ADDITION

CONSOLIDATED DISCLOSURE STATEMENT
REAL ESTATE DEVELOPMENT MARKETING ACT OF BRITISH COLUMBIA
(THE "ACT")

DATED OCTOBER 16, 2014

*This Disclosure Statement is with respect to an offering by Kenstone Hornby Limited Partnership for the sale of strata lots being developed on the property, which is currently municipally described as 1155 Hornby Street, Vancouver, British Columbia, in a development known as "**Addition**" (the "**Development**").*

DEVELOPER: **Name:**	*Kenstone Hornby Limited Partnership* (the **"Developer"**)
Address for Service:	c/o Kornfeld LLP 1100 One Bentall Centre 505 Burrard Street, Box 11 Vancouver, British Columbia V7X 1M5 Attention: E. Neil Kornfeld, Q.C.
Developer's Business and Mailing Address:	#201 – 1926 West Broadway Vancouver, British Columbia V6J 1Z2
Developer's Real Estate Agent:	Rennie Marketing Systems 51 East Pender Street Vancouver, British Columbia V6A 1S9

The Developer reserves the right to appoint additional or replacement agents or subagents and to use its own employees or employees of its holding or affiliated corporation, who are not licensed under the *Real Estate Services Act*, to market the Strata Lots and the Development, in which case, such employees will be acting on behalf of the Developer and will not be acting on behalf of any purchaser.

DISCLAIMER

THIS DISCLOSURE STATEMENT HAS BEEN FILED WITH THE SUPERINTENDENT OF REAL ESTATE, BUT NEITHER THE SUPERINTENDENT, NOR ANY OTHER AUTHORITY OF THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA, HAS DETERMINED THE MERITS OF ANY STATEMENT CONTAINED IN THE DISCLOSURE STATEMENT, OR WHETHER THE DISCLOSURE STATEMENT CONTAINS A MISREPRESENTATION OR OTHERWISE FAILS TO COMPLY WITH THE REQUIREMENTS OF THE *REAL ESTATE DEVELOPMENT MARKETING ACT*. IT IS THE RESPONSIBILITY OF THE DEVELOPER TO DISCLOSE PLAINLY ALL MATERIAL FACTS, WITHOUT MISREPRESENTATION.

This Disclosure Statement relates to a development property that is not yet completed. Please refer to section 7.2 of the Disclosure Statement for information on the purchase agreement. That information has been drawn to the attention of:

_____ _____ ***[insert name(s) of purchaser(s)]***

who has (have) confirmed that fact by initialling in the space provided here: ☐ ☐

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RIGHT OF RESCISSION

Under Section 21 of the *Real Estate Development Marketing Act*, the purchaser or lessee of a development unit may rescind (cancel) the contract of purchase and sale or contract to lease by serving written notice on the Developer or the Developer's brokerage, within 7 days after the later of the date the contract was entered into or the date the purchaser or lessee received a copy of this Disclosure Statement.

A purchaser may serve a notice of rescission by delivering a signed copy of the notice in person or by registered mail to:

(a) The Developer at the address shown in the disclosure statement received by the purchaser,

(b) The Developer at the address shown in the purchaser's purchase agreement,

(c) The Developer's brokerage, if any, at the address shown in the disclosure statement received by the purchaser, or

(d) The Developer's brokerage, if any, at the address shown in the purchaser's purchase agreement.

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

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ADDITION

DISCLOSURE STATEMENT
SALE OF STRATA LOTS PRIOR TO OBTAINING A BUILDING PERMIT

NOTICE TO PURCHASERS

Real Estate Development Marketing Act,
Policy Statement 5

If the developer has obtained approval in principle to construct or otherwise create the development units from the appropriate municipal or other government authority, the superintendent will permit a developer to begin marketing on complying with the following terms and conditions:

(a) 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;

(b) 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. The developer must also either:

(i) prior to the expiry of the 9 month period, file with the superintendent an amendment to the disclosure statement that sets out particulars of the issued building permit; or

(ii) upon the expiry of the 9 month period, immediately cease marketing the development and confirm in a written undertaking to the superintendent that all marketing of the development has ceased and will not resume until after the necessary amendment has been filed, failing which a cease marketing or other order may be issued by the superintendent to the developer without further notice.

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

(c) 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:

(i) The purchaser may cancel the purchase agreement for a period of seven days after receipt of an amendment to the disclosure statement that sets out particulars of the issued building permit if the layout or

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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;

(ii) **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;**

(iii) **The amount of the deposit to be paid by a purchaser who has not yet received an amendment to the disclosure statement that sets out particulars of an issued building permit is no more than 10% of the purchase price; and**

(iv) **All deposits paid by a purchaser, including interest earned if applicable, will be returned promptly to the purchaser upon notice of cancellation from the purchaser.**

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ADDITION

CONTENTS

1. The Developer
2. General Description
3. Strata Information
4. Title and Legal Matters
5. Construction and Warranties
6. Approvals and Finances
7. Miscellaneous

