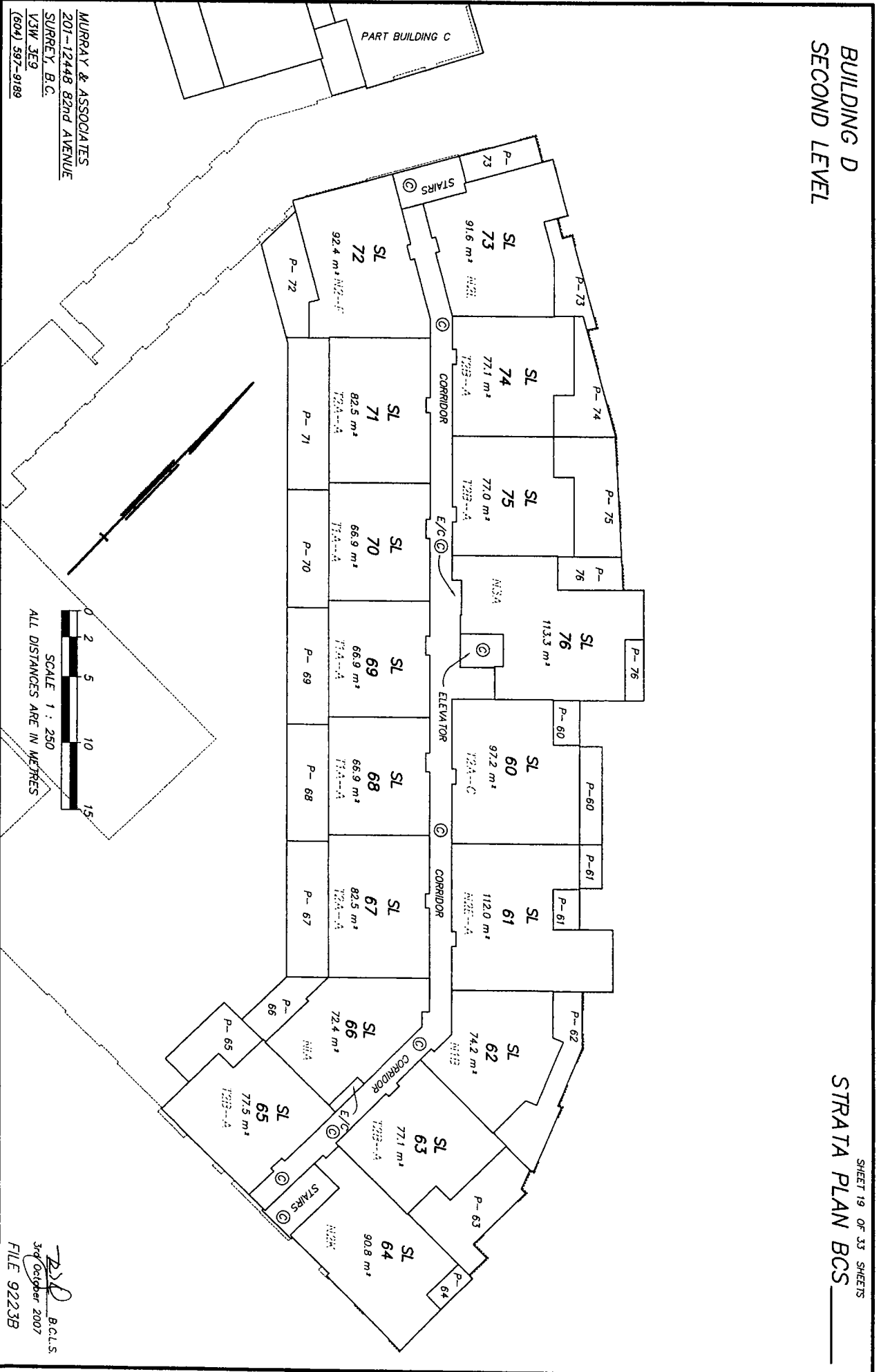
MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

*RJD* B.C.L.S.  
3rd October 2007  
FILE 9223B



BUILDING D  
SECOND LEVEL

SHEET 19 OF 33 SHEETS  
STRATA PLAN BCS



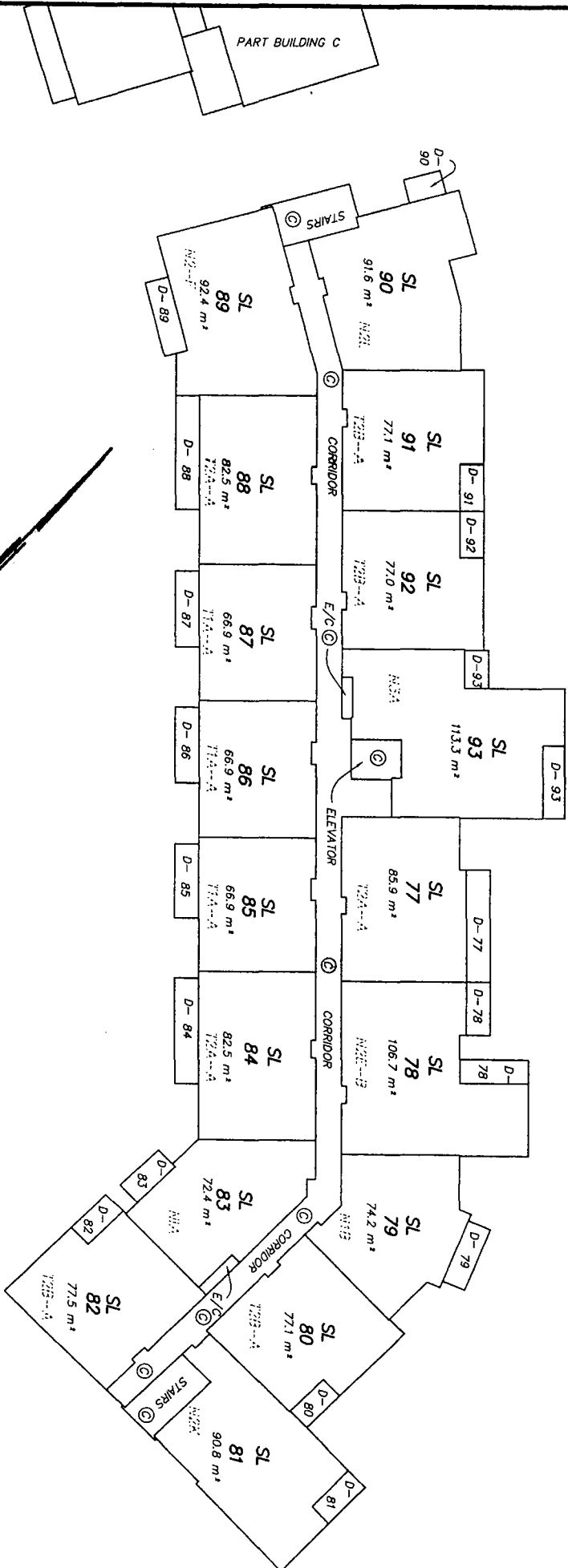
MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 587-9189

B.C.L.S.  
3rd October 2007  
FILE 9223B

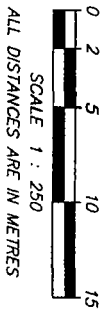
**BUILDING D  
THIRD LEVEL**

**STRATA PLAN BCS**

SHEET 20 OF 33 SHEETS



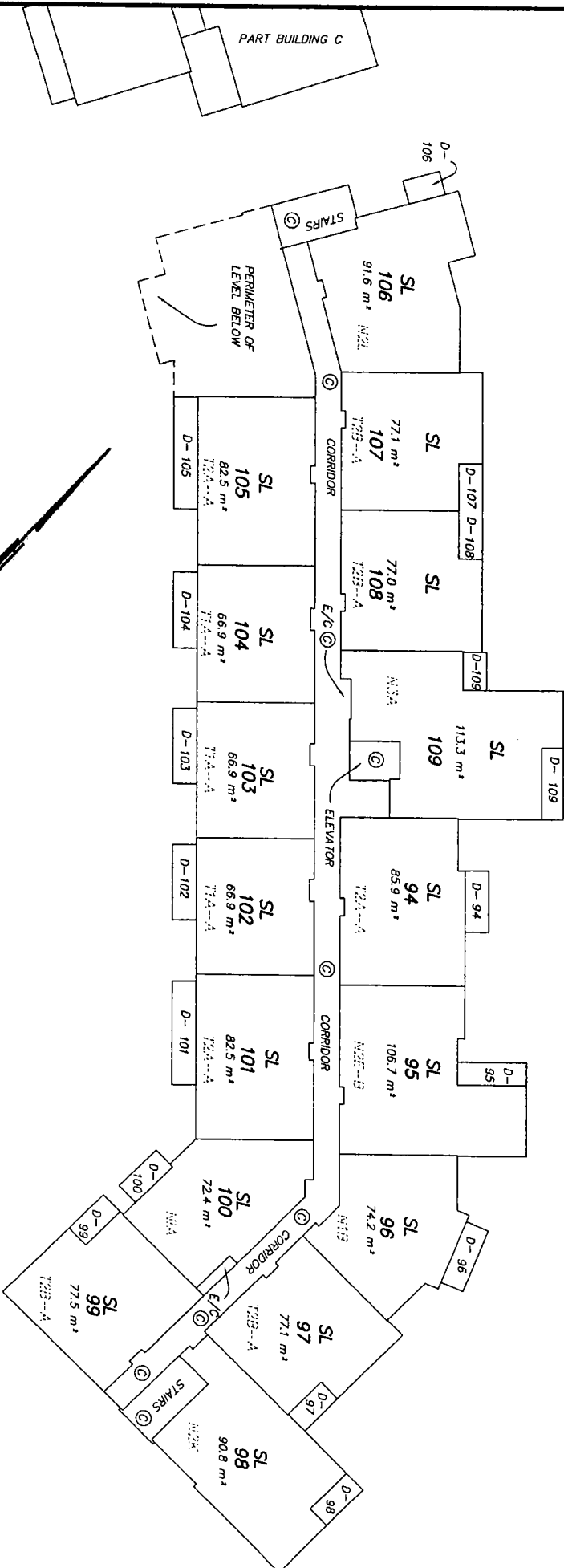
MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189



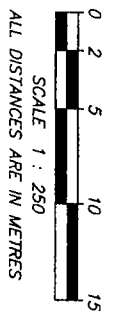
B.C.L.S.  
30 October 2007  
FILE 9223B

**BUILDING D  
FOURTH LEVEL**

SHEET 21 OF 33 SHEETS  
**STRATA PLAN BCS**



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189



B.C.L.S.  
3rd October 2007  
FILE 9223B

BUILDING E  
GROUND LEVEL

SHEET 22 OF 33 SHEETS  
STRATA PLAN BCS

STAIRS  
②

STAIRS  
②

OUTLINE OF GROUND LEVEL

STAIRS  
CORRIDOR  
LOBBY  
ELEVATORS

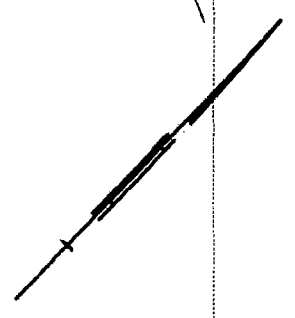
MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

  
B.C.L.S.  
3rd October 2007  
FILE 9223B

# BUILDING E SECOND LEVEL



OUTLINE OF PERIMETER BELOW

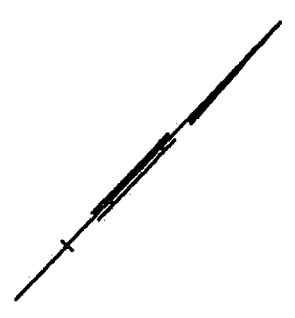
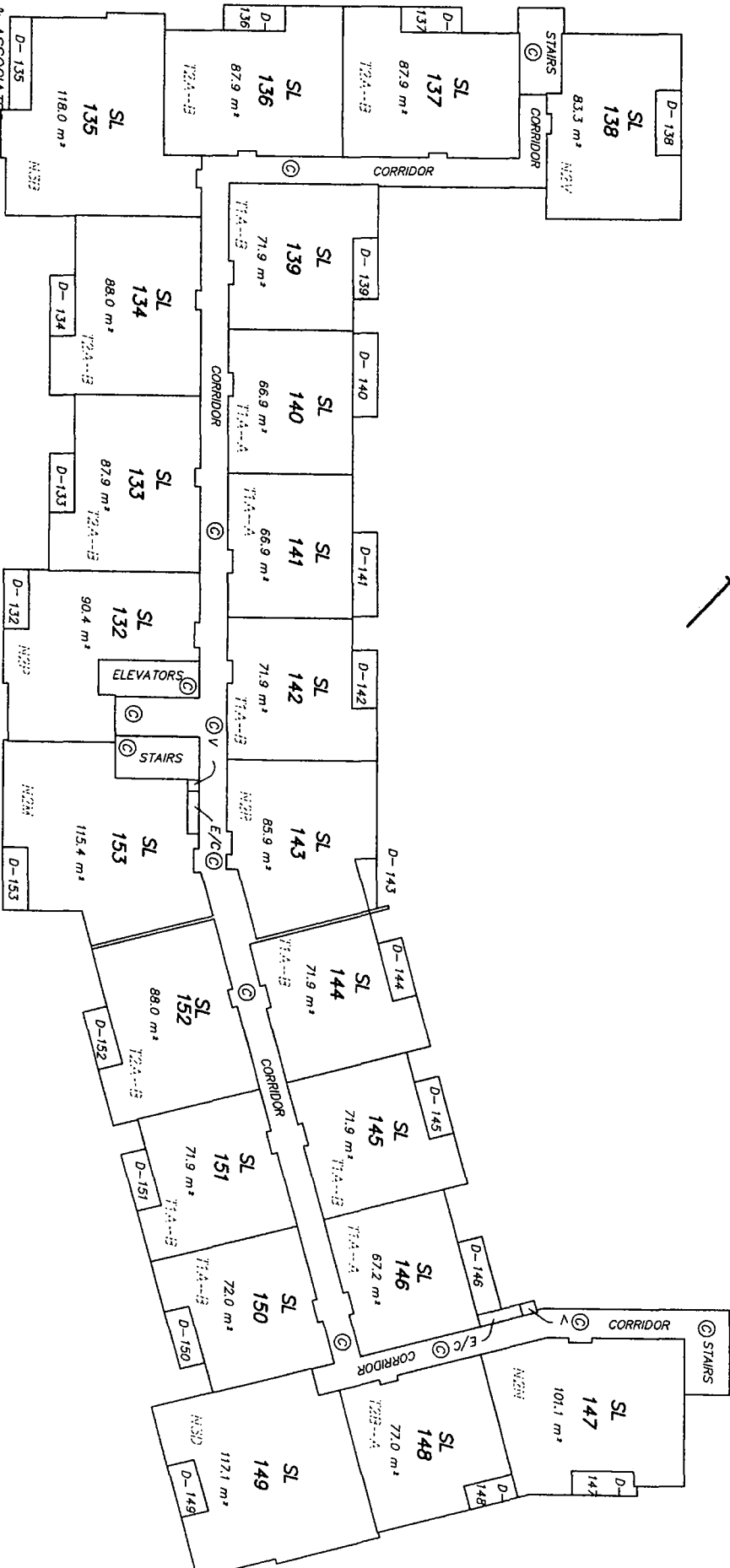


