

# THE RESIDENCES AT MORGAN CROSSING

## THIRD AMENDMENT TO DISCLOSURE STATEMENT REAL ESTATE DEVELOPMENT MARKETING ACT (BRITISH COLUMBIA) (the "Act") DATED October 16, 2009

*This document notes the amendments that have been made to the Disclosure Statement dated October 9, 2007, First Amendment to Disclosure Statement dated March 18, 2008 and Second Amendment to Disclosure Statement dated July 7, 2008 (together, 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:**

Fingerprint Strategies Inc.  
1175 Derwent Way  
Delta, British Columbia V3M 5V9

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.

## NOTICE

The right of rescission information set out below, in relation to Section 21 of the *Real Estate Development Marketing Act*, applies **ONLY** to new purchasers who have not previously received a disclosure statement in respect of this development property. Purchasers who have previously received a prospectus or disclosure statement in respect of this development property accrued a right to rescind at that time and, pursuant to section 21(1)(b) of the *Real Estate Development Marketing Act*, do **NOT** have a further right to rescind. This notice does not affect any rights a purchaser may have under the purchaser's purchase agreement or at common law.

### 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.

AMENDMENTS

1. The Disclosure Statement is hereby amended by replacing the reference to the Agent of the Developer on the front page from “Maverick Real Estate Corporation” to “Fingerprint Strategies Inc.”, and replacing the address from “Suite 920, 475 West Georgia Street, Vancouver, British Columbia V6B 4M9” to “1175 Derwent Way, Delta, British Columbia V3M 5V9”.
2. Subsections 4.3 (a) and (b) are deleted and replaced with the following:

**“4.3 Existing Encumbrances and Legal Notations**

**(a) Legal Notations**

- (i) Hereto is annexed Easement BB560346 (Plan BCP32986) over Lot 2 Plan BCP22199;
- (ii) This title may be affected by a permit under Part 26 of the Local Government Act, see BB572088;
- (iii) This title may be affected by a permit under Part 26 of the Local Government Act, see BB572089;
- (iv) This title may be affected by a permit under Part 26 of the Local Government Act, see BB580934;
- (v) This title may be affected by a permit under Part 26 of the Local Government Act, see BB669878;
- (vi) This title may be affected by a permit under Part 26 of the Local Government Act, see BB726071;
- (vii) Hereto is annexed Easement BB860396 over that Part of Lot 1, Plan BCP22199 included in Plan BCP32986; and
- (viii) Notice of Interest, Builders’ Lien Act s.3(2) BB821410.

**(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 and BB904638 in favour of British Columbia Hydro and Power Authority;
- (2) Undersurface and Other Exceptions & Reservations BA15542 in favour of the Crown in Right of British Columbia;
- (3) 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;
- (4) Covenants BB860382, BB860384, BB860387, BB860389, BB860393, BB860399 and BB996508 in favour of the City of Surrey;
- (5) Easements BB860392, BB860398 and BB996507;
- (6) Mortgage BB1004346 and Assignment of Rents BB1004347 in favour of The Bank of Nova Scotia (the "Construction Security");
- (7) Statutory Right of Way BB904639 in favour of Telus Communications Inc.; and
- (8) Statutory Right of Way BB940538 in favour of Shaw Cablesystems Limited.

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."

3. Exhibit "G" Summary of Encumbrances is hereby deleted and replaced with the Exhibit "G" Summary of Encumbrances attached hereto as Schedule "A".
4. In all other respects, the Disclosure Statement dated October 9, 2007, as amended by First Amendment to Disclosure Statement dated March 18, 2008 and Second Amendment to Disclosure Statement dated July 7, 2008, remains unamended.


**DECLARATION**

The foregoing statements disclose, without misrepresentation, the amendments, as of October 16<sup>th</sup>, 2009, to any material fact relating to the Development and contained in the Disclosure Statement dated October 9, 2007 as amended by the First Amendment to Disclosure Statement dated March 18, 2008 and the Second Amendment to Disclosure Statement dated July 7, 2008, 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**

**DECLARATION**

The foregoing statements disclose, without misrepresentation, the amendments, as of October 23, 2009, to any material fact relating to the Development and contained in the Disclosure Statement dated October 9, 2007 as amended by the First Amendment to Disclosure Statement dated March 18, 2008 and the Second Amendment to Disclosure Statement dated July 7, 2008, 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 "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:

- (i) Hereto is annexed Easement BB560346 (Plan BCP32986) over Lot 2 Plan BCP22199 – This is an access easement benefiting the Property over neighboring lands.
- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) This title may be affected by a permit under Part 26 of the Local Government Act, see BB669878 – This is a notice of one of the development permits issued regarding the Property.
- (vi) This title may be affected by a permit under Part 26 of the Local Government Act, see BB726071 – This is a notice of one of the development permits issued regarding the Property.
- (vii) Hereto is annexed Easement BB860396 over that part of Lot 1, Plan BCP22199 included in Plan BCP32986 – This is a driveway access easement granted by the current owner of the neighboring lands, Home Depot Holdings Inc., that benefits the Property.
- (viii) Notice of Interest, Builders' Lien Act s.3(2) BB821410 indicating that a lien filed under the *Builders Lien Act* (British Columbia) in respect of an improvement on the Property does not bind the registered owner in fee simple unless such improvement is undertaken at the express request of the registered owner in fee simple.

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

1. 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 and as described in the remarks. The registered owner shall not build or install buildings or other structures in the right of way areas.

2. 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.
3. 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.
4. 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.
5. 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.
6. Section 219 Covenant No. BB860382 in favour of City of Surrey – this Covenant deals with sediment control matters and servicing of the sediment control facility which is to be maintained at the Property until at least 90% of the building construction is completed and until written consent for removal is received by the City from federal and provincial authorities.
7. Section 219 Covenant No. BB860384 in favour of City of Surrey – this Covenant references a specific sediment control chamber model to be operated and maintained at the Property for the collection of drainage from the parking lot area.



8. Section 219 Covenant No. BB860387 in favour of City of Surrey – this Covenant deals with the sustainable drainage features which are to be maintained and operated in the area referenced on Reference Plan BCP36343.
9. Section 219 Covenant No. BB860389 in favour of City of Surrey – this Covenant affords the City the option to modify the curb portion at the access from Croydon Avenue to the Property in the event the City deems the existing one a traffic hazard or if the City requires a wider access, and further that truck access to the southwest access from Croydon Avenue to the Property will be restricted to off peak and off retail operation hours.
10. Easement No. BB860392 and Section 219 Covenant in favour of City of Surrey No. BB860393 – this is an access easement benefiting neighbouring lands currently owned by Home Depot Holdings Inc. over the area referenced on Reference Plan BCP36344, and covenant regarding same to City of Surrey.
11. Easement No. BB860398 and Section 219 Covenant in favour of City of Surrey No. BB860399 – this is an access easement benefiting neighbouring lands currently owned by Surrey South Shopping Centres Limited over the area referenced on Reference Plan BCP36344, and covenant regarding same to City of Surrey.
12. Easement No. BB996507 and Section 219 Covenant in favour of City of Surrey No. BB906508 – this is an access easement benefiting neighbouring lands currently owned by S.K.MB Harchand Const. Ltd. over the area referenced on Reference Plan BCP37722, and covenant regarding same to City of Surrey.
13. Mortgage BB1004346 and Assignment of Rents BB1004347 in favour of The Bank of Nova Scotia (the “Construction Security”) in connection with the financing for the construction of the development.
14. Statutory Right of Way BB904638 in favour of BC Hydro and Statutory Right of Way BB904639 in favour of Telus Communications Inc. (“Telus”). 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 in any combination and using any type of technology or means necessary or convenient for the purposes of, in the case of BC Hydro, transmitting and distributing electricity and for purposes of telecommunications, and in the case of Telus, telecommunications and data transmission, and including underground lines, cables, conduits and pipes, together with access nodes, cabinets, ancillary appliances and fittings, above ground or underground transformers, associated protective installations and any related works. The right of way area is that portion of the Property within 3 metres of either side of the centre alignment of the works. The registered owner shall not build or install buildings or other structures in the right of way area and shall keep the right of way area clear of trees and other growth.
15. Statutory Right of Way BB904538 in favour of Shaw Cablesystems Limited – this a non-exclusive access right for Shaw Cablesystems Limited to enter upon or gain access to the Property for the purposes of providing communication services to the occupants of the Property; laying, construction, maintaining, operating, repairing or using the network comprised of conduits, cables, wires, communication facilities and equipment on the Property; and making use of the Property for all purposes necessary or incidental to the provision of communication services.