EXHIBITS TO DISCLOSURE STATEMENT

Exhibit "A" Draft Strata Plan and Proposed Form V Schedule of Unit Entitlement
Exhibit "B" Proposed Owner Developer's Notice of Different Bylaws
Exhibit "C" Form of Parking Lease
Exhibit "D" Interim Budget
Exhibit "E" Monthly Strata Fees
Exhibit "F" Management and Operating Service Agreement
Exhibit "G" Indemnity Agreement
Exhibit "H" Rental Disclosure Statement
Exhibit "I" Contract of Purchase and Sale

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ADDITION

1. THE DEVELOPER

1.1 The Developer

The Developer is a limited partnership known as "**Kenstone Hornby Limited Partnership**", formed under the laws of the Province of British Columbia on September 17, 2007 and its Limited Partnership certificate was registered with the British Columbia Registrar of Companies under number 460003-07. The general partner (the "**General Partner**") of the Developer is Kenstone Hornby GP Inc., a company incorporated under the laws of British Columbia under incorporation number BC0801289. As described in Section 4.2, Kenstone Properties Ltd. (the "**Nominee**"), a company incorporated under the laws of British Columbia on November 21, 2005 under incorporation number BC00741004, is the registered owner of the Lands and holds registered title to the Lands as bare trustee, nominee and agent of the Developer.

1.2 Purpose

The Developer was formed for the sole purpose of developing the Lands, as defined in Section 4.1. The General Partner was incorporated specifically for the purpose of becoming the general partner of the Developer. The Nominee holds registered title to the Lands as bare trustee, nominee and agent of the Developer.

Neither the Developer, nor the General Partner has any assets other than, in the case of the Developer, the beneficial interest in the Lands, in the case of the General Partner, its interest as general partner in the Developer. The Nominee, in addition to holding registered title to the Lands, as bare trustee, nominee and agent of the Developer, is the registered owner of several other properties located in Vancouver, British Columbia.

1.3 Address

The mailing address of the Developer is 201-1926 West Broadway, Vancouver, British Columbia V6J 1Z2 and the address of the registered and records office of each of the General Partner and the Nominee is: 1100 One Bentall Centre, 505 Burrard Street Box 11, Vancouver, British Columbia V7X 1M5.

1.4 Directors

The directors required by Section 14 of the Act and Section 9 of the Regulations thereto to sign this Disclosure Statement dated May 23, 2014 (the "**Disclosure Statement**") is the sole director of the General Partner, Edwin En-Wei Liang ("**Edwin Liang**"). The directors of the Nominee Ken Ter Huang Liang ("**Ken Liang**") and Edwin Liang have also executed this Disclosure Statement.

1.5 Developer's Background

(1) The Developer and the General Partner were formed for the sole purpose of developing the Lands and neither the Developer nor the General Partner has any previous experience in the development industry. The Nominee, as previously stated, is the registered owner of other properties located in Vancouver, British Columbia and does not have any previous experience in the development industry, except as a nominee. The directors and

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officers of the General Partner and Nominee have previous experience in the development industry, which are described as follows:

(a) General Partner:

i. Edwin Liang is the sole director of the General Partner and has approximately 8 years of experience in the real estate development industry and has been involved in the development of residential and mixed-use projects such as the developments known as "Oakterra", "Sage", and "Mix" in the Greater Vancouver area.

(b) Nominee:

i. Ken Liang is a director and president of the Nominee and has approximately 16 years of experience in the real estate development industry in Canada and in Taiwan. Ken Liang has managed and developed a number of multi-million dollar real estate projects in the Greater Vancouver area and in several cities in Taiwan including the development of single-detached houses, semi-detached townhomes, and low and high-rise condominiums. Particularly, Ken Liang was also involved in the developments known as "Genesis", "Sage", "Oakterra" and "Mix"; and

ii. Edwin Liang is a director and secretary of the Nominee and his relevant experience is set out at Section 1.5(1)(b)i;

(2) To the best of the Developer's knowledge, none of the Developer, nor the General Partner, nor the Nominee, nor any of their respective principal holders, nor any directors and officers of the Developer, General Partner, Nominee and their respective principal holders have 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 within the past ten years before the date hereof.

(3) To the best of the Developer's knowledge, none of the Developer, nor the General Partner nor the Nominee nor any of their respective principal holders, nor any directors and officers of the Developer, General Partner, Nominee and their respective principal holders, within the five years before the date hereof, have been declared bankrupt, nor have made a voluntary assignment in bankruptcy or a proposal under any legislation relating to bankruptcy or insolvency nor have any of the aforesaid 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 any person referred to herein.

(4) To the best of the Developer's knowledge, none of the Developer nor the General Partner nor the Nominee nor any of their respective principal holders, nor any directors and officers of the Developer, General Partner, Nominee and their respective principal holders, within the five years prior to the date hereof, have been a director, officer or principal holder of any other developer that, while that person was acting in that capacity, that other developer:

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(a) was subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud; or

(b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or 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 Conflict of Interest

The Developer is affiliated with the Nominee and will be affiliated with the Parking Tenant (as defined in Section 3.6) upon its incorporation.

To the best of the Developer's knowledge, there are no other existing or potential conflicts of interest among the Developer, the proposed property manager, any directors, officers and principal holders of the Developer and the manager, any directors and officers of their principal holders, and any person providing goods or services to the Developer, manager or holders of the development units in connection with the Development which could reasonably be expected to affect a purchaser's purchase decision.