SHEET 23 OF 33 SHEETS  
STRATA PLAN  
BCS

MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

B.C.L.S.  
3rd October 2007  
FILE 92238

**BUILDING E  
THIRD LEVEL**



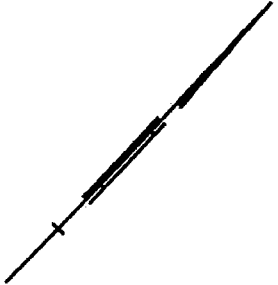
OUTLINE OF PERIMETER BELOW

SHEET 24 OF 33 SHEETS  
**STRATA PLAN**  
BCS

MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

3rd October 2007  
FILE 9223B

**BUILDING E  
FOURTH LEVEL**



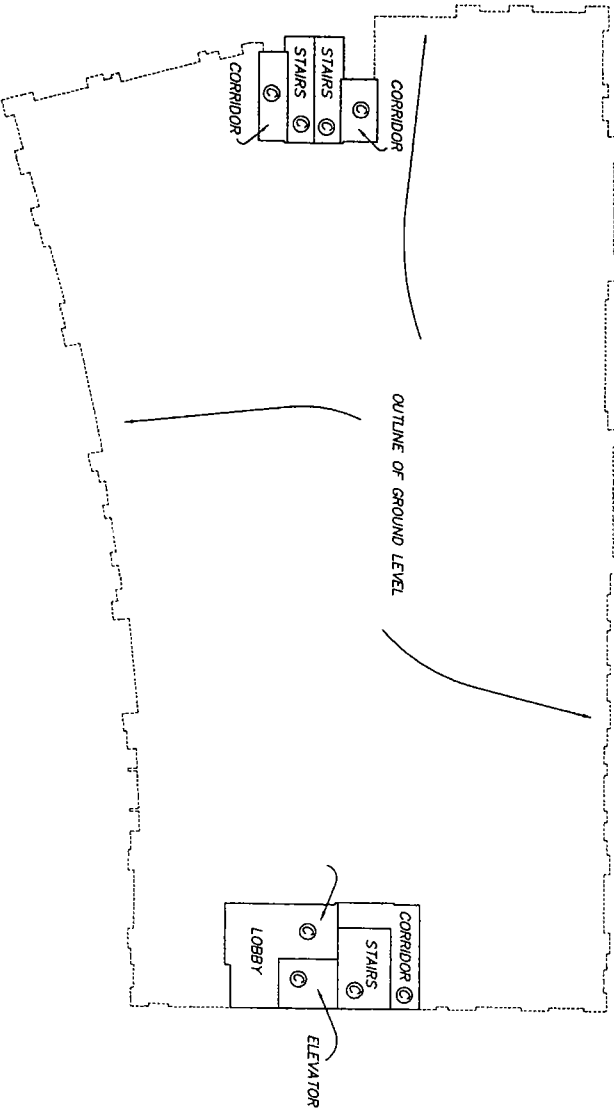
SHEET 25 OF 33 SHEETS  
**STRATA PLAN**  
BCS

MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

*PSL* B.C.L.S.  
3rd October 2007  
FILE 9223B

BUILDING F  
GROUND LEVEL

SHEET 26 OF 33 SHEETS  
STRATA PLAN BCS



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

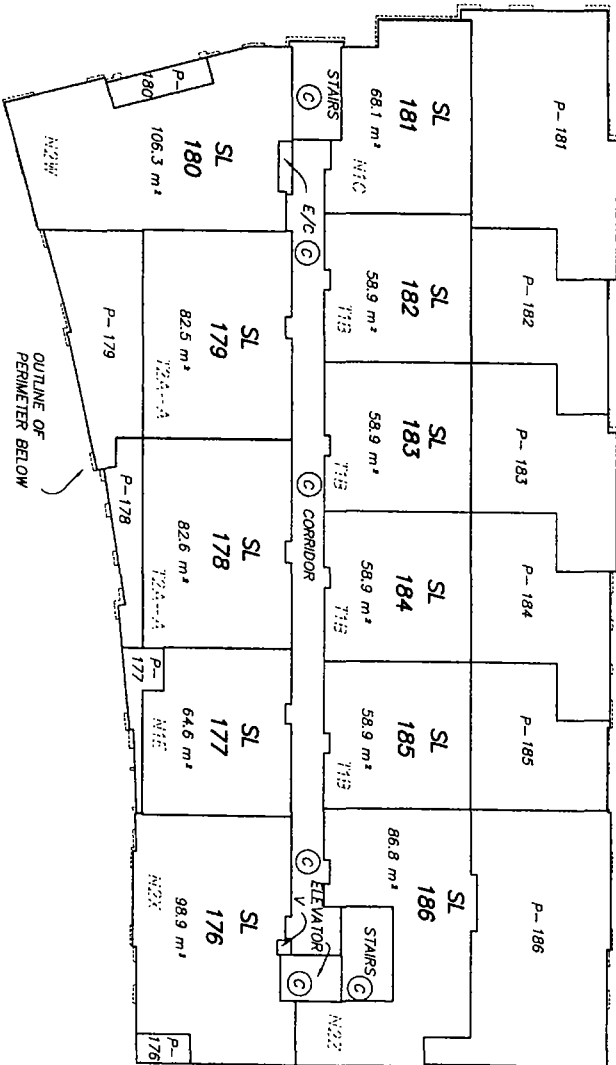
0 2 5 10 15  
SCALE 1 : 250  
ALL DISTANCES ARE IN METRES

*[Signature]*  
B.C.L.S.  
3rd October 2007  
FILE 9223B



BUILDING F  
SECOND LEVEL

SHEET 27 OF 33 SHEETS  
STRATA PLAN BCS



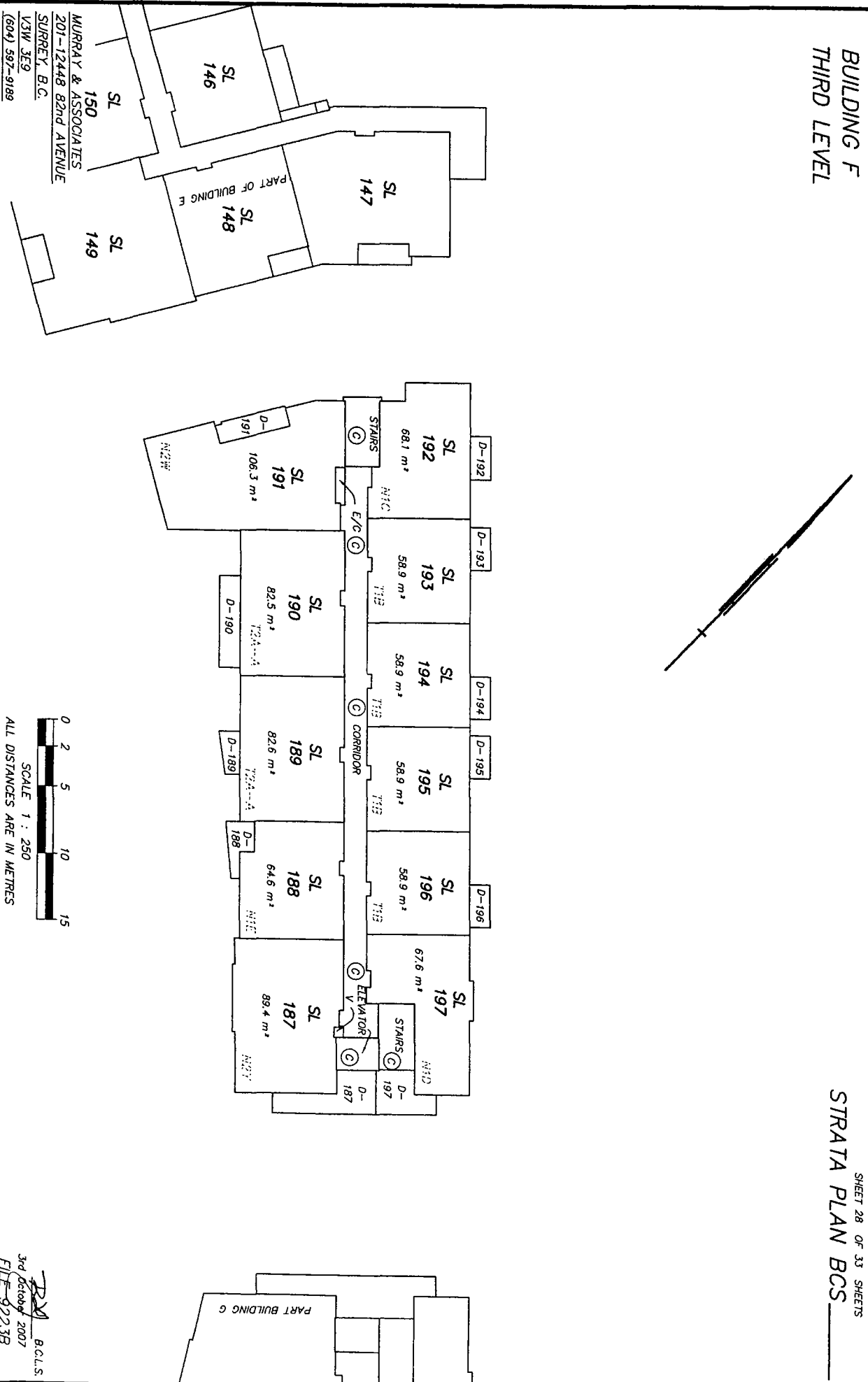
MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

0 2 5 10 15  
SCALE 1 : 250  
ALL DISTANCES ARE IN METRES

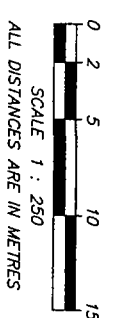
3rd October 2007  
FILE 9223B  
B.C.L.S.

BUILDING F  
THIRD LEVEL

SHEET 28 OF 33 SHEETS  
STRATA PLAN BCS



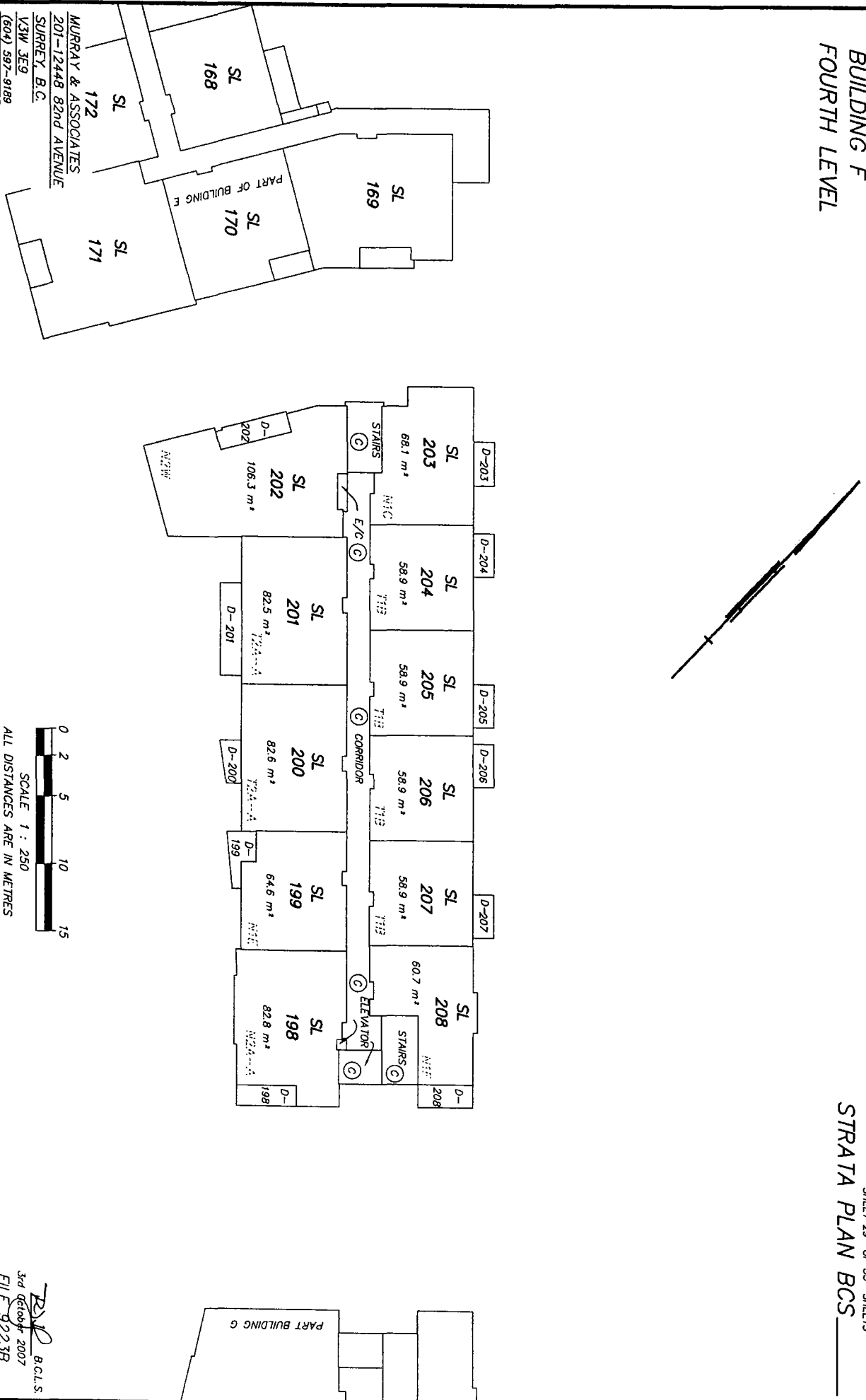
MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189