2. GENERAL DESCRIPTION

2.1 General Description of the Development

The Development, as described below, will be constructed on the Lands, which are currently municipally described as 1133-1145 Hornby Street, Vancouver, British Columbia. The foregoing municipal address of the Development may be amended by the City of Vancouver (the "**City**") during the course of the completion of the Development.

The Developer will subdivide the Lands by way of an air space plan (the "**Air Space Plan**") to create one air space parcel (the "**Air Space Parcel**") to accommodate the Murray Hotel (as defined below) and the remainder of the Lands after such air space plan subdivision (the "**Residential Parcel**") will accommodate the construction of the Development therein (as described in subsection (3) below).

Subsequently, the Residential Parcel will be subdivided by filing of the Final Strata Plan (as defined below) in the New Westminster/Vancouver Land Title Office (the "**Land Title Office**") to create the Strata Lots (as defined below) and the Common Property, pursuant to the *Strata Property Act*. The legal description of the Development following the filing of such strata plan will be Strata Lots 1 to 164, inclusive, and common property of the Final Strata Plan to be created as a result of the subdivision of the Residential Parcel.

(1) **General**

The Development, subject to subsection (3) below, will be contained within a 20 level plus a rooftop level concrete tower (the "**Residential Tower**") consisting of approximately 164 residential strata lots (the "**Strata Lots**") to be constructed within the Residential Parcel approximately as shown on the draft strata plan for the Development attached as Exhibit "A" to this Disclosure Statement (the "**Draft Strata Plan**"). All of the Strata Lots will be located on levels 1 – 20, inclusive, of the Residential Tower, intended to be numbered floors 1 – 3, 5 – 21

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(inclusive). The Development will also include a 4 level underground parking facility (the "**Parking Facility**") currently proposed to be numbered P1 – P4, inclusive, containing approximately 192 underground parking stalls. The Common Property and facilities offered within the Development are described below in Section 3.3. In addition, The Developer intends to rehabilitate the façade of an existing heritage "B" listed hotel located at 1119 Hornby Street on the Lands (the "**Murray Hotel**") and may retain or sell the Murray Hotel to a third party following such rehabilitation and subdivision of the Lands as described above in Section 2.1 (the Development and rehabilitation of the Murray Hotel are collectively called the "**Project**").

The Development will be a completely separate structure from the Murray Hotel which will operate independently of the Development with no shared services or utilities. There will be approximately 12 parking stalls in a segregated area of the Residential Parcel for the use of the Murray Hotel and the Murray Hotel will share the entrance ramp to the Parking Facility with the Development to allow those persons designated by the Air Space Parcel owner access to the parking stalls. The Air Space Parcel will also have a dedicated garbage room within the Residential Parcel off the lane adjacent to the Development and will share certain walkways and stairs within the parking facility for access to and egress from the dedicated garbage room. The Residential Parcel owners will be responsible for the maintenance and repair of the shared areas and the Air Space owner will be required to contribute to the cost of that maintenance and repair.

The Development and the Murray Hotel will benefit from and be subject to certain reciprocal easements, covenants, equitable charges, agreements and/or encumbrances so as to ensure that each will be entitled to adequate structural support and the easements will be for the parking stall and garbage room access for the benefit of the Air Space Parcel, as more particularly described in Sections 4.4(1)(e) and 4.4(1)(f) together with provisions for cost sharing between the Development and the Murray Hotel for the repair and maintenance of those easement areas, all of which will be contained in the agreements described in Section 4.4(1)(e) and 4.4(1)(f).

The owners (the "**Owners**", and each, an "**Owner**") of the Strata Lots 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 such assets 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 (as described below), and any licences, 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.

As stated, the Murray Hotel (the Air Space Parcel) is not included in the Development and this Disclosure Statement is solely in respect of the Development.

(2) Strata Lots

The Strata Lots will consist of the following subject to subsection (3) below:

Unit Type	No. of Units

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Studio Units	15
One Bedroom Units	104
Two Bedroom Units	33
Three Bedroom Units	6
Townhouse Units	6
TOTAL	**164**

(3) Size of Strata Lots

The proposed layout of the Development and the proposed locations and estimated areas of the Strata Lots, Common Property and Limited Common Property are as provided in the Draft Strata Plan attached as Exhibit "A". The lot lines, locations, areas and dimensions of the Strata Lots set out in Exhibit "A" and this Disclosure Statement, and in any sales brochures or other marketing materials, are approximate and are provided for general information purposes only and are not represented or warranted as being the actual final lot lines, locations, areas or dimensions of the Strata Lots or the mix of Strata Lot types.

The Developer reserves the right to make changes to the features and design set out in the Draft Strata Plan attached as Exhibit "A" and to the architectural plans and specifications. The Developer may use alternative materials, as may be necessary or desirable in the opinion of the Developer or its architect. The Developer also reserves the right, prior to the filing of the Final Strata Plan, to amend the size, number and type of Strata Lots for the Development, to combine two or more Strata Lots into a single Strata Lot, to subdivide single Strata Lots into two or more Strata Lots, to renumber the Strata Lots or the unit numbers assigned to the Strata Lots, to add or subtract one or more floors of the Development including, to renumber the floors of one or more of the Development, to increase or decrease the total area of the Development and to amend the size, layout, configuration, content and location of the Common Property (as defined in Section 3.3 below) and of the Limited Common Property (as defined in Section 3.4 below) all without notice, compensation to or consent from the Strata Corporation and/or the purchasers of the Strata Lots.