B.C.L.S.  
3rd October 2007  
FILE 92238

BUILDING F  
FOURTH LEVEL

SHEET 29 OF 33 SHEETS  
STRATA PLAN BCS \_\_\_\_\_



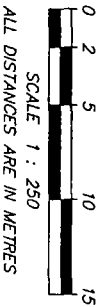
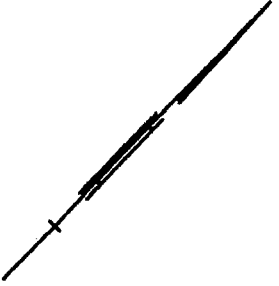
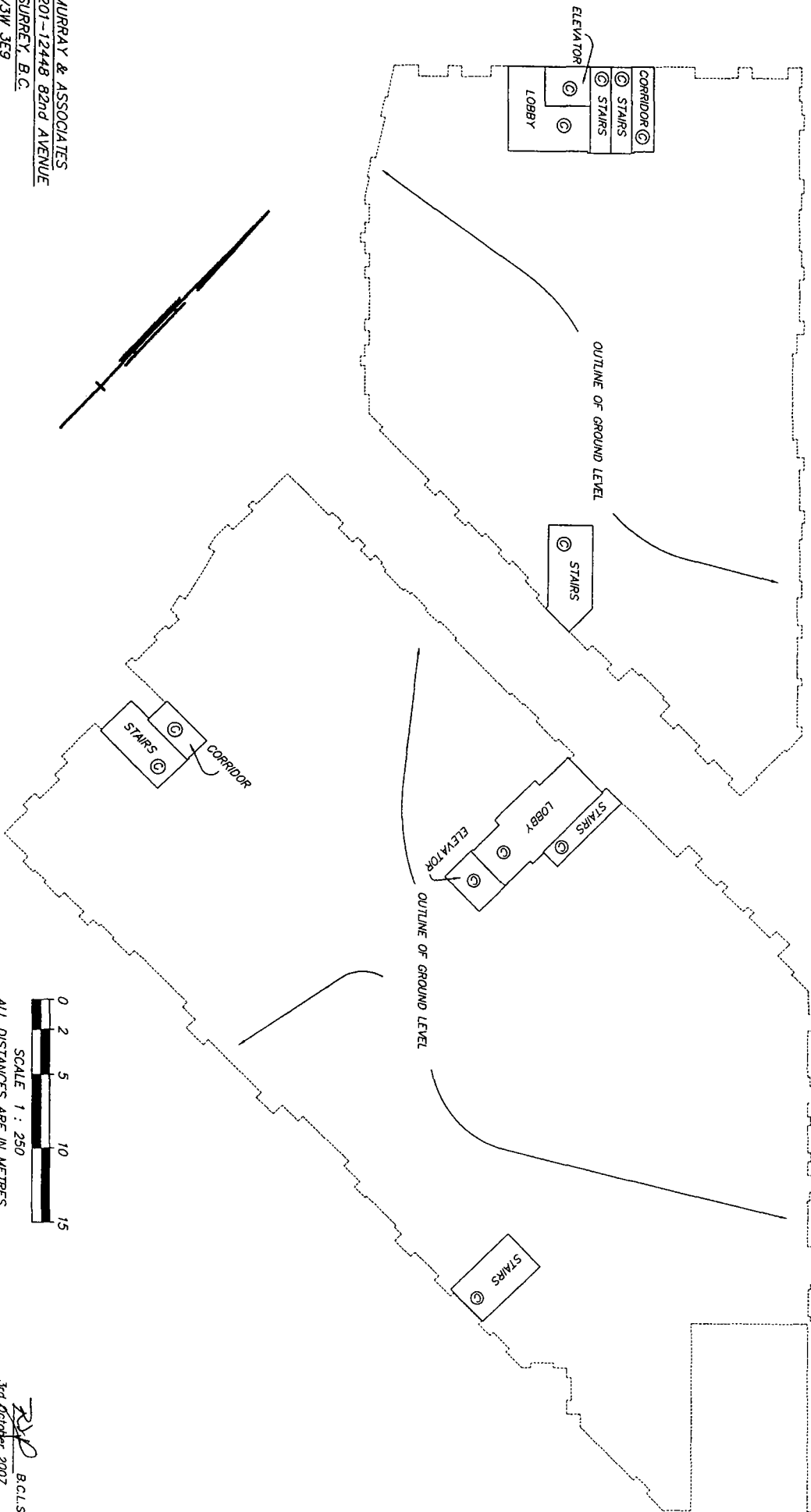
MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

0 2 5 10 15  
SCALE 1 : 250  
ALL DISTANCES ARE IN METRES

3rd October 2007  
FILE 9223B  
B.C.L.S.

BUILDING G AND H  
GROUND LEVEL

SHEET 30 OF 33 SHEETS  
STRATA PLAN BCS

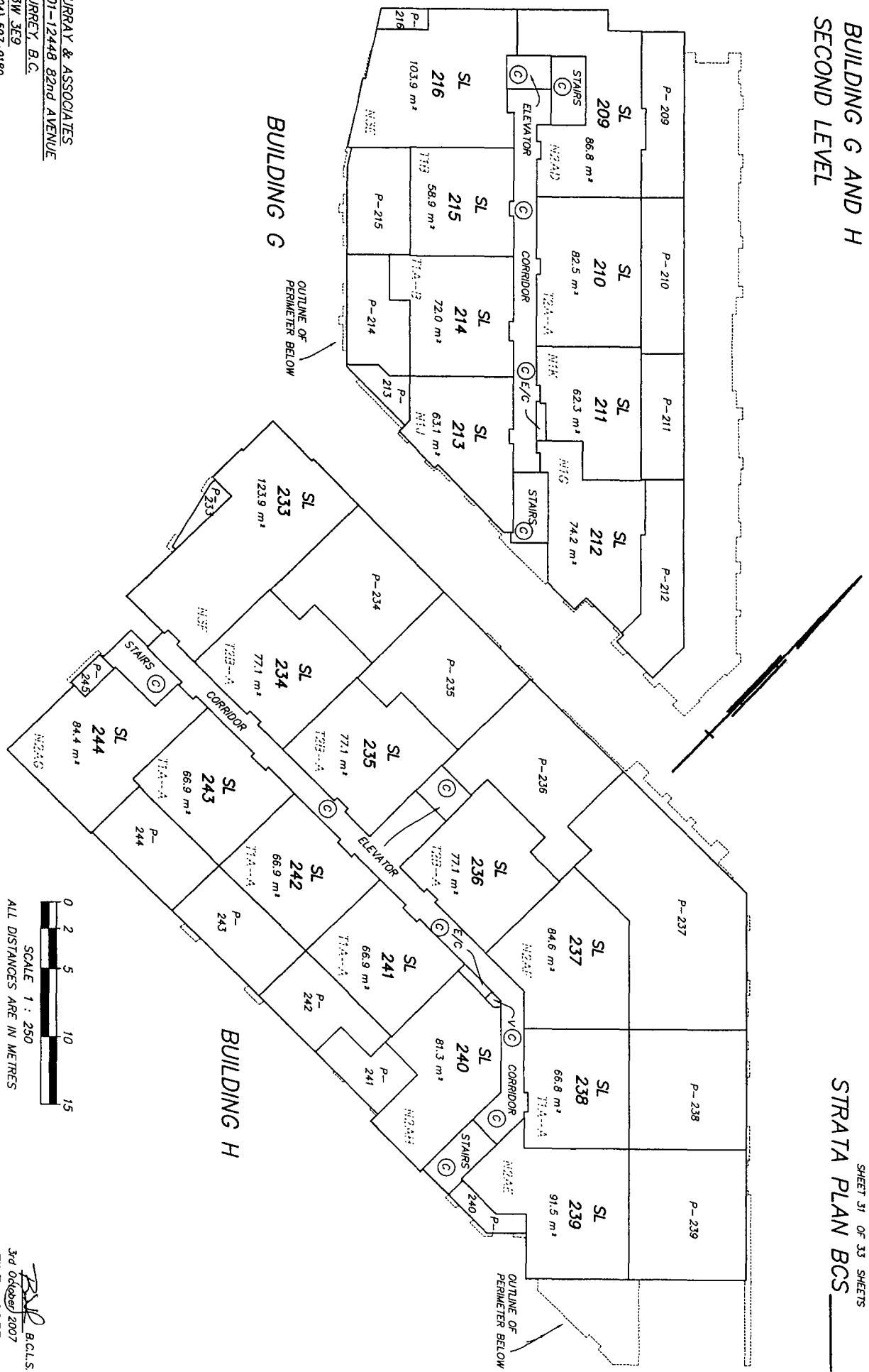


MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

*RP* B.C.L.S.  
3rd October 2007  
FILE 9223B

BUILDING G AND H  
SECOND LEVEL

SHEET 31 OF 33 SHEETS  
STRATA PLAN BCS



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

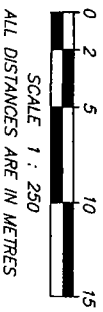
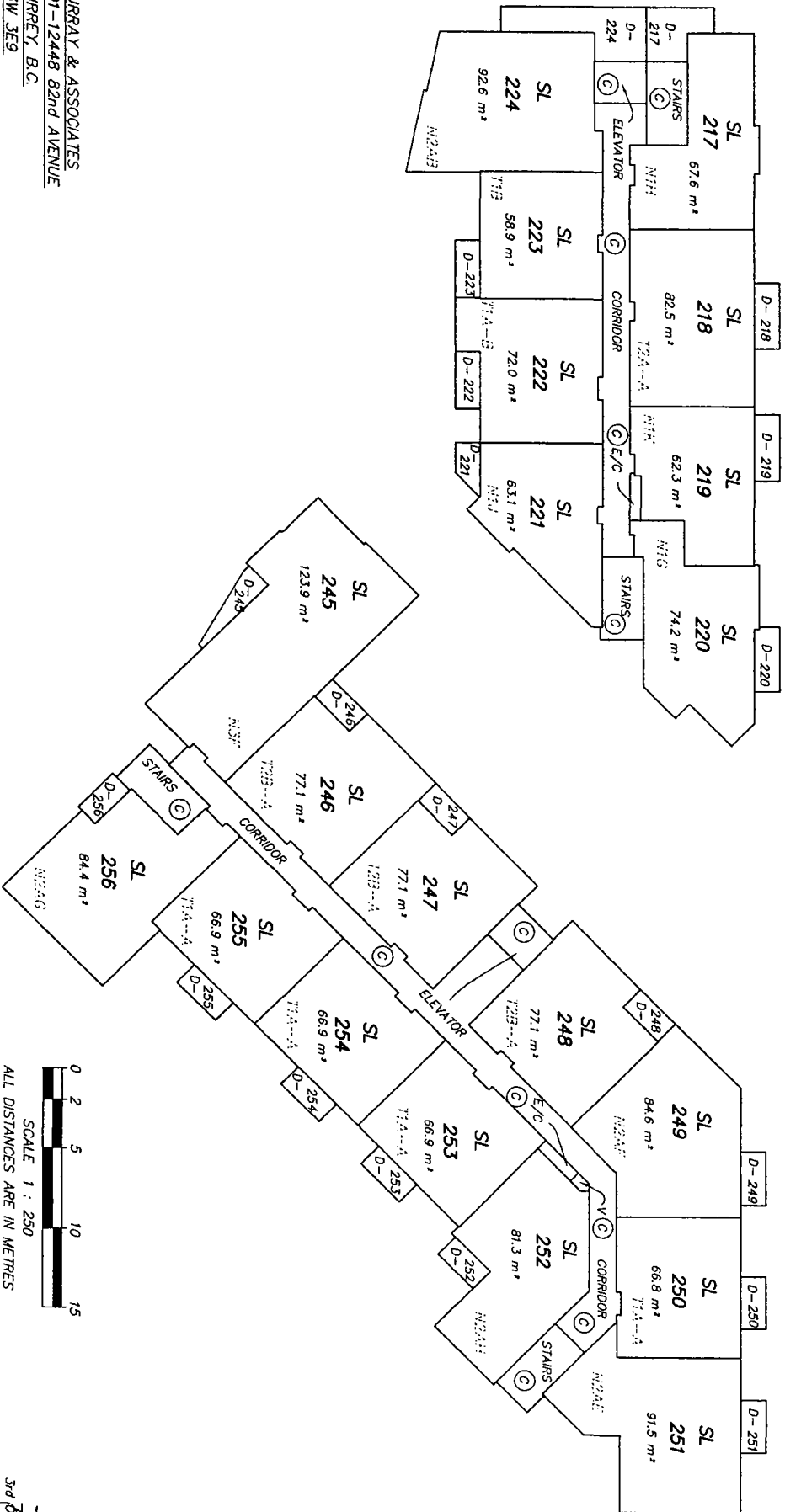
0 2 5 10 15  
SCALE 1 : 250  
ALL DISTANCES ARE IN METRES

3rd October 2007  
FILE 9223B

BUILDING G AND H  
THIRD LEVEL

STRATA PLAN BCS

SHEET 32 OF 33 SHEETS

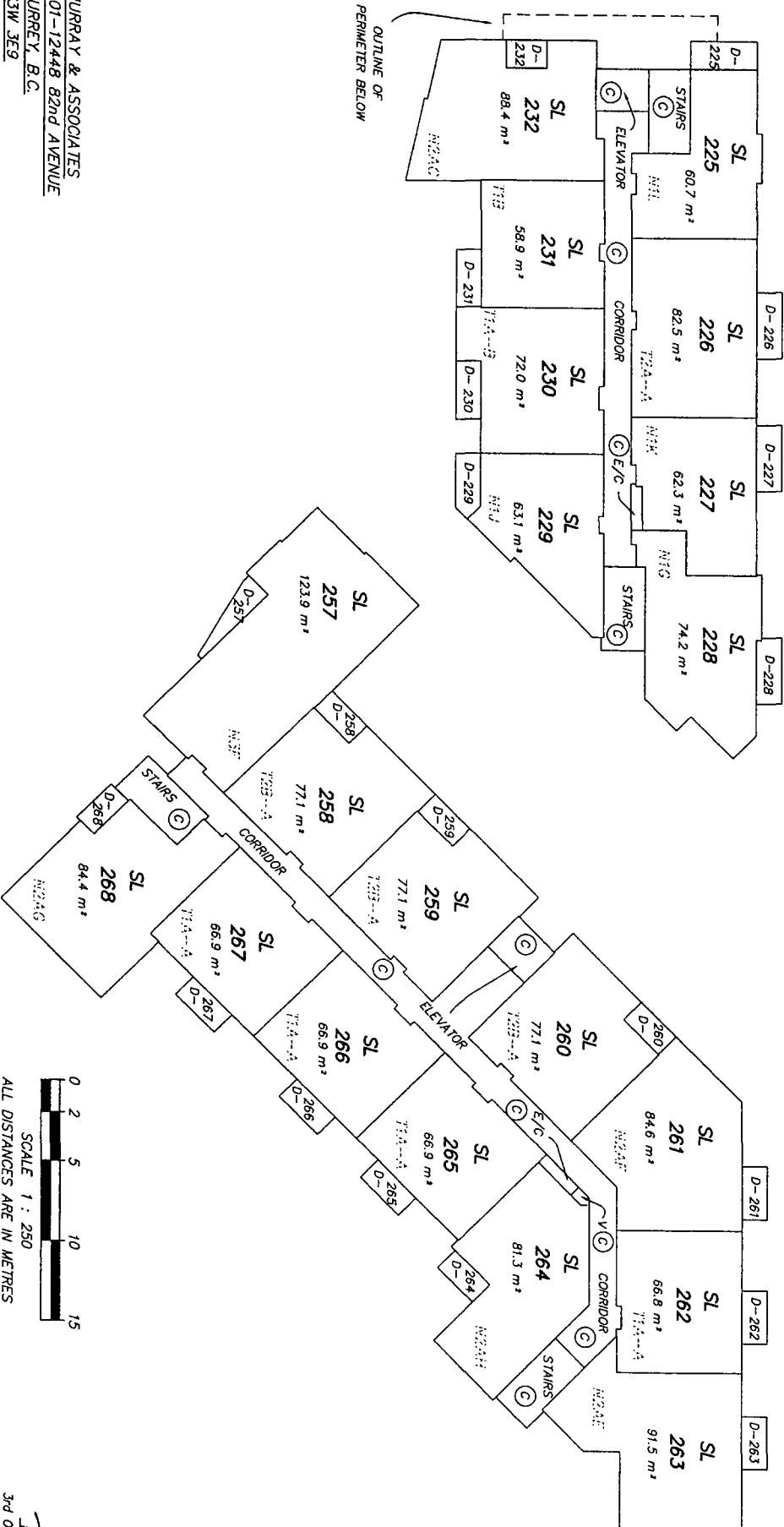


MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

3rd October 2007  
FILE: 0223B  
B.C.L.S.