The final strata plan (the "**Final Strata Plan**") will be prepared upon completion of construction of the Development. The actual location, number, size, lot lines and dimensions of the Strata Lots and the actual dimensions and locations of the Common Property (as defined in Section 3.3 below) and of the Limited Common Property (as defined in Section 3.4 below), as constructed and as shown on the Final Strata Plan, may vary from what is depicted on the Draft Strata Plan in Exhibit "A" and in the present architectural plans and specifications.

(4) Amendments to the Development

In furtherance of the rights reserved by the Developer under Section 2.1(4), the Developer's application to amend the initial development permit application for the Development under number DE412314 has been approved by the City under permit number DE417885, as described in Section 6.1.

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2.2 Permitted Use for Strata Lots

The zoning applicable to the Lands as of the date of this Disclosure Statement is Downtown District ("**DD**"), pursuant to Bylaw No. 4911 which was passed by the City council on November 4, 1975 to amend the City of Vancouver Zoning and Development Bylaw NO. 3575 (the "**DD Zoning Bylaw**") and the Downtown Official Development Plan adopted by Bylaw No. 4912 (the "**Downtown Official Development Plan**").

A copy of the DD Zoning Bylaw may be viewed at the City's website at:

- http://former.vancouver.ca/commsvcs/BYLAWS/zoning/dd.pdf

A copy of the Downtown Official Development Plan may be viewed at the City's website at:

- http://former.vancouver.ca/commsvcs/BYLAWS/ODP/dd.pdf

The DD Zoning Bylaw and Downtown Official Development Plan permits the following uses in the DD: commercial uses, residential uses, institutional uses, industrial uses (light), parks and open spaces, and public uses and facilities, and other similar use or uses customarily ancillary to such uses.

Subject to the DD Zoning Bylaw, the Development Permit from the City (as described below) and the Strata Corporation bylaws, the Strata Lots will be for residential use only and no Strata Lot may be used for commercial or other purposes not ancillary to residential purposes.

The City of Vancouver's Development and Building Services Centre may be contacted at the following address, telephone number and e-mail address to obtain further information and details about the zoning requirements and permissible uses for the Development:

Development and Building Services Centre
Ground Floor
510 West 10th Avenue
Vancouver, B.C.

Phone: 604-873-7038

E-mail: rezoning@vancouver.ca

2.3 Phasing

This Development will not be constructed by way of phasing.

3. STRATA INFORMATION

3.1 Unit Entitlement

The Unit Entitlement of each Strata Lot is a figure indicating its share in the Common Property (as defined below) and assets of the Strata Corporation and is used to determine the contribution of each Owner to common expenses incurred by the Strata Corporation. The Unit Entitlement is based on the habitable area in each Strata Lot, excluding any non-living areas such as a patio or deck. A schedule of the proposed Unit Entitlement for each of the Strata Lots in Form V under

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the *Strata Property Act* of British Columbia (the "***Strata Property Act***") is also attached as part of Exhibit "A" to this Disclosure Statement.

The calculation of Unit Entitlement set out in Exhibit "A" to this Disclosure Statement is based on the Draft Strata Plan. The actual Unit Entitlement may vary from the figures shown when calculated on the basis of the surveyed Final Strata Plan. Consequently, the final Form V setting out the actual defined Unit Entitlement will be filed in the Land Title Office concurrently with the deposit of the Final Strata Plan and may differ from the proposed Unit Entitlement attached as part of Exhibit "A".

The Unit Entitlement represents each Owner's proportionate share of the common expenses to be included in each Strata Lot's monthly maintenance fees.

3.2 Voting Rights

The Owners will be members of the Strata Corporation for the Development, and as such, will be entitled to vote at meetings of the Strata Corporation, to appoint and elect a strata council for the Strata Corporation and to oversee the management of the Strata Corporation in accordance with the *Strata Property Act*.

Each Strata Lot is entitled to one vote in the Strata Corporation.

3.3 Common Property and Facilities

Each Owner is entitled to a proportionate share of the common property (the "**Common Property**") of the Development, together with the common facilities and other assets of the Strata Corporation, based on the Unit Entitlement of each Strata Lot (as described in Section 3.1 above and as set forth in Exhibit "A"). The Owners will own such Common Property, common facilities and other assets of the Strata Corporation as tenants-in-common. The Common Property includes 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. The Developer reserves the right to increase or decrease the size of the Common Property and alter the configuration, content and location of same, as will be shown on the Final Strata Plan and as described in Section 2.1(3), all without notice, compensation to or consent from the Strata Corporation and/or the purchasers of the Strata Lots. The entitlement of the owners of the Strata Lots to the use of Common Property is subject to the bylaws of the Strata Corporation, any designations of Common Property as Limited Common Property (as defined in Section 3.4 below), and any licences, easements, leases, rights-of-way or covenants described in this Disclosure Statement which are granted by the Developer prior to registration of the Final Strata Plan or by the Developer or Strata Corporation once the Final Strata Plan is registered in the Land Title Office and the Strata Corporation is formed.

(1) Recreational Facilities

The Developer intends to include the following amenities in the Common Property:

(a) an exercise room (the "**Exercise Room**"), multi-purpose room with a kitchen and a media room (collectively, the "**Indoor Amenities**");

(b) An outdoor landscaped area off the multi-purpose room, located on level 1 of the Development (the "**Courtyard**"); and

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(c) an outdoor landscaped terrace (the "**Terrace**") consisting of, *inter alia*, a garden courtyard, outdoor fireplace, barbeque area and a play area located on the roof of the Parking Facility;

(collectively, the "**Recreational Facilities**").

It is intended that the Developer will enter into one or more agreements and cause the Strata Corporation to assume such agreements for, or will cause the Strata Corporation to enter into one or more agreements for, the lease of some or all of the fitness equipment used in the Exercise Room with the suppliers of such equipment. The costs and expenses for the lease, operation, repair and replacement of such fitness equipment will be paid by the Strata Corporation and will be prorated among the Owners on the basis of Unit Entitlement and included in the monthly Strata Corporation fee assessment.

(2) Other Facilities

In addition, the Common Property of the Development will contain the following facilities:

(a) Electrical, mechanical and equipment rooms;

(b) Elevators;

(c) Corridors;

(d) Driveway and loading area;

(e) Entrance Lobby with furniture;

(f) Mail area;

(g) Entry phone system;

(h) Service rooms;

(i) Security system;

(j) Parking Facility;

(k) Bicycle storage areas (the "**Bicycle Storage Areas**");

(l) Stairways;

(m) Elevator lobbies;

(n) Landscaped Areas;

(o) Residential Recycling/Garbage Room;

(p) Residential Storage Facilities; and

(q) Mechanical shafts;

(collectively, the "**Common Facilities**").

The use and enjoyment of the Recreational Facilities and the Common Facilities will at all times be subject to the bylaws, rules and regulations of the Strata Corporation and any amendments made thereto and any licences, easements, leases, rights-of-way, equitable charges, covenants or any other encumbrances or charges described in this Disclosure Statement which are granted by

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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 approximate size and approximate location of the Recreational Facilities and the Common Facilities are indicated on the Draft Strata Plan attached as Exhibit "A" to this Disclosure Statement. The Developer reserves the right prior to registration of the Final Strata Plan, to increase or decrease the size of any one or more of Recreational Facilities and the Common Facilities and alter the configuration, content, components and location of same, all without notice, compensation to or consent from the Strata Corporation or the purchasers of the Strata Lots.

3.4 Limited Common Property

Limited common property is an area within the Common Property that is designated for the exclusive use of one or more Owners (the "**Limited Common Property**"). The *Strata Property Act* provides that Limited Common Property may be designated by the owner-developer on the strata plan or on a plan amendment under Section 258 of the *Strata Property Act*, by an amendment under Section 257 of the *Strata Property Act*, or by a resolution passed by a 3/4 vote at an annual or special general meeting of the Strata Corporation. A plan amendment under Section 258 of the *Strata Property Act* to designate Limited Common Property may be made by the owner-developer at any time prior to the first annual general meeting of the Strata Corporation and once filed may only be amended by unanimous resolution of the Strata Corporation. A plan amendment under Section 257 of the *Strata Property Act* requires a unanimous resolution of the Strata Corporation. The allocation of all or some of such Limited Common Property to each Strata Lot will be as determined by the Developer. If Limited Common Property was designated on a strata plan by a developer under Section 258 or under Section 257 by unanimous resolution of the Strata Corporation, then such designation may only be removed by amending the strata plan pursuant to Section 257 of the *Strata Property Act* (which requires a unanimous resolution). If the Limited Common Property was designated by a 3/4 vote, such designation may be removed by a resolution passed by a 3/4 vote at an annual or special general meeting.

The owner of a Strata Lot that has the exclusive use of such Limited Common Property must repair and maintain it except to the extent that the Strata Corporation has the obligation to maintain and repair such Limited Common Property pursuant to Bylaw 8(c) of the Schedule of Standard Bylaws or pursuant to such bylaws of the Strata Corporation in effect from time to time. Except as otherwise provided in a bylaw made pursuant to section 72 of the Act, the Strata Corporation will be obliged to perform:

(a) repair and maintenance that in the ordinary course of events occurs less than once a year; and

(b) repair and maintenance for:

  (i) the structure of a building;

  (ii) the exterior of a building;

  (iii) chimneys, stairs, balconies and other things attached to the exterior of a building;

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(iv) doors, windows or skylights on the exterior of a building or that front on the Common Property (including, without limitation, the entrance doors to the Strata Lots); and

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

The Strata Corporation may by bylaw made pursuant to Section 72 of the Act obligate the owner of a Strata Lot that has the exclusive use of Limited Common Property to repair and maintain even those parts that would otherwise be the obligation of the Strata Corporation. Any special levy that relates to Limited Common Property will be paid for by the Owners entitled to use such Limited Common Property in proportion to the relative Unit Entitlement of each of such Owners' Strata Lots, except as may otherwise be provided for in the *Strata Property Act*.