# BUILDING G AND H FOURTH LEVEL

SHEET 33 OF 33 SHEETS  
STRATA PLAN BCS



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

0 2 5 10 15  
SCALE 1 : 250  
ALL DISTANCES ARE IN METRES

3rd October 2007  
B.C.L.S.  
FILE 9223B

**EXHIBIT “B”**

**Proposed Unit Entitlement for the Strata Lots in Form V  
under the *Strata Property Act* of British Columbia**



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

Re: Strata Plan BCS ..... [the registration number of the strata plan],  
being a strata plan of  
Air Space Parcel A, Section 23, Township 1, New Westminster District, Plan BCP\_\_\_\_\_

**Complete and file only the applicable form of schedule.**

**STRATA PLAN CONSISTING ENTIRELY OF RESIDENTIAL STRATA LOTS**

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

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

**Certificate of British Columbia Land Surveyor**

I, Raymond Harold Janzen,  
a British Columbia land surveyor, certify that the following  
table reflects the habitable area of each residential strata lot.  
Date: October 3<sup>rd</sup>, 2007

.....  
Signature

**OR**

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

**OR**

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

.....  
Signature of Superintendent of Real Estate

Strata Lot No.	Sheet No.	Habitable Area in m <sup>2</sup>	Unit Entitlement	%* of Total Unit Entitlement**
1	12	85.4	85	
2	12	88.0	88	
3	13	87.9	88	
4	13	87.9	88	
5	13	102.9	103	
6	13	82.9	83	
7	13	66.9	67	
8	13	66.9	67	
9	13	66.9	67	
10	12	66.9	67	
11	12	66.9	67	
12	12	66.9	67	
13	12	66.9	67	
14	12	66.9	67	
15	12	82.9	83	
16	12	115.3	115	
17	12	87.9	88	
18	12	87.9	88	
19	12	94.6	95	
20	14	85.4	85	
21	14	88.0	88	
22	15	87.9	88	
23	15	87.9	88	
24	15	102.9	103	
25	15	82.9	83	
26	15	66.9	67	
27	15	66.9	67	
28	15	66.9	67	
29	14	66.9	67	
30	14	66.9	67	
31	14	67.3	67	
32	14	66.9	67	
33	14	66.9	67	
34	14	66.9	67	
35	14	82.9	83	
36	14	115.3	115	
37	14	87.9	88	
38	14	87.9	88	
39	14	94.6	95	

40	16	85.4	85	
41	16	88.0	88	
42	17	87.9	88	
43	17	87.9	88	
44	17	102.9	103	
45	17	82.9	83	
46	17	66.9	67	
47	17	66.9	67	
48	17	66.9	67	
49	16	66.9	67	
50	16	66.9	67	
51	16	67.3	67	
52	16	66.9	67	
53	16	66.9	67	
54	16	66.9	67	
55	16	82.9	83	
56	16	115.3	115	
57	16	87.9	88	
58	16	87.9	88	
59	16	94.6	95	
60	19	97.2	97	
61	19	112.0	112	
62	19	74.2	74	
63	19	77.1	77	
64	19	90.8	91	
65	19	77.5	78	
66	19	72.4	72	
67	19	82.5	83	
68	19	66.9	67	
69	19	66.9	67	
70	19	66.9	67	
71	19	82.5	83	
72	19	92.4	92	
73	19	91.6	92	
74	19	77.1	77	
75	19	77.0	77	
76	19	113.3	113	
77	20	85.9	86	
78	20	106.7	107	
79	20	74.2	74	
80	20	77.1	77	
81	20	90.8	91	
82	20	77.5	78	
83	20	72.4	72	
84	20	82.5	83	

85	20	66.9	67	
86	20	66.9	67	
87	20	66.9	67	
88	20	82.5	83	
89	20	92.4	92	
90	20	91.6	92	
91	20	77.1	77	
92	20	77.0	77	
93	20	113.3	113	
94	21	85.9	86	
95	21	106.7	107	
96	21	74.2	74	
97	21	77.1	77	
98	21	90.8	91	
99	21	77.5	78	
100	21	72.4	72	
101	21	82.5	83	
102	21	66.9	67	
103	21	66.9	67	
104	21	66.9	67	
105	21	82.5	83	
106	21	91.6	92	
107	21	77.1	77	
108	21	77.0	77	
109	21	113.3	113	
110	23	90.4	90	
111	23	87.9	88	
112	23	88.0	88	
113	23	118.0	118	
114	23	87.9	88	
115	23	87.9	88	
116	23	83.3	83	
117	23	71.9	72	
118	23	66.9	67	
119	23	66.9	67	
120	23	71.9	72	
121	23	85.9	86	
122	23	71.9	72	
123	23	71.9	72	
124	23	67.2	67	
125	23	101.1	101	
126	23	77.0	77	
127	23	117.1	117	
128	23	72.0	72	
129	23	71.9	72	

130	23	88.0	88	
131	23	115.4	115	
132	24	90.4	90	
133	24	87.9	88	
134	24	88.0	88	
135	24	118.0	118	
136	24	87.9	88	
137	24	87.9	88	
138	24	83.3	83	
139	24	71.9	72	
140	24	66.9	67	
141	24	66.9	67	
142	24	71.9	72	
143	24	85.9	86	
144	24	71.9	72	
145	24	71.9	72	
146	24	67.2	67	
147	24	101.1	101	
148	24	77.0	77	
149	24	117.1	117	
150	24	72.0	72	
151	24	71.9	72	
152	24	88.0	88	
153	24	115.4	115	
154	25	90.4	90	
155	25	87.9	88	
156	25	88.0	88	
157	25	118.0	118	
158	25	87.9	88	
159	25	87.9	88	
160	25	83.3	83	
161	25	71.9	72	
162	25	66.9	67	
163	25	66.9	67	
164	25	71.9	72	
165	25	85.9	86	
166	25	71.9	72	
167	25	71.9	72	
168	25	67.2	67	
169	25	101.1	101	
170	25	77.0	77	
171	25	117.1	117	
172	25	72.0	72	
173	25	71.9	72	
174	25	88.0	88	

175	25	115.4	115	
176	27	98.9	99	
177	27	64.6	65	
178	27	82.6	83	
179	27	82.5	83	
180	27	106.3	106	
181	27	68.1	68	
182	27	58.9	59	
183	27	58.9	59	
184	27	58.9	59	
185	27	58.9	59	
186	27	86.8	87	
187	28	89.4	89	
188	28	64.6	65	
189	28	82.6	83	
190	28	82.5	83	
191	28	106.3	106	
192	28	68.1	68	
193	28	58.9	59	
194	28	58.9	59	
195	28	58.9	59	
196	28	58.9	59	
197	28	67.6	68	
198	29	82.8	83	
199	29	64.6	65	
200	29	82.6	83	
201	29	82.5	83	
202	29	106.3	106	
203	29	68.1	68	
204	29	58.9	59	
205	29	58.9	59	
206	29	58.9	59	
207	29	58.9	59	
208	29	60.7	61	
209	31	86.8	87	
210	31	82.5	83	
211	31	62.3	62	
212	31	74.2	74	
213	31	63.1	63	
214	31	72.0	72	
215	31	58.9	59	
216	31	103.9	104	
217	32	67.6	68	
218	32	82.5	83	
219	32	62.3	62	

220	32	74.2	74
221	32	63.1	63
222	32	72.0	72
223	32	58.9	59
224	32	92.6	93
225	33	60.7	61
226	33	82.5	83
227	33	62.3	62
228	33	74.2	74
229	33	63.1	63
230	33	72.0	72
231	33	58.9	59
232	33	88.4	88
233	31	123.9	124
234	31	77.1	77
235	31	77.1	77
236	31	77.1	77
237	31	84.6	85
238	31	66.8	67
239	31	91.5	92
240	31	81.3	81
241	31	66.9	67
242	31	66.9	67
243	31	66.9	67
244	31	84.4	84
245	32	123.9	124
246	32	77.1	77
247	32	77.1	77
248	32	77.1	77
249	32	84.6	85
250	32	66.8	67
251	32	91.5	92
252	32	81.3	81
253	32	66.9	67
254	32	66.9	67
255	32	66.9	67
256	32	84.4	84
257	33	123.9	124
258	33	77.1	77
259	33	77.1	77
260	33	77.1	77
261	33	84.6	85
262	33	66.8	67
263	33	91.5	92
264	33	81.3	81

265	33	66.9	67	
266	33	66.9	67	
267	33	66.9	67	
268	33	84.4	84	
<b>Total number of lots: 268</b>		<b>Total unit entitlement: 21512</b>		

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

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

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

.....  
Signature of Owner Developer

.....  
Signature of Superintendent of Real Estate (if submitted under Section 264 of the Act)



**EXHIBIT "C"**

**Proposed Shared Systems, Facilities and Services and Cost Sharing Estimates**

**EXHIBIT "C"**  
**Cost Sharing and Responsibilities for Shared Systems, Facilities and Services**

**KEY:**

Remainder means: Retail Component as described in Disclosure Statement

ASP means: Strata Corporation of Development as described in Disclosure Statement

GBA means: gross building area

<b>Systems, Facilities and Services</b>	<b>Owner Primarily Responsible for Maintenance</b>	<b>Remainder Owner's Share of Costs</b>	<b>ASP Owner's Share of Costs</b>	<b>Basis for Apportionment</b>
Shared Fire Protection Systems and all components and pumps within the fire protection system ; the Remainder and ASP are responsible for systems within their parcels	Remainder	47%	53%	GBA
Shared Life Safety Systems and Emergency Systems including monitoring, service, and repair; the Remainder and ASP are responsible for systems within their parcels	Remainder	47%	53%	GBA
Sanitary sewage system: The system will be shared downstream of the connection point of the ASP with the Remainder. The ASP is solely responsible for the system upstream of the interconnection.	Remainder	47%	53%	GBA
Storm drainage system: The system will be shared downstream of the connection point of the ASP with the Remainder. The ASP is solely responsible for the system upstream of the interconnection, and for downstream systems solely serving the ASP (storm water lift pumps and oil separator pits)	Remainder	47%	53%	GBA
Shared Service Rooms and Areas serving the Remainder and the ASP.	Remainder	47%	53%	GBA
Remainder exterior lighting and parking lot lighting system repair, maintenance and electrical usage	Remainder	85%	15%	Set by Developer
Potable water supply to the Strata Lots, Common Areas and Facilities (within the ASP and the RASP respectively) will be sub-metered and payment to the remainder will be billed accordingly.	Remainder	Variable Usage Based	Variable Usage Based	Metered
Service Connections/Utilities (including water, storm sewer, sewage, hydro)	Remainder	47%	53%	GBA

**EXHIBIT "D"**

**Form Y, Bylaw Amendments**

**EXHIBIT "D"**

***Strata Property Act***

**FORM Y**

**OWNER DEVELOPERS' NOTICE OF DIFFERENT BYLAWS**

*(Section 245(d); Regulations section 14.6(2))*

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

Parcel Identifier: \_\_\_\_\_

Air Space Parcel \_\_\_\_\_

Air Space Plan \_\_\_\_\_

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

1. Bylaw 2(2) is amended by adding the following sentence to the end of the provision:

“If an owner fails, after reasonable notice provided by the strata corporation to such owner, to maintain and repair such limited common property as required, the strata corporation may undertake such maintenance or effect such repairs, as applicable, at the sole cost of the owner. Notwithstanding the foregoing, the strata corporation shall be responsible for the maintenance and/or repair of any parking stall designated as limited common property.”

2. There shall be added as Bylaw 2(3) and 2(4) the following:

“2(3) An owner must only permit licensed and qualified plumbers, electricians and other trades approved by the strata council to carry out electrical, plumbing or other work in a strata lot.”

“2(4) An owner must ensure that any maintenance or alteration in a strata lot to the building security system or the fire sprinkler system will be carried out by the company retained by the strata corporation to maintain the security and/or fire system.”

3. Bylaw 3 is amended by deleting Bylaws 3(3) and 3(4) and replacing them with the following:

“3(3) An owner, tenant, occupant, or visitor of a strata lot must not permit any Pet (as defined below) on the common property or on land which is a common asset unless such Pet is leashed and accompanied by an adult person; it will be the responsibility of the owner to pay for the cost of repair or clean up of any common property or common asset which is damaged, destroyed or soiled by the owner's Pet. Each owner will be responsible for the owner's Pets, and the Pets of all occupants and visitors of the owner's Strata Lot.”

“3(4) An owner, tenant, occupant, employee or visitor of a strata lot must not keep any animals or pets (collectively, a “Pet”) in or about the strata lot or the limited common property relating to such strata lot other than one or more of the following:

- (a) a reasonable number (as determined by the strata council from time to time) of fish or other small aquarium animals;
- (b) a reasonable number (as determined by the strata council from time to time) of small caged mammals or birds; or
- (c) a reasonable number (as determined by the strata council from time to time) of cats and dogs.”

4. Bylaw 3 is amended by the addition of the following subsections:

“3(5) An owner, tenant, occupant, employee or visitor must not alter, supplement or remove the window coverings originally installed in the strata lot, except, if necessary due to damage or wear, to replace them with substantially similar window coverings in the same colour and style.”

“3(6) An owner, tenant, occupant, employee or visitor must not place on the common property including any limited common property relating to any strata lot, fixtures, poles, clothes lines, racks, storage sheds, bicycles, motorcycles, boxes, machinery, equipment, or in any way use the balcony as a storage area.”

“3(7) An owner, tenant, occupant, employee or visitor must not hang, display or drape at or in any area of the limited common property relating to any strata lot, laundry, clothing, rugs, towels, curtains, wall hangings, exterior lighting, exterior decorations or aerials, masts, air-conditioning units, flags, bedding or other articles.”

“3(8) An owner, tenant, occupant, employee or visitor must not install, erect, or place on the common property or within the strata lot or any limited common property relating to such strata lot satellite dishes, antennae, transmitters, transponders, receivers or other telecommunications equipment.”

“3(9) An owner, tenant, occupant, employee or visitor must not use or allow to be used any barbecues or similar cooking devices in or about any strata lot or limited common property relating to such strata lot, any balconies, terraces, patios, deck, or the common property of the strata corporation.”

“3(10) An owner, tenant, occupant, employee 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.”

5. Bylaw 5(2) is amended by adding the following sentence:

“Notwithstanding the foregoing, and without limiting the strata corporation’s right to withhold its approval for alterations to the strata lot or the common property, an owner wishing to conduct structural alterations or renovations to a strata lot must provide to the strata corporation, in connection with its application for approval, an engineering report which satisfies the strata corporation that any drilling into a concrete slab will not impair the structural integrity of the slab, and that no work will interfere with embedded cables, power or mechanical systems.”

6. Bylaw 7 shall be amended by adding the following as Bylaw 7(3):

“For greater certainty, the rights granted to the strata corporation under this Bylaw 7 shall include the right to use any balconies, decks or patios that have been designated as limited common property as a staging area for window washers and window washing equipment or to otherwise use such limited common property as may be necessary to properly operate all window washing equipment.”

7. Bylaw 23 is deleted in its entirety and replaced with the following:

“23(1) The strata corporation may fine an owner or tenant a maximum of:

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

23(2) The strata corporation may impose a fine on an owner or tenant for a continuing contravention of a bylaw or rule every 7 days.”

8. Bylaw 30 is deleted and replaced with the following:

“30. **PROMOTION**

- (1) During the time that the owner developer of the strata corporation is a first owner of any of the strata lots, it shall have the right to maintain any unit or units, whether owned or leased by it, as a display unit, and to carry on sales functions it considers necessary in order to enable it to sell the units and in this regard at the reasonable discretion of the owner developer, it may use the common property to conduct the sale or lease of strata lots in the strata plan.
- (2) Signs advertising the sale, lease or open house of a strata lot must be displayed on the common post supplied by the strata corporation and may not be displayed in the windows or on the balcony of a strata lot. Notwithstanding the foregoing, marketing signs of the owner developer may be displayed on the common property and/or the limited common property or window of any strata lot owned or leased by the owner developer at the reasonable discretion of the owner developer.”

9. The following bylaws are inserted to the Schedule of Standard Bylaws following Bylaw 30 to be added as Division 8 and as Bylaw 31 through 41:

“Division 8 – Miscellaneous Matters

31. **PERMIT ENTRY TO STRATA LOT**

- (1) An owner, tenant, occupant or visitor must allow a person authorized by the strata corporation to enter the strata lot:
- (a) in an emergency, without notice, to prevent property damage to the common property or another strata lot or those portions of a strata lot that are the responsibility of the strata corporation under these bylaws; and
  - (b) at a reasonable time, on a minimum of twenty-four (24) hours written notice:
    - (i) to inspect, maintain or repair common property or common assets; or
    - (ii) to ensure the *Strata Property Act* (British Columbia), as amended or replaced, or a bylaw is being complied with.
- (2) The notice referred to in Bylaw 31(1)(b) must include the date, the approximate time of entry and the reason for entry.
- (3) If authorization cannot be obtained then the person authorized by the strata corporation to enter the strata lot may do so by using reasonable force on the locking devices, and the replacement of the locking device and any resulting damage to the door and door frame will be at the expense of the strata lot owner.

32. **BICYCLE STORAGE**

The strata council will, subject to the provisions of the *Strata Property Act* (British Columbia), as amended or replaced, be responsible for the orderly administration of the allocation and use of any common bicycle storage space to and by each owner. For purposes of this Bylaw 32, common bicycle storage space means any bicycle storage space which has not been designated as Limited Common Property for the exclusive use of a strata lot owner. Such administration may include, without limitation, issuance of keys or security passes and the licencing of the use of any such bicycle storage spaces, including charging fees to users if approved by resolution of the strata corporation.

33. **LEASING REQUIREMENTS**

An owner must:

- (a) provide the strata corporation with a true and complete copy of every written tenancy agreement (as defined in the *Residential Tenancy Act* of British Columbia as amended or replaced); and

- (b) cause the tenant to execute a Form K - Notice of Tenant's Responsibilities as provided in the *Strata Property Act* (British Columbia), as amended or replaced, prior to his or her occupation of the strata lot and provide the strata corporation with a copy thereof."

34. **SIGN/SIGNAGE**

All owners, tenants, and occupants are restricted from erecting or installing any exterior signs, interior window or door signs, fences, billboards, placards, advertising, notices or other fixtures of any kind and the like, in the common property, including limited common property, or within any strata lots that are visible from the exterior of any of the buildings or common property.

35. **CLEANLINESS**

- (a) An owner, tenant or occupant 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. Any expenses incurred by the strata corporation to remove such refuse will be charged to the strata lot owner.
- (b) An owner, tenant or occupant shall move ordinary household refuse and garbage from the strata lot and deposit it in the containers provided by the strata corporation for that purpose; all garbage shall be bagged and tied before depositing, and the owner, tenant or occupant shall remove any materials other than ordinary household refuse and garbage from the strata plan property at his expense.
- (c) All owners, tenants and occupants are prohibited from burning any garbage in or about or anywhere within any strata lot or common property of the strata corporation.

36. **OVERLOADING, SUSPENSION**

All owners, tenants, and occupants are prohibited from overloading any floor of the strata lots of any part of the common property. Any loads exceeding normal household use loads require prior written approval of the strata council.

37. **PARKING RESTRICTIONS**

An owner must not and shall not allow its guests, tradesmen or invitees to park in any of the retail parking areas at the "Morgan Crossing" Shopping Centre parking areas that are not part of the common property of the strata corporation, and will restrict such parking to its designated limited common property parking stall and, with respect to its guests, to the residential visitor parking stalls only. All unauthorized parking at the "Morgan Crossing" Shopping Centre parking areas may be subject to towing by the owners of "Morgan Crossing" Shopping Centre.



38. **CONSENT OF OWNER OF MORGAN CROSSING SHOPPING CENTRE**

All owners, tenants, and occupants of the strata lots are restricted from making any change or modification to the exterior or external appearance of the buildings and common property, including any changes to exterior colours and materials of the buildings, any changes to window coverings, and any changes to the exterior common property and limited common property, any installation of fences or canopies, and any changes to or additions of landscaping and common patio areas, without the strata council's prior written approval, and if approval is given, such approval will be conditional on the strata corporation first obtaining approval from the owners of "Morgan Crossing" Shopping Centre, all as set out in the easements, charges and covenants (the "Covenants") as registered against title to the common property and/or to the individual strata lots.

39. **OPEN BALCONIES/PLANTERS/LANDSCAPED AREAS**

Owners of the strata lots which have open balconies, decks, patios or terraces will not place planters, landscaping or other such items or equipment within any part of the limited common property designated on the strata plan exclusively for the use of such owner unless, in the opinion of the strata council, such planters, items or equipment are in keeping with the balance of the development in terms of design, quality, proportion and colour. Any such planters, landscaping items or equipment (including, without limitation, landscaped areas and/or planters designated as limited common property and installed as part of the original development) will be maintained in good and tidy condition on an ongoing basis and the responsibility for such maintenance will be solely for the account of the owner of the strata lot entitled to the use of the limited common property on which they are placed. No strata lot owner within a landscaped area and/or planter designated as limited common property will change, alter or amend the plantings within such landscaped areas and/or planters without the written consent of the strata council. Notwithstanding any of the foregoing, any change, alteration or amendment to plantings within the landscaped areas and/or planters, replacement of planters, landscaping or other such items or equipment within such limited common property, will also be subject to the strata corporation obtaining consent from the owner of the "Morgan Crossing" Shopping Centre, which is partially integrated with the buildings that the strata lots are located in, as more particularly set out in Bylaw 38.

40. **MOVE IN/MOVE OUT PROCEDURES**

- (a) an owner must ensure that it and all of its tenants conform to the move in and move out rules established by strata council from time to time, and these bylaws;
- (b) any and all move-in and move-out procedures, including deliveries of and movement in and out of furniture, furnishings and other goods, will require seven (7) business days notice being given to the strata property manager, in order to give the strata property manager time to provide the five (5) business

days notice required to be given to the owner or building manager of the “Morgan Crossing” Shopping Centre as required and as set out in the Covenants, during such times as determined from time to time by the strata council, and taking into account the times for such moves as set from time to time by the owner of the “Morgan Crossing” Shopping Centre pursuant to the Covenants;

- (c) a resident using the elevator during a move must ensure that the elevator service key is used to control the elevator and the doors not jammed open in any manner;
- (d) a resident must ensure that the lobby doors are not left open, ajar or unattended and that furniture is not left piled in the lobby area;
- (e) all owners, their tenants and occupants must comply with the notice requirements and rules and procedures regarding move-in/move-out procedures as set from time to time by the “Morgan Crossing” Shopping Centre owner, pursuant to the provisions of the Covenants.

41. **WINDOW WASHING AND EXTERIOR BUILDING REPAIRS**

Window cleaning and exterior building repairs are not to be carried out by the owners, their tenants or occupants without the strata council’s prior written approval, and if approval is given, such approval will be conditional on the strata corporation first obtaining approval from the owners of “Morgan Crossing” Shopping Centre with respect to timing and rules and procedures.

**EXHIBIT "E"**

**Budget and Monthly Assessments**

Oct 4, 07

**MORGAN CROSSING C-H**  
**INTERIM BUDGET**

Alarm Monitoring*		\$2,500
Audit		318
Bank Charges		120
Building Envelope Inspection		12,000
Cleaning & Janitorial		79,000
Compactor Lease		14,000
Electricity		97,000
Electricity (Common Share)*		5,000
Elevator Maintenance		20,000
Enterphone/ Security System Lease		45,000
Fire Equipment Maintenance		6,000
Garbage/ Recycling		18,500
Insurance/ Appraisal		73,000
Landscaping Maintenance		2,000
Legal Fees		250
Management Fees		63,405
Mechanical Equipment Maintenance*		7,500
Miscellaneous		15,000
Repairs & Maintenance		35,000
Snow Removal		1,000
Water & Sewer		115,000
Window Cleaning		15,500
Caretaker Suite Costs:		
Strata Fees	\$2,500	
Mortgages	41,976	
Property Taxes	<u>2,000</u>	46,476
Caretaker Costs:		
Telephone & Pager	2,500	
Wages & Benefits	55,000	
Rent Recovery	<u>(7,200)</u>	50,300
Sub-total		<u>\$723,869</u>
Contingency Reserve - 5%		<u>36,193</u>
Total Budget		<u><u>\$760,062</u></u>

Note: Each Strata Lot's monthly contribution to the contingency reserve fund is calculated as follows:  
$$\frac{\text{unit entitlement of strata lot}}{\text{total unit entitlement of all strata lots}} \times \text{Contingency Reserve Fund Contributions}$$

Oct 4, 07

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<b><u>Strata Lot Number</u></b>	<b><u>Unit Entitlement</u></b>	<b><u>Monthly Strata Fees</u></b>
1	85	\$250.27
2	88	259.10
3	88	259.10
4	88	259.10
5	103	303.27
6	83	244.38
7	67	197.27
8	67	197.27
9	67	197.27
10	67	197.27
11	67	197.27
12	67	197.27
13	67	197.27
14	67	197.27
15	83	244.38
16	115	338.60
17	88	259.10
18	88	259.10
19	95	279.71
20	85	250.27
21	88	259.10
22	88	259.10
23	88	259.10
24	103	303.27
25	83	244.38
26	67	197.27
27	67	197.27
28	67	197.27
29	67	197.27
30	67	197.27
31	67	197.27
32	67	197.27
33	67	197.27
34	67	197.27
35	83	244.38
36	115	338.60
37	88	259.10
38	88	259.10
39	95	279.71
40	85	250.27

Oct 4, 07

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<u>Strata Lot Number</u>	<u>Unit Entitlement</u>	<u>Monthly Strata Fees</u>
41	88	259.10
42	88	259.10
43	88	259.10
44	103	303.27
45	83	244.38
46	67	197.27
47	67	197.27
48	67	197.27
49	67	197.27
50	67	197.27
51	67	197.27
52	67	197.27
53	67	197.27
54	67	197.27
55	83	244.38
56	115	338.60
57	88	259.10
58	88	259.10
59	95	279.71
60	97	285.60
61	112	329.77
62	74	217.88
63	77	226.71
64	91	267.93
65	78	229.66
66	72	211.99
67	83	244.38
68	67	197.27
69	67	197.27
70	67	197.27
71	83	244.38
72	92	270.88
73	92	270.88
74	77	226.71
75	77	226.71
76	113	332.71
77	86	253.21
78	107	315.04
79	74	217.88
80	77	226.71

Oct 4, 07

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<b><u>Strata Lot Number</u></b>	<b><u>Unit Entitlement</u></b>	<b><u>Monthly Strata Fees</u></b>
81	91	267.93
82	78	229.66
83	72	211.99
84	83	244.38
85	67	197.27
86	67	197.27
87	67	197.27
88	83	244.38
89	92	270.88
90	92	270.88
91	77	226.71
92	77	226.71
93	113	332.71
94	86	253.21
95	107	315.04
96	74	217.88
97	77	226.71
98	91	267.93
99	78	229.66
100	72	211.99
101	83	244.38
102	67	197.27
103	67	197.27
104	67	197.27
105	83	244.38
106	92	270.88
107	77	226.71
108	77	226.71
109	113	332.71
110	90	264.99
111	88	259.10
112	88	259.10
113	118	347.43
114	88	259.10
115	88	259.10
116	83	244.38
117	72	211.99
118	67	197.27
119	67	197.27
120	72	211.99

Oct 4, 07

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<b><u>Strata Lot Number</u></b>	<b><u>Unit Entitlement</u></b>	<b><u>Monthly Strata Fees</u></b>
121	86	253.21
122	72	211.99
123	72	211.99
124	67	197.27
125	101	297.38
126	77	226.71
127	117	344.49
128	72	211.99
129	72	211.99
130	88	259.10
131	115	338.60
132	90	264.99
133	88	259.10
134	88	259.10
135	118	347.43
136	88	259.10
137	88	259.10
138	83	244.38
139	72	211.99
140	67	197.27
141	67	197.27
142	72	211.99
143	86	253.21
144	72	211.99
145	72	211.99
146	67	197.27
147	101	297.38
148	77	226.71
149	117	344.49
150	72	211.99
151	72	211.99
152	88	259.10
153	115	338.60
154	90	264.99
155	88	259.10
156	88	259.10
157	118	347.43
158	88	259.10
159	88	259.10
160	83	244.38



Oct 4, 07

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<b><u>Strata Lot Number</u></b>	<b><u>Unit Entitlement</u></b>	<b><u>Monthly Strata Fees</u></b>
161	72	211.99
162	67	197.27
163	67	197.27
164	72	211.99
165	86	253.21
166	72	211.99
167	72	211.99
168	67	197.27
169	101	297.38
170	77	226.71
171	117	344.49
172	72	211.99
173	72	211.99
174	88	259.10
175	115	338.60
176	99	291.49
177	65	191.38
178	83	244.38
179	83	244.38
180	106	312.10
181	68	200.21
182	59	173.72
183	59	173.72
184	59	173.72
185	59	173.72
186	87	256.16
187	89	262.05
188	65	191.38
189	83	244.38
190	83	244.38
191	106	312.10
192	68	200.21
193	59	173.72
194	59	173.72
195	59	173.72
196	59	173.72
197	68	200.21
198	83	244.38
199	65	191.38
200	83	244.38