The Developer will designate as Limited Common Property on the Final Strata Plan for the benefit of particular Strata Lot Owners those areas and facilities designated as Limited Common Property on the attached Draft Strata Plan. The Developer reserves the right to amend the size, location and facilities designated as Limited Common Property on the Draft Strata Plan prior to filing the Final Strata Plan, all without notice, compensation to or consent from the Strata Corporation and/or the purchasers of the Strata Lots.

3.5 Bylaws

The bylaws of the Strata Corporation will be the bylaws set out in the Schedule of Standard Bylaws under the Strata Property Act as amended by the amendments (Form Y) set forth in Exhibit "B" attached hereto (the "**Bylaws**"). There are no bylaws that impose restrictions on the age of occupants, rentals, or the use or resale of the Strata Lots. The Strata Corporation's proposed bylaws do not create sections or types of strata lots. The bylaws at Subsections 3(4)(d) and 3(4)(e) do impose the following restrictions with respect to the keeping of pets by an owner, tenant or occupant on a Strata Lot:

(a) limitations on the number of specific kinds of pets permitted to be kept on the Strata Lots; and

(b) provisions in relation to pets being in or on the Common Property.

Subsection 31(1) of the bylaws requires that an Owner provide the Strata Corporation with certain documents and information prior to the commencement of a tenancy of such owner's Strata Lot.

Subsection 43 of the bylaws requires that an Owner must set up and maintain an account for utilities measurement with Enerpro for the Smartforme Equipment (as described below in Section 3.9) and failure to comply with this bylaw shall result in a fine of up to $200.00.

3.6 Parking

The Development will include approximately 192 parking stalls (the "**Parking Stalls**") located within the Parking Facility (as defined in Section 2.1(1) and as substantially as shown on the Draft Strata Plan), on floors P1, P2, P3 and P4.

Approximately 180 parking stalls within the Parking Facility will be made available for allocation and purchase for use by the Owners of the Strata Lots (the "**Residential Parking Stalls**"). The approximately 12 remaining parking stalls of the Parking Facility located on P1

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will be for use by the customers and invitees of the Air Space Parcel owner (the "**Murray Hotel Parking Stalls**"). Security gates will divide the Murray Hotel Parking Stalls from the Residential Parking Stalls. Access to and egress from the Murray Hotel Parking Stalls through the Residential Parcel and the sharing of costs in respect of the operation, maintenance, repair and replacement of the Parking Facility will be secured by one or more easements and other agreements in favour of and burdening each of the Residential Parcel and the Air Space Parcel, as described in Sections 4.4(1)(e) and 4.4(1)(f).

The Developer reserves the right to increase or decrease the size of the Parking Facility, to increase or decrease the number of Residential Parking Stalls or the Murray Hotel Parking Stalls and to alter the size and layout of the Parking Facility prior to the filing of the Parking Lease (as defined below) and the Final Strata Plan, without notice or compensation to or consent from the purchasers of the Strata Lots.

Prior to the deposit of the Final Strata Plan at the Land Title Office, the Developer intends to cause the Nominee, as landlord, to enter into a lease of the Parking Facility (the "**Parking Lease**") with an entity related to the Developer (the "**Parking Tenant**"), substantially in the form of lease attached as Exhibit "C". The Parking Lease will secure the right for the Parking Tenant to lease the Parking Facility, consisting of, *inter alia*, the Parking Stalls, Storage Lockers, if any are constructed by the Developer (as described in Section 3.13) and Bicycle Lockers (as described in Section 3.14) together with their related hallways, driveways, drive aisles and circulation lanes for a term of 99 years.

Upon the filing of the Final Strata Plan in the Land Title Office creating the Strata Corporation, the Developer intends to cause the Nominee to assign its interest, as landlord under the Parking Lease, to the Strata Corporation and to cause the Strata Corporation to assume all of the obligations of Nominee as landlord thereunder. Although the Final Strata Plan will designate the Parking Facility as Common Property, this designation will be subject to the Parking Lease and accordingly, the rights of the Owners to use the Parking Stalls, Storage Lockers, if any, and Bicycle Lockers, if any, located therein will be in accordance with the terms of such Parking Lease.

Partial assignments of the Parking Tenant's leasehold interest as tenant in the Parking Lease in respect of individual Parking Stalls will be available for purchase by a purchaser of a Strata Lot or other third parties from the Developer, subject to availability. Any such partial assignment will be made by the Parking Tenant as directed by the Developer to a party or parties in the Developer's sole discretion, on terms satisfactory to the Developer and for such consideration as the Developer may determine in its sole discretion. Any such consideration received by the Developer or the Parking Tenant, as the case may be, will be retained by the Developer or the Parking Tenant, as the case may be, for its sole benefit. Upon each such partial assignment, the Parking Tenant will be automatically released from any obligations or liabilities thereunder as it relates to the Parking Stall(s) for which the partial assignment was made.

The Developer, in its sole discretion, may equip certain Parking Stalls with electrical plug-in facilities for the intended purpose of charging electric vehicles and the Parking Tenant's leasehold interest in such Parking Stalls may be available for purchase by a purchaser of a Strata Lot or other third parties from the Developer for an additional fee to be determined by the Developer in its sole discretion. The Strata Corporation, upon becoming the landlord of the Parking Lease, following the assignment to and assumption by the Strata Corporation of the

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Parking Lease, as described above, will be responsible for all charges for any electricity consumed through any such electrical plug-in facilities, except that the Strata Corporation may establish a fee and charge each such purchaser for the actual or estimated charges for any electricity by its respective electrical plug-in facility, as described in Section 3.5 of the Parking Lease.