Oct 4, 07

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<b><u>Strata Lot Number</u></b>	<b><u>Unit Entitlement</u></b>	<b><u>Monthly Strata Fees</u></b>
201	83	244.38
202	106	312.10
203	68	200.21
204	59	173.72
205	59	173.72
206	59	173.72
207	59	173.72
208	61	179.60
209	87	256.16
210	83	244.38
211	62	182.55
212	74	217.88
213	63	185.49
214	72	211.99
215	59	173.72
216	104	306.21
217	68	200.21
218	83	244.38
219	62	182.55
220	74	217.88
221	63	185.49
222	72	211.99
223	59	173.72
224	93	273.82
225	61	179.60
226	83	244.38
227	62	182.55
228	74	217.88
229	63	185.49
230	72	211.99
231	59	173.72
232	88	259.10
233	124	365.10
234	77	226.71
235	77	226.71
236	77	226.71
237	85	250.27
238	67	197.27
239	92	270.88
240	81	238.49

Oct 4, 07

**MORGAN CROSSING C-H  
INTERIM BUDGET  
STRATA FEES SCHEDULE**

<u>Strata Lot Number</u>	<u>Unit Entitlement</u>	<u>Monthly Strata Fees</u>
241	67	197.27
242	67	197.27
243	67	197.27
244	84	247.32
245	124	365.10
246	77	226.71
247	77	226.71
248	77	226.71
249	85	250.27
250	67	197.27
251	92	270.88
252	81	238.49
253	67	197.27
254	67	197.27
255	67	197.27
256	84	247.32
257	124	365.10
258	77	226.71
259	77	226.71
260	77	226.71
261	85	250.27
262	67	197.27
263	92	270.88
264	81	238.49
265	67	197.27
266	67	197.27
267	67	197.27
268	84	247.32
	<hr/> <u>21,512</u>	<hr/> <u>63,338.37</u>
Yearly Strata Fees		<hr/> <u>\$760,060.44</u>

**EXHIBIT "F"**

**Rental Disclosure Statement**

**EXHIBIT "F"**

***Strata Property Act***

**FORM J**

**RENTAL DISCLOSURE STATEMENT**

*(Section 139)*

Re: City of Surrey  
Parcel Identifier: 027-169-782  
Lot 1 Section 23 Township 1 New Westminster District Plan BCP31949,  
Except Part in Plan BCP31950

1. The development described above includes 268 residential strata lots.
2. The residential strata lots described below are rented out by the owner developer as of the date of this statement and the owner developer intends to rent out each strata lot until the date set out opposite its description.

Description of Strata Lot <i>[strata lot number as shown on strata plan]</i>	Date Rental Period Expires <i>[month, day, year]</i>
Nil	N/A

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

Description of Strata Lot <i>[strata lot number as shown on strata plan]</i>	Date Rental Period Expires <i>[month, day, year]</i>
Strata Lots 1-268	Rental period indefinite

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

Date: October 9, 2007

  
\_\_\_\_\_  
Signature of Owner/Developer

## **EXHIBIT “G”**

### **Existing Encumbrances and Legal Notations**

The capitalized terms defined in the Disclosure Statement and used in this Exhibit “G” shall have the meanings ascribed to such terms as provided in the Disclosure Statement.

Certain of the legal notations and encumbrances summarized below may not be required once the Project has been completed and, as such, may be discharged and released from title to the Property.

#### **Legal Notations registered against title to the Property:**

1. (i) This title may be affected by a permit under Part 26 of the Local Government Act, see BB572088 – This is a notice of one of the development permits issued regarding the Property.
- (ii) This title may be affected by a permit under Part 26 of the Local Government Act, see BB572089 – This is a notice of one of the development permits issued regarding the Property.
- (iii) This title may be affected by a permit under Part 26 of the Local Government Act, see BB580934 – This is a notice of one of the development permits issued regarding the Property.

#### **Charges, Liens and Interests registered against title to the Property:**

2. Statutory Rights of Way 295811C, 333290C, 333292C, 334072C, 334191C, 335499C, 339221C and BL379369, all in favour of British Columbia Hydro and Power Authority and its servants, agents and licensees (collectively, “BC Hydro”). These Statutory Rights of Way in favour of BC Hydro are for reasonable access to enter upon certain portions of the Property for the installation, operation, repair, replacement, maintenance, and connection to improvements of any works relating to the transmission and distribution of electrical energy and for telecommunication services, and further to clear such right of way area from trees, growth, improvements or obstructions. The right of way areas are shown outlined in heavy black line on Plan 8363. The registered owner shall not build or install buildings or other structures in the right of way area.
3. Undersurface and Other Exceptions & Reservations BA15542 in favour of the Crown in Right of British Columbia. This charge grants certain undersurface rights and other exceptions and reservations pursuant to Section 50 of the Land Act and Section 35 of the Community Charter.
4. Statutory Right of Way BA604027 in favour of BC Hydro. This Statutory Right of Way in favour of BC Hydro relates to access granted to enter upon portions of the Property for transmission and distribution of electric energy and for communication and aircraft warning purposes, including construction of towers and poles, insulators, transformers, underground conduits and cables, above ground or underground transformers to carry out these purposes. There are prohibitions on parking of vehicles on the right of way areas without written permission from BC Hydro, vehicle or equipment height restrictions, and some other use restrictions, including prohibition of fuelling of vehicles or equipment, installation of buildings or other structures, planting any growth, excavating for and erecting/using any swimming pools, carrying out blasting or aerial logging operations on or adjacent to the right of way areas, and not diminishing or significantly adding to the ground cover over such of the works as may be below the surface of the rights of way areas. The right of way areas are as shown in heavy black line on Statutory Right of Way Plan BCP27630.

5. Statutory Right of Way BB412835, BB412837, BB268450, BB268452, BB268456, BB268458, BB268476, BB268478, BB268480, BB268482, BB268494, BB268498, BB268500, BB268504 and BB268506 in favour of the City. These Statutory Rights of Way provide for public rights of passage without motorized vehicles and for works and infrastructure including without limitation, lanes, sidewalks, paths, walkways, bicycle lanes, curbs, gutters, pipes, conduits, lines, drains, ditches, medians, traffic signals, traffic calming and control devices, transit stops, transit shelters, streetlights, utility and service connections, landscaping, retaining walls and fire hydrant systems, on and in the right of way areas shown on Plan BCP29679.
6. Statutory Rights of Way BB412836, BB268448, BB268454 and BB268496 in favour of the City. These Statutory Rights of Way provide for public rights of passage with or without vehicles and for works and infrastructure including without limitation, highways, roads, streets, lanes, sidewalks, paths, walkways, bicycle lanes, curbs, gutters, pipes, conduits, lines, drains, ditches, medians, traffic signals, traffic calming and control devices, transit stops, transit shelters, streetlights, utility and service connections, landscaping, retaining walls and fire hydrant systems, on and in the right of way area shown on Plan BCP29680. The registered owner is to construct, maintain, repair, replace and upgrade a roadway within the Statutory Right of Way Area to the satisfaction of the City of Surrey. It is anticipated that the Developer will have completed building the roadway by the time of closing.
7. Mortgage BA482966, extended by BB441199, and Assignment of Rents BA482967, extended by BB441200, in favour of The Bank of Nova Scotia (the "BNS Security"). The BNS Security will be released and discharged from title to the Property and replaced with the Construction Security described in the Disclosure Statement at Section 6.2 when the Construction Financing is registered against title to the Property.

**EXHIBIT “H”**

**Form of Purchase Agreement**



EXHIBIT "H"

THE RESIDENCES AT MORGAN CROSSING
SURREY, BRITISH COLUMBIA
OFFER TO PURCHASE
and
AGREEMENT OF PURCHASE AND SALE

Building: \_\_\_\_\_
Strata Lot: \_\_\_\_\_
Suite No.: \_\_\_\_\_

Vendor: LARCO INVESTMENTS LTD., 3rd Floor, 100 Park Royal, West Vancouver, BC V7T 1A2

Purchaser: Full Name: \_\_\_\_\_ Address: \_\_\_\_\_ City: \_\_\_\_\_ Postal Code: \_\_\_\_\_ S.I.N. \_\_\_\_\_ Country of Residence: \_\_\_\_\_ Tel (H): \_\_\_\_\_ (W): \_\_\_\_\_ Fax (H): \_\_\_\_\_ (W): \_\_\_\_\_ Email: \_\_\_\_\_

The Purchaser hereby offers and, if this offer is accepted by the Vendor, agrees to purchase from the Vendor the Strata Lot (the "Strata Lot") described below at the price and upon the terms set forth below, subject to the Permitted Encumbrances (as defined below in Section 8 of Schedule "A" of this Agreement).

- 1. DESCRIPTION OF DEVELOPMENT AND STRATA LOT The Strata Lot is the interior of the residential strata lot to be constructed in a residential condominium development known as The Residences at Morgan Crossing (the "Development") to be constructed on property located in Surrey, British Columbia, presently legally described as Parcel Identifier: 027-169-782, Lot 1 Section 23, Township 1, New Westminster District, Plan BCP 31949, Except Part in Plan BCP31950 (the "Property"). The Property is held in trust by Morgan Crossing Properties Ltd. (the "Registered Owner") for the Vendor.

The Property will be subdivided so as to create one or more airspace parcels and a remainder parcel in the manner described in the Disclosure Statement. The Development will be located within the airspace parcel described in the Disclosure Statement as the "Residential Parcel".

The Purchaser and the Vendor agree that the "Strata Lot" for purposes of this Offer to Purchase and Agreement of Purchase and Sale is the strata lot referred to as Strata Lot \_\_\_\_\_ on Exhibit "A" to the Disclosure Statement, being Suite No. \_\_\_\_\_, the general location and approximate size of which Strata Lot being set out in the Disclosure Statement. The Purchaser hereby acknowledges that the Strata Lot is being constructed by the Vendor on the Property.

INITIAL
[ ] [ ] [ ]

2. **PURCHASE PRICE** The purchase price (the "Purchase Price") for the Strata Lot is \$ \_\_\_\_\_, payable in lawful money of Canada. The Purchase Price does not include federal goods and services tax ("GST"), nor provincial social services tax on any personal property included in the Purchase Price.
3. **INCLUSIONS** The Purchase Price will include the right to the exclusive use of one parking stall and one bicycle/general storage locker for the Strata Lot, to be allocated to the Purchaser as contemplated in the Disclosure Statement and located as determined by the Vendor.
4. **INITIAL DEPOSIT** A deposit equal to \$10,000.00 (the "Deposit") accompanies this offer, which Deposit the Vendor will acknowledge by accepting this offer. If the offer is not accepted, the Deposit will be returned.
5. **RESIDENCY STATUS** The Purchaser covenants and represents that the Purchaser is/is not [circle one] a resident of Canada for the purposes of the *Income Tax Act* of Canada.
6. **MATERIAL SELECTIONS** The Purchaser shall select the colour scheme/finishing material package as noted in Section 40 of Schedule "A" of this Agreement.

SCHEDULES "A" AND "B" ATTACHED HERETO FORM AN INTEGRAL PART HEREOF. THE PURCHASER ACKNOWLEDGES THAT HE/SHE HAS READ ALL PARAGRAPHS AND SCHEDULES OF THIS AGREEMENT.

**THE PURCHASER ACKNOWLEDGES THAT THE PURCHASER HAS RECEIVED A COPY OF THE DISCLOSURE STATEMENT FOR THE DEVELOPMENT AND HAS BEEN GIVEN A REASONABLE OPPORTUNITY TO READ THE DISCLOSURE STATEMENT, INCLUDING EACH EXHIBIT AND EVERY AMENDMENT THERETO, IF ANY, FILED UP TO THE DATE HEREOF (COLLECTIVELY, THE "DISCLOSURE STATEMENT") AND THE EXECUTION BY THE PURCHASER OF THIS AGREEMENT SHALL CONSTITUTE A RECEIPT IN RESPECT THEREOF.** The terms of this Agreement along with the provisions of the Disclosure Statement are the terms under which the Strata Lot is being sold and purchased.

This offer shall be open for acceptance by the Vendor on or before 5:00 p.m., Vancouver time, on \_\_\_\_\_, 200\_\_ and upon acceptance by the Vendor signing a copy of this Offer, there shall be a binding agreement of sale and purchase of the Strata Lot for the Purchase Price, on the terms and subject to the conditions set out herein.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Witness:

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Witness:

\_\_\_\_\_  
Purchaser

INITIAL		

**VENDOR'S ACCEPTANCE**

This Offer to Purchase is accepted by the Vendor this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_  
(the "Acceptance Date").

**LARCO INVESTMENTS LTD.**

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

INITIAL		

**SCHEDULE "A"**  
**ADDITIONAL TERMS AND CONDITIONS**

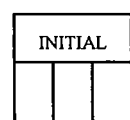
1. **ADDITIONAL DEPOSITS** The Deposit will be increased as follows:
- (a) by \$ \_\_\_\_\_, an amount equal to 10% of the Purchase Price, less \$10,000.00 (resulting in a total deposit of 10% of the Purchase Price), within ten (10) days of the Acceptance Date;
  - (b) by \$ \_\_\_\_\_, an amount equal to 5% of the Purchase Price (resulting in a total deposit of 15% of the Purchase Price), upon the date which is the later of:
    - (i) five (5) business days after delivery of the Amendment (as defined in section 21 hereof); and
    - (ii) ninety (90) days after the Acceptance Date.
  - (c) by \$ \_\_\_\_\_, an amount equal to 5% of the Purchase Price (resulting in a total deposit of 20% of the Purchase Price), upon the date which is the later of:
    - (i) five (5) business days after delivery of the Amendment (as defined in section 21 hereof); and
    - (ii) one hundred and fifty (150) days after the Acceptance Date.
2. **DEPOSIT-HOLDER** All deposit payments will be made by **certified cheque or bank draft**. Subject to Section 3 below, the Deposit shall be held in trust at a Canadian chartered bank in Vancouver, B.C. by the Vendor's solicitors, Parolin & Company (the "Vendor's Solicitors"), in an interest bearing trust account until completion of the purchase and sale of the Strata Lot, or earlier termination, pursuant to the *Real Estate Development Marketing Act* of British Columbia, and:
- (a) except as provided in Sections 3 and 20 hereof, and subject to the Purchaser completing the purchase on the Completion Date (as defined below), all interest earned shall be for the benefit of the Purchaser; and
  - (b) the Deposit shall be paid to the Vendor on the Completion Date upon the completion of the purchase and sale of the Strata Lot on account of the Purchase Price.
3. **RELEASE OF DEPOSIT** If, prior to the completion of the transaction herein contemplated, the Vendor has complied with all of the requirements set out in Section 19 of the *Real Estate Development Marketing Act* in respect of a developer's use of deposits, as defined therein, the Vendor shall be entitled without any further authorization or consent of the Purchaser to the release to it of all or any portion of the Deposit and in such case the Purchaser does hereby irrevocably authorize and direct the Vendor's Solicitors to release to the Vendor so much of the Deposit as requested by the Vendor and is permissible at law.

INITIAL		

4. **COMPLETION** The completion of the purchase and sale of the Strata Lot shall take place on a date (the "Completion Date") to be specified by the Vendor which is not less than ten (10) business days after the Vendor or the Vendor's Solicitors notifies the Purchaser or the Purchaser's solicitor that:
- (a) the City of Surrey has given or is expected to give permission to occupy the Strata Lot; and
  - (b) the Strata Plan in respect of the Development has been or is expected to be fully registered in the New Westminster Land Title Office prior to the Completion Date.

Permission to occupy the Strata Lot for the purposes of this Section 4 means the initial permission given by the City of Surrey to occupy the Strata Lot whether such permission is temporary, conditional or final and is intended to refer to the occupation of the Strata Lot only and not any other strata lots in the Development or the common property within the Development. In the event any such permission is temporary or conditional, the Vendor will provide the Purchaser with the final occupancy permit issued by the City of Surrey for the Strata Lot or the Development as soon as is reasonably practicable. The notice of the Completion Date delivered by the Vendor or the Vendor's Solicitors to the Purchaser or the Purchaser's solicitor may be based on the Vendor's estimate as to when the City of Surrey is expected to give permission to occupy the Strata Lot and the Strata Plan in respect of the Development is expected to be fully registered in the New Westminster Land Title Office. If the City of Surrey has not given permission to occupy the Strata Lot, and the Strata Plan in respect of the Development has not been fully registered, on the Completion Date so specified by the Vendor, then the Vendor may delay the Completion Date from time to time as required, by notice of such delay to the Purchaser or the Purchaser's solicitor, but any such delay will not exceed, in the aggregate, ninety (90) days from the date of the originally specified Completion Date.

5. **PURCHASER'S TERMINATION OPTION** Subject to Section 7 and the last sentence of this Section 5, if the Vendor or the Vendor's Solicitors has not provided notice specifying the Completion Date by June 30, 2011 (the "Purchaser's Termination Option Date"), the Purchaser will have the right to cancel this Agreement by giving ten (10) business days written notice to the Vendor, provided such notice is received by the Vendor no later than fourteen (14) days following the Purchaser's Termination Option Date. If the Purchaser exercises this right to terminate the Agreement, this Agreement will terminate at the end of the ten (10) business day notice period, the Deposit and interest will be returned to the Purchaser and neither party will have any further obligation to the other. Notwithstanding the foregoing, the Vendor may, at its option, exercisable by notice to the Purchaser or the Purchaser's solicitor or notary, and in addition to any extension period referred to in Section 7 below and whether or not any delay described in Section 7 below has occurred, elect to extend the Purchaser's Termination Option Date from time to time, but in any event, for not more than an aggregate of two hundred and seventy (270) days.
6. **VENDOR'S TERMINATION OPTION** Notwithstanding any provision of this Agreement and except as set out in this Section 6, if by July 31, 2008 (the "Vendor's Termination Option Date"), the Vendor has not entered into agreements of purchase and sale binding upon purchasers for a minimum of 183 strata lots in the Development, the Vendor will have the right to cancel this Agreement by giving ten (10) business days written notice to the Purchaser or the Purchaser's solicitor or notary, provided that such notice is given within sixty (60) days from the Vendor's Termination Option Date. If the Vendor exercises this right to terminate the Agreement, this Agreement will terminate at the



end of the ten (10) business day notice period and the Deposit and interest will be returned to the Purchaser and neither party will have any further obligation to the other. Notwithstanding the foregoing, the Vendor's Termination Option Date will automatically be extended to December 31, 2008 unless the Vendor has by September 30, 2008 provided notice to the Purchaser or the Purchaser's solicitor or notary that such extension is not required.

7. **DELAY** If the Vendor is delayed from completing the Strata Lot, depositing the Strata Plan for the Development in the Land Title Office or in doing anything the Vendor is required to do hereunder as a result of fire, explosion or accident, howsoever caused, act of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, materials or equipment, flood, act of God, delay or failure by carriers or contractors, unavailability of supplies or materials, breakage or other casualty, unforeseen geotechnical conditions, climatic conditions, acts or omissions of third parties, 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 Purchaser's Termination Option Date and the Vendor's Termination Option Date, will be extended for a period equivalent to such period of delay.
8. **INFORMATION PACKAGE AND CLOSING PROCEDURE** The Vendor's Solicitors will provide to the solicitor or notary for the Purchaser an information package setting out pertinent information respecting the matters required to be attended to by the Purchaser for the completion of the purchase of the Strata Lot. The Purchaser will cause the Purchaser's solicitor or notary to prepare and deliver to the Vendor for execution at least five (5) business days prior to the Completion Date, a Freehold Transfer in Form A under the *Land Title Act* of British Columbia in respect of the Strata Lot (the "Transfer"), a Vendor's statement of adjustments prepared in accordance with the Agreement and based on the information and directions as set out in the information package. The Vendor and the Registered Owner shall not be required to execute and deliver any other documents in connection with the completion of the purchase and sale of the Strata Lot other than the Transfer and the Vendor's statement of adjustments and, without limiting the generality of the foregoing, shall not be required to execute and deliver any resolutions, certificates or declarations of any type. The Vendor will deliver the Transfer, duly executed by the Registered Owner and in registrable form, and the Vendor's statement of adjustments approved by the Vendor, duly executed by the Vendor, to the Purchaser's solicitor or notary on or prior to the Completion Date on the condition that forthwith upon the Purchaser's solicitor or notary obtaining a post registration index search from the New Westminster Land Title Office indicating that in the ordinary course of Land Title Office procedure the Purchaser will become the registered owner of the Strata Lot subject only to subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other disposition from the Crown, registered or pending restrictive covenants and rights of way in favour of public utilities and public authorities, the encumbrances contemplated by or referred to in the Disclosure Statement (collectively, the "Permitted Encumbrances"), the encumbrances contemplated by Section 10 below, and any encumbrances relating to any financing arranged by the Purchaser, the Purchaser's solicitor or notary will cause the balance of the Purchase Price due on the Completion Date (the "Funds") to be paid to the Vendor's Solicitors by way of a **certified cheque or bank draft**. The Purchaser will ensure that the Funds will be available to the Vendor's Solicitor not later than 3:00 pm (Vancouver time) on the Completion Date.

INITIAL		

9. **ACCEPTANCE OF TRANSFER** The Purchaser hereby agrees to accept the Transfer executed by the Registered Owner.
10. **VENDOR'S FINANCING AND BUILDERS' LIEN CLAIMS** The Transfer may be subject to the encumbrances relating to the Vendor's financing and any builders lien claims provided the Vendor's Solicitors undertake to clear title of all such encumbrances within a reasonable period of time after receiving the Funds. The Purchaser acknowledges that encumbrances relating to the Vendor's financing may remain as a charge against the common property of the Development until the Vendor has completed the sale of the balance of the strata lots in the Development whereupon the Vendor covenants such encumbrances relating to its financing will be discharged entirely.
11. **PURCHASER'S MORTGAGE** If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Vendor until after the transfer and new mortgage documents have been lodged for registration in the New Westminster Land Title Office, but only if, before such lodging, the Purchaser has:
- (a) made available for tender to the Vendor that portion of the Purchase Price not secured by the new mortgage;
  - (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration; and
  - (c) made available to the Vendor, a lawyer's or notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.
12. **LIEN HOLDBACK** That portion, if any, of the balance of the Purchase Price required by law to be held back by the Purchaser in respect of builders' lien claims (the "Lien Holdback") shall be paid to the Vendor's Solicitors on the Completion Date. The Lien Holdback shall be held in trust pursuant to the *Strata Property Act* and *Builders' Lien Act* of British Columbia (or successor statutes) solely in respect of lien claims made against the Strata Lot and registered in the New Westminster Land Title Office in connection with work done or materials supplied at the behest 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 earlier of the date on which the time for filing a claim under the *Builders' Lien Act* of British Columbia (or successor statutes) expires and the 56th day 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 his or her solicitor or notary notifies the Vendor's Solicitors in writing by 2:00 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 thereto including payment of funds into court if desired by the Vendor.
13. **ADJUSTMENTS** The Purchaser will assume all taxes, rates, local improvement assessments, water rates and scavenging rates, assessments and maintenance fees of the strata corporation of which the Strata Lot forms a part, and all other adjustments both incoming and outgoing of whatever nature in

INITIAL		

respect of the Strata Lot shall be made, as of the Completion Date. If the amount of any such taxes, rates or assessments have been levied in respect of a parcel greater than the Strata Lot, then:

- (a) if levied in respect of the Residential Parcel, the portion thereof which shall be allocated to the Strata Lot shall be determined by prorating the total amount among all of the strata lots in the Development on the basis of the applicable unit entitlement in each case; and
- (b) if levied in respect of the Property as a whole, the Vendor shall in its sole discretion allocate such taxes, rates or assessments between the Residential Parcel and the remainder of the Property, and such allocation made by the Vendor shall be deemed to be conclusive as between the Vendor and the Purchaser, and the amount applicable to the Strata Lot will be prorated in the manner described at paragraph (a) above.

If any other item of adjustment is not specifically allocable to the Strata Lot, that item shall be adjusted in the manner determined by the Vendor, acting reasonably.

- 14. **COSTS** The Purchaser will pay all costs (including legal fees, property transfer tax as required under the *Property Transfer Tax Act* of British Columbia, all GST, and any social services tax payable in respect of any personal property included in the Purchase Price) in connection with the completion of the transaction contemplated by this Agreement other than costs of the Vendor incurred in clearing title to the Strata Lot.
- 15. **POSSESSION** So long as the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Strata Lot have been paid in full, the Purchaser may have vacant possession of the Strata Lot not earlier than 12:01 p.m. (Vancouver time) on the day following the Completion Date.
- 16. **RISK** The Strata Lot is to be at the risk of the Vendor until 12:01 a.m. (Vancouver time) on the Completion Date, and thereafter at the risk of the Purchaser and, in the event of loss or damage to the Strata Lot deemed material by the Vendor and occurring before such time by reason of fire, tempest, lightning, earthquake, flood, act of God or explosion which is not repaired prior to the Completion Date, either party may, at its option, by written notice to the other party cancel this Agreement and thereupon the Purchaser will be entitled to repayment of the Deposit together with all interest accrued thereon and neither the Vendor nor the Purchaser shall have any further obligation hereunder. If neither party elects to cancel this Agreement, the Purchaser will complete the purchase on the Completion Date and shall be entitled to an assignment of insurance proceeds in respect of the material loss or damage to the Strata Lot, if any, not applied by the Vendor or the insurer to the cost of repairs. All other remedies and claims of the Purchaser in the event of such damage are hereby waived.
- 17. **INSURANCE** The Vendor will, until and including the day preceding the Completion Date, cause the Strata Lot to be insured by insurance coverage against such risks and to such limits as, in the sole opinion of the Vendor, are reasonable.
- 18. **INSPECTION** The Purchaser, or a representative, and the Vendor, or a representative, shall inspect the Strata Lot at a reasonable time designated by the Vendor prior to the Completion Date. At the

INITIAL		



conclusion of such inspection, a conclusive list of any defects or deficiencies shall be prepared. The parties or their representatives 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. The Purchaser acknowledges and agrees that neither the Purchaser nor the Purchaser's representatives, agents or assigns will be allowed access to the Strata Lot except for the purpose of this inspection prior to the Completion Date, except with the express written authorization of the Vendor. If the Purchaser fails to inspect the Strata Lot as required, or fails to sign the list of defects and deficiencies, or if there is any dispute as to defects or deficiencies, the project architect for the Development shall settle the list of defects and deficiencies or the matter in dispute, it being agreed that such determination by the project architect shall be binding upon the parties and need not occur prior to the Completion Date. The Vendor will remedy the defects or deficiencies noted on the list, or as settled by the project architect, as soon as reasonably possible after the Completion Date to the satisfaction of the project architect, and the parties agree that notwithstanding the existence of any defects or deficiencies on the Completion Date, such shall not permit the Purchaser to elect not to complete the purchase of the Strata Lot and there shall be no deficiency holdback in respect of any defects or deficiencies which may exist on the Completion Date.

19. **ACCESS** Except as expressly contemplated by Section 18 above, in order to ensure compliance with the Vendor's safety guidelines for the construction site, neither the Purchaser nor the Purchaser's agents or representatives will under any circumstances be permitted to inspect the Strata Lot or to enter the construction site prior to the Completion Date.
  
20. **CANCELLATION RIGHTS** Time will be of the essence hereof and unless all payments on account of the Purchase Price, together with adjustments thereto as provided herein and all other amounts payable hereunder, are paid when due, then the Vendor may at its option:
  - (a) cancel this Agreement by written notice to the Purchaser and in such event the amount theretofore paid by the Purchaser and all accrued interest shall be absolutely forfeited to the Vendor as liquidated damages (the Vendor and Purchaser hereby agreeing that such amount constitutes a genuine pre-estimate of the damages which the Vendor will suffer as a consequence of the Purchaser's default) and the Vendor shall be entitled to be paid such amount upon written demand therefor by the Vendor. The Purchaser agrees that the Vendor will be entitled absolutely to any deposit and all accrued interest and hereby irrevocably appoints the Vendor as its agent to advise the deposit-holder to pay the sum forfeited to the Vendor; or
  - (b) elect to 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 18% per annum from the date upon which such portion and amounts were due to the date upon which such portion and amounts are paid.

The Vendor may so cancel this Agreement at any time after such default by the Purchaser, even if the Vendor has previously elected to complete the transaction.