The location, size and layout of each Parking Stall purchased by an Owner shall be determined by the Developer in its sole discretion prior to the completion of the purchase and sale of such purchaser's respective Strata Lot as set out in the Purchase Agreement.

3.7 Furnishings and Equipment

The following furnishings and equipment will be included in each Strata Lot, except as otherwise indicated:

(a) One Refrigerator;

(b) One Electronic Cooktop;

(c) One Electric Wall Oven;

(d) One Hood Fan;

(e) One Dishwasher;

(f) One Washer and Dryer;

(g) Window roller shades;

(h) Integrated waste & recycling container; and

(i) Heating and cooling system.

In addition, the following furnishing and equipment will be included in the Townhouse Units and Strata Lots located on level 20 and 21 of the Development:

(j) One Microwave Oven; and

(k) One Bar Fridge.

The Townhouse Units will also be equipped with a pre-wired alarm system.

The Developer reserves the right in its sole discretion to determine makes, colours, sizes and models of appliances, furnishings and equipment and may vary such makes, colours, sizes and models from that which may be set out in any sales brochures, models, showroom displays or other marketing materials.

The above noted items and any other furnishings or equipment in the Strata Lot will not be encumbered except to the extent of any security interest registered in the Land Title Office or the British Columbia Personal Property Registry, including without limitation, as part of the Construction Security (as defined in Section 6.2) and any general security agreements granted by the Developer or the Nominee. The Developer will obtain discharges, releases or acknowledgement of no interest of security interests granted by the Developer or the Nominee in respect of such furnishings and equipment located in a Strata Lot within a reasonable time after the completion of the sale of a Strata Lot to a purchaser.

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3.8 Budget

(1) Interim Budget –Monthly Strata Fees

The estimated interim 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 as Exhibit "D" to this Disclosure Statement. 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 and thereafter such expenses shall be paid by the Strata Corporation. Exhibit "E" sets out the estimated monthly strata fee assessments for the Strata Lots and the estimated budget. The actual annual budget and the actual monthly strata fee assessments will be calculated upon the finalization of the Schedule of Unit Entitlement as described in Section 3.1, and will be further adjusted thereafter upon the approval by the Strata Corporation of the actual annual budget of operating expenses following the first annual general meeting of the Strata Corporation.

(2) Strata Lot Expenses

With the exception of those utilities set out below in subsection (3), all utilities, services and expenses such as electricity will be separately assessed or metered to each Strata Lot and will be the responsibility of each Owner, including the utilities and services as measured by the Smartforme Equipment (as defined below) and as further outlined in Section 3.9(2).

Each Owner will also be responsible for the payment of all property related taxes, including property transfer tax and real property taxes. Real property taxes are levied by and payable to the City. It is the responsibility of each Owner to apply for and obtain, if applicable, a provincial homeowner grant in respect of real property taxes.

(3) Other Expenses

The expenses for the following utilities and services will be paid by the Strata Corporation and subject to subsection (4) and Section 3.9(2) below, the cost will be prorated among the Owners on the basis of Unit Entitlement and included in the monthly Strata Corporation fee assessments as described above at subsection (1) and below at Section 3.9:

(a) utilities relating to and utilized to provide electricity, water, steam, natural gas, provided that certain utilities may not be separately metered, including the utilities consumed in the Parking Facility, in which case the Strata Corporation shall pay for a proportionate share of the total cost of such consumed utilities, as described in subsection (4) ;

(b) utilities not separately metered to each of the Strata Lots including, but not limited to water, steam, natural gas, and sewer;

(c) services for the Development including janitorial service for the Common Property and common facilities, including mechanical systems;

(d) services for the management, operation, maintenance, repair and replacement of the Parking Facility except that utilities consumed in the Parking Facility may not be separately metered and the Strata Corporation shall pay for a proportionate share of the total cost of utilities consumed within the Parking Facility, as described in subsection (4);

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(e) lease or other payments required to be made pursuant to any leases or other financing instruments for the residential garbage compactor, entry phone system, fitness equipment in the Exercise Room, furniture, accessories and equipment to be located within the Common Property, security equipment and other Service Facilities as defined in Section 3.9;

(f) security monitoring for the Development;

(g) preparation of a depreciation report, as required by s. 94 of the Strata Property Act (expense for which will not be incurred in the period of the Interim Budget and is not shown in the Interim Budget);

(h) property taxes, if any, levied by the City in respect of the Common Property; and

(i) such other services that the Strata Corporation may from time to time provide or that are provided to the Strata Corporation from time to time.