INITIAL		

21. **AMENDMENT TO DISCLOSURE STATEMENT** The Vendor acknowledges its obligation to deliver to the Purchaser an amendment to the Disclosure Statement or a restatement of the Disclosure Statement (the "Amendment") setting out particulars of the issued building permit for the Development and the particulars of a financing commitment for the Development. The Vendor agrees that this Agreement is terminable at the option of the Purchaser for a period of seven (7) days after receipt of the Amendment if the layout or size of the Strata Lot, construction of a major common facility, or the general layout of the Development, is materially changed by the issuance of the building permit. The Vendor also agrees that if the Amendment is not received by the Purchaser within twelve (12) months after the filing of the Disclosure Statement, the Purchaser may at his or her option cancel this Agreement at any time after the end of that 12 month period until the Amendment is received by the Purchaser. If the Purchaser elects to terminate this Agreement as aforesaid then the Purchaser will be entitled to repayment of the Deposit together with all interest accrued thereon forthwith after providing notice of termination to the Vendor and there will be no further obligations as between the Vendor and the Purchaser.
22. **PURCHASER'S ACKNOWLEDGEMENTS** The Purchaser by the execution of this Agreement acknowledges and agrees that:
- (a) the civic addresses of the buildings in the Development, the suite and strata lot number assigned to the Strata Lot, and the addresses assigned to the Development as of the date hereof are all subject to change at the discretion of the Vendor, without compensation to the Purchaser;
  - (b) the actual size and dimensions of the Strata Lot will vary somewhat from what is depicted on the draft Strata Plan attached as Exhibit "A" to the Disclosure Statement and the architectural plans and specifications. The areas, dimensions, lot lines and location of the Strata Lot set out on the draft Strata Plan, and in sales brochures, advertisements, websites or other marketing materials, are provided for information purposes only and are not represented as being the actual final areas, dimensions, lot lines or location of the Strata Lot. The Vendor reserves the right to and may make, from time to time, modifications to the Vendor's plans, specifications, proposed materials or features in, to or for the Development, including without limitation, modifications to the siting of the Strata Lot, the numbering of the Strata Lot and the layout, area and the floor plans of the Strata Lot, and use alternative materials, all as are desirable and reasonable in the opinion of the Developer or its architects, and the Purchaser acknowledges and agrees that the plans, specifications, materials, features and designs as may be illustrated or reflected in any sales material, models, display suites, etc. shown to the Purchaser are for illustration purposes only and are not a representation of the Vendor, are not to be relied on by the Purchaser and do not form a collateral obligation of the Vendor;
  - (c) this Agreement shall remain in full force and effect notwithstanding that the building plans and specifications (including without limitation features, design, materials, layout, location, size and number of windows and doors and common facilities) may be varied by the Vendor, as deemed desirable and reasonable in the sole opinion of the Vendor and/or the Vendor's architects, or as may be required by any authorities having jurisdiction in respect thereof between the date of this Agreement and the Completion Date, and that in any such event the Purchaser shall have absolutely no claim or cause of action against the Vendor;

INITIAL		

- (d) should certain materials not be available to the Vendor for installation in time for the Vendor's scheduled installation date, the Vendor reserves the right to select substitute materials of equal or better grade, at the Vendor's discretion;
- (e) the Purchaser is aware that the monthly strata corporation assessment as set out in Exhibit "E" to the Disclosure Statement is an estimate only;
- (f) the Vendor's display centre and the displays and representations of the display centre are representative of the general finishing and design style of the Development only. Actual design, specifications, materials, finishing, features, room dimensions, room configurations and layouts may vary;
- (g) models, images and view representations in the Vendor's display centre, including any display centre mockups, and in the marketing materials, advertisements and websites for the Development are not actual and are intended only to convey the general character of the Development and of the neighbourhood in which the Development will be situate and the general view outlooks that may be available from various locations within the completed Development. View representations cannot be relied upon to be representative of actual views available from any perspective within the completed Development;
- (h) neither the Purchaser nor the Strata Corporation or the Development will be entitled to any rights of any kind in connection with the use of any name and any marks relating to the Retail Component as referred to in the Disclosure Statement, including without limitation any right in the name and logo "Morgan Crossing", and any names incorporating same and any related marks and logos;
- (i) the Vendor and any future owner of the Retail Component as described in the Disclosure Statement has reserved the right to amend the layout, size, dimensions, parking areas, loading bays, and vehicular and pedestrian access ways of the Retail Component, to alter the boundaries of the Retail Component by the addition or subtraction of land or airspace parcel, to make changes in and to the features and design of the Retail Component, to construct additions to the existing improvements comprising the Retail Component, and to construct additional buildings and improvements which will comprise part of the Retail Component, all at any time and from time to time, and acknowledges and agrees that neither the Purchaser nor the Strata Corporation or the Development will be entitled to any claim for damages alleged to arise or arising in connection thereto and will not have any claim for nuisance, inconvenience or loss to the Purchaser, the Strata Corporation or the Development in connection thereto.

23. **AREA OF THE STRATA LOT** If the area of the Strata Lot is more than 3% smaller than indicated for the Strata Lot in the Disclosure Statement, when measured in the same manner as provided therein, the Purchase Price will be reduced by an amount determined under the formula:

$$R = (.97 - A/P) \times \text{the Purchase Price}$$

where:

R = the amount of the reduction of the Purchase Price in accordance with this Section 23;

INITIAL		

A = the actual area of the Strata Lot when measured in the same manner as provided in the Disclosure Statement; and

P = the area of the Strata Lot as indicated in the Disclosure Statement.

If the Strata Lot is smaller by more than 10% than indicated for the Strata Lot in the Disclosure Statement, then the Purchaser may, by written notice to the Vendor, elect to have the Purchase Price adjusted as aforesaid or cancel this Agreement. If the Purchaser elects to cancel the Agreement, the Deposit and any interest accrued thereon will be paid to the Purchaser and there will be no further obligations as between the Vendor and the Purchaser. If the Purchaser elects to complete the purchase of the Strata Lot, the Purchaser will have no claim against the Vendor other than for adjustment to the Purchase Price as aforesaid.

24. **NOTICES** Any notice to be given to the Purchaser will be well and sufficiently given if deposited in any post office in Vancouver, British Columbia, postage prepaid addressed or delivered by hand to the Purchaser's solicitor or notary at his or her office or the Purchaser at the Purchaser's address as set out above, or to such other address as the Purchaser may have last notified the Vendor in writing, and shall be deemed to have been received if delivered, when delivered, and if mailed, on the fourth business day (exclusive of Saturdays, Sundays and statutory holidays) after such mailing.
25. **TENDER** Any tender of documents or money under this Agreement may be made upon the solicitor or notary acting for the party upon whom tender is desired and it shall be sufficient that a negotiable certified cheque or bank draft drawn on a Canadian chartered bank is tendered instead of cash.
26. **NO ASSIGNMENT BY PURCHASER** Subject to Sections 27 and 28 below, the Purchaser will not sell or assign its rights, benefits and obligations under this Agreement.
27. **ASSIGNMENT TO RELATED INDIVIDUAL** The Purchaser may assign its rights, benefits and obligations under the Agreement to a Related Individual or Individuals provided that:
- (a) if the Vendor receives notices of the assignment more than forty-eight (48) hours after acceptance of this Agreement by the Vendor, an administrative fee equal to \$1,000.00 plus GST is paid by the Purchaser to the Vendor; and
  - (b) the Related Individual and the Purchaser enter into an assignment agreement and a consent agreement, the forms of which are to be obtained from the Vendor, wherein:
    - (i) the Related Individual agrees to assume all the obligations of the Purchaser under this Agreement;
    - (ii) the Deposit is assigned to and deemed to belong to the Related Individual as if the Deposit was paid by the Related Individual to the Vendor under this Agreement; and
    - (iii) the Related Individual has confirmed receipt, and the opportunity to read, the Disclosure Statement and each amendment thereto;

INITIAL		

and a copy of each agreement is delivered to the Vendor.

- (c) For the purposes of this Agreement, “Related Individual” means:
- (i) a child, grandchild, parent or grandparent of the Purchaser;
  - (ii) a spouse of the Purchaser or any one of the individuals described in paragraph (i) above; or
  - (iii) a company in which the Purchaser or any of the individuals described in paragraphs (i) or (ii) above has a controlling interest.

28. **ASSIGNMENT TO THIRD PARTY** The Purchaser hereby agrees that the Purchaser will not assign its rights, benefits and obligations under the Agreement without the prior written consent of the Vendor, which consent may be arbitrarily withheld in the Vendor’s sole discretion, until the Purchaser has received written notice from the Vendor that every strata lot in the Development has been sold. Following receipt of such notice, the Purchaser may assign its rights, benefits and obligations under the Agreement to a person other than a Related Individual (the “Third Party”) provided that:

- (a) an assignment fee equal to one and one-half percent (1.5%) of the Purchase Price plus GST is paid by the Purchaser to the Vendor; and
- (b) the Third Party and the Purchaser enter into an assignment agreement and a consent agreement, the forms of which are to be obtained from the Vendor, wherein:
  - (i) the Third Party agrees to assume all the obligations of the Purchaser under the Agreement;
  - (ii) the Deposit is assigned to and deemed to belong to the Third Party as if the Deposit was paid by the Third Party to the Vendor under this Agreement; and
  - (iii) the Third Party has confirmed receipt, and the opportunity to read, the Disclosure Statement and each amendment thereto;

and a copy of each agreement is delivered to the Vendor.

The Purchaser hereby covenants and agrees that it will not advertise or solicit offers from the public, nor directly or indirectly permit any third party to so advertise, solicit or list the Strata Lot on any listing service, including any multiple listing service, with respect to any resale, lease, or assignment of the Purchaser’s interest in the Strata Lot prior to the Completion Date without the prior written consent of the Vendor, which consent may be refused by the Vendor in the Vendor’s sole discretion.

The Purchaser hereby agrees to obtain their own legal, tax and accounting advice in respect of entering into such assignment and shall provide the Vendor with any documentation reasonably required by the Vendor.

INITIAL		

29. **LIABILITY OF PURCHASER** In the event of an assignment in accordance with either Section 27 or 28, the Purchaser will remain fully liable under the Agreement and such assignment will not in any way relieve the Purchaser of its obligations under this Agreement.
30. **ASSIGNMENT BY VENDOR** The Vendor will be entitled to sell and/or assign its rights, benefits and/or obligations under this Agreement without the consent of the Purchaser. In such case, the Purchaser acknowledges and confirms that:
- (a) the new developer will be the assignee of the Vendor; and
  - (b) other entities involved in the development of the Development may sell and/or assign their interest in the Development.
31. **CONTRACTUAL RIGHTS ONLY** This offer and the agreement which results from its acceptance creates contractual rights only and not any interest in land, and the Purchaser hereby acknowledges and agrees that the Purchaser shall not under any circumstances be entitled or become entitled to register any charge, encumbrance or notice against title to the Property or the Strata Lot in respect of or pertaining to this Agreement or the Strata Lot including, without limitation, a certificate of pending litigation.
32. **COMMISSIONS** In the event that the Purchaser does not complete the purchase and sale of the Strata Lot on the Completion Date, the Purchaser hereby irrevocably authorizes the Vendor to deduct from the Deposit the amount of the pre-paid commission paid by the Vendor to the Purchaser's real estate agent, plus all legal fees and administrative costs related to the failure of the Purchaser to complete.
33. **PRIVACY CONSENT**
- (a) The Purchaser consents to the collection, use and disclosure of personal information contained in this Agreement and otherwise collected by or on behalf of the Vendor and its agents, affiliates and service providers (collectively, the "Information") for the following purposes:
    - (i) to complete the transaction contemplated by this Agreement, including investment of the Deposit;
    - (ii) to engage in business transactions, including securing financing for the construction of the Development; and
    - (iii) to market, sell, provide and inform the Purchaser of the Vendor's product and services, including information about future projects.
  - (b) The Purchaser consents to the collection, use and disclosure of the Information to agents, contractors and service providers of the Vendor and its affiliates in connection with the above purposes.
34. **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

INITIAL		

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.

35. **ENUREMENT** This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.
36. **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 Agreement.
37. **GOVERNANCE** This contract shall be governed and construed in accordance with the laws of the Province of British Columbia. The Purchaser hereby irrevocably agrees to attorn to the jurisdiction of the Province of British Columbia in respect of any and all matters pertaining to or connected with this Agreement or the Strata Lot.
38. **SURVIVAL** The rights and obligations of the parties contained herein and in the Disclosure Statement will continue and will not be merged with the completion of the sale and purchase of the Strata Lot on the Completion Date.
39. **CONSTRUCTION** All words in this Agreement will be read and construed in the singular, plural, masculine, feminine or body corporate, as the context may require.
40. **COLOUR SCHEME/FINISHING MATERIAL PACKAGE** The Purchase Price includes the installation of the standard colour scheme and finishing material package selected by the Purchaser as set out in Schedule "B" hereto. If the Purchaser does not select one of the 3 colour schemes and finishing material packages set out in Schedule "B" upon execution of this Agreement, the Purchaser will, on or before that date which is seven (7) days after the Acceptance Date, advise the Vendor in writing as to which of the 3 standard colour schemes and finishing material packages the Purchaser has selected, failing which, the Vendor will select one of the standard 3 colour schemes and finishing material packages and will advise the Purchaser as to the Vendor's selection. The Developer reserves the right and may make changes in and to the features, design and specification of the standard finishing material package and may use alternative materials of equal or better quality, all as are desirable and reasonable in the opinion of the Developer or its architects.
41. **EXECUTION AND ADDENDUMS** This Agreement may be executed and delivered in one or more counterparts or facsimile counterparts. Any Addendum to this Agreement, if completed and signed by both the Purchaser and the Vendor, forms a part of this Agreement.
42. **ENTIRE AGREEMENT** This Agreement shall constitute the entire agreement between the Vendor and the Purchaser and there are no representations, warranties, conditions, guarantees, promises, agreements or previous statements made by any person or agent (including, without limitation, arising out of marketing materials, sales brochures, displays, photographs, drawings or any other materials provided to or viewed by the Purchaser) other than those contained in this Agreement and the Disclosure Statement. No modification of this Agreement shall be valid unless made in writing and signed by the parties hereto.

INITIAL		

# **SCHEDULE "B"**

## **COLOUR SCHEME/FINISHING MATERIAL PACKAGE**

Selection pursuant to Section 40 of this Agreement:

The Purchaser hereby chooses the following colour scheme and finishing material package for the Strata Lot, which the Vendor will provide at no additional cost (pick one selection only):

Dawn \_\_\_\_\_  
[initial]

Day \_\_\_\_\_  
[initial]

Dusk \_\_\_\_\_  
[initial]

INITIAL		



**THE RESIDENCES AT MORGAN CROSSING**

**ADDENDUM  
AGENCY REPRESENTATION**

To the Agreement of Purchase and Sale (the "Agreement") dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ between Larco Investments Ltd. (the "Vendor") and \_\_\_\_\_ (the "Purchaser") in respect of proposed Strata Lot \_\_\_\_\_, (the "Strata Lot"), Suite No. \_\_\_\_\_, in the development known as "The Residences at Morgan Crossing" to be constructed on lands presently located at 15735, 15745, 15765, 15775, 15785 and 15795 Croydon Drive and 15850 -26<sup>th</sup> Avenue, in the City of Surrey, Province of British Columbia.

Further to the Agreement, the undersigned hereby agree as follows:

**AGREEMENT OF AGENCY REPRESENTATION**

- 1. The Vendor and the Purchaser acknowledge having received, read and understood the brochure published by the B.C. Real Estate Association entitled "Working with a Realtor" and acknowledge and confirm that:
  - (a) the Vendor has an agency relationship with MacDonald Realty Ltd./Platinum Project Marketing Group and its sub-agents, if applicable; and
  - (b) the Purchaser has an agency relationship with:
    - (i) \_\_\_\_\_  
Agent; and
    - (ii) \_\_\_\_\_  
Salesperson

**LARCO INVESTMENTS LTD.**

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

Dated: \_\_\_\_\_

\_\_\_\_\_  
Purchaser

Dated: \_\_\_\_\_

\_\_\_\_\_  
Purchaser

Dated: \_\_\_\_\_

INITIAL		