(4) Cost Sharing For the Development

The Strata Corporation will be reimbursed by the owner of the Murray Hotel for the following costs and expenses:

(a) based on the Developer's calculation of the aggregate number of parking spaces to be allocated for use by the Residential Parcel in proportion to the aggregate number of parking spaces to be allocated for use by the Air Space Parcel, the owner of the Air Space Parcel will contribute Four Hundred Dollars ($400.00) per year, adjusted annually based on the all items consumer price index for British Columbia (the "**CPI Increase**"), to the Strata Corporation's costs for the maintenance, repair and replacement of the Murray Hotel Parking Stalls in the Parking Facility, including any utilities consumed therein; and

(b) a dedicated recycling/garbage room (the "**Murray Hotel Garbage Room**") may be located entirely within the Residential Parcel but will only service and be used by the Murray Hotel, in which case the owner of the Murray Hotel will pay to the Strata Corporation the costs and expenses reasonably incurred by the Strata Corporation with respect to the operation, maintenance, repair and replacement of such area (including the cost of utilities, personnel, materials and supplies, insurance and administration necessary for such purpose).

The Developer shall enter into and cause the Strata Corporation to assume or shall cause the Strata Corporation to enter into an agreement with the owner of the Murray Hotel, as described in Sections 4.4(1)(e), 4.4(1)(f) and 7.4(1)(a) to provide for, *inter alia*, the cost sharing obligations as set out under this Section 3.8(4).

(5) First Annual General Meeting

The Developer is required, under the *Strata Property Act*, to hold the first annual general meeting of the Strata Corporation within six weeks of the earlier of:

(a) the date on which 50% plus one of the Strata Lots have been conveyed to purchasers; and

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(b) the date that is nine months after the first conveyance of a Strata Lot to a purchaser.

(6) Contingency Reserve Fund

In accordance with Section 12 of the *Strata Property Act*, the Developer will establish a contingency reserve fund by making a minimum contribution to that fund at the time of the first conveyance of a Strata Lot to a purchaser. Since it is expected that the first conveyance of a Strata Lot to a purchaser will occur no later than one year after the deposit of the Final Strata Plan in the Land Title Office, the minimum 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 "D". The interim budget includes a contingency reserve fund of 5% of the estimated operating expenses (in addition to the 5% contributed by the Developer). The contingency reserve fund is required by the *Strata Property Act* to be increased to 10% of the estimated operating expenses after the first annual general meeting of the Strata Corporation.

3.9 Utilities and Services

(1) Provision of Utilities and Services to the Development

The Development will be serviced by a water system, natural gas, heating and cooling, electricity, sewer, telephone, fire protection, television and high-speed internet. The wires, cables and other equipment (the "**Telecommunications Equipment**") for the provision of telephone, television, internet access and other future telecommunication services may be owned by the suppliers of such services and, in such case, the Telecommunications Equipment will not form part of the Common Property. The Owners and 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 Developer may enter into, or may cause the Nominee to enter into and cause the Strata Corporation to assume, or cause the Strata Corporation to enter into, agreements, licences, covenants, easements and statutory rights of way with the City, public utilities or other entities with respect to the provision of these utilities and services as described in subsection (2) and (3) and Section 4.3.

The Development will also include or utilize additional service facilities and equipment such as transformers, emergency generator systems and equipment, fire protection systems and equipment, mechanical and electrical systems and equipment and such other facilities and equipment which may not be depicted on the Draft Strata Plan attached as Exhibit "A", but which may be desirable to include or which will be required by the City in connection with the Development (collectively, the "**Service Facilities**"). Once the location of the Service Facilities has been finalized, it is intended that covenants, easements and rights of way may be registered against title to the Lands, the Common Property and the Strata Lots of the Development, and licensing and other agreements may be entered into, in order to facilitate the construction, maintenance, repair, replacement and operation of the Service Facilities.

(2) Monitoring and Managing the Consumption of Utilities and Services

The Developer intends to install throughout the Development specialized augmented energy generation and associated energy delivery technology equipment (the "**Building Resource System Equipment**" or the "**BRS Equipment**"), specialized metering equipment consisting of

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meters, communication strings and data points (the "**integrated Energy Management System Equipment**", or the "**iEMS Equipment**" and the BRS Equipment and the iEMS Equipment are collectively referred to as the "**Smartforme Energy Program Equipment**" or "**Smartforme Equipment**"). The Smartforme Equipment will be used to deliver and measure the consumption of space heating and cooling and hot water (collectively, the "**Smartforme Resources**") in the Strata Lots and Common Property. The Smartforme Equipment will be leased (the "**BRS Equipment Lease**" and the "**iEMS Equipment Lease**", which are collectively referred to as the "**Smartforme Leases**") to the Developer by a third party selected by the Developer in its sole and absolute discretion (the "**Third Party**") and later assigned to and assumed by the Strata Corporation. The initial terms of the Smartforme Leases are 10 years and a renewal term of up to 10 years. Assuming the Smartforme Leases are renewed, at the expiration of the renewal term, the iEMS Equipment and the BRS Equipment may be purchased by the Strata Corporation for a nominal value.

Enerpro Systems Corp. ("**Enerpro**") will monitor and manage the Smartforme Equipment pursuant to a management and operating services agreement to be assigned to and assumed by the Strata Corporation (the "**Management and Operating Service Agreement**"). The Management and Operating Service Agreement will be substantially in the form attached as Exhibit "F", except the Smartforme Lease Payments, as defined below, are amortized over a 20 year period, instead of the actual 15 year period, and a meter reading and billing fee of $13.50 per Strata Lot per month, instead of the actual meter reading and billing fee of $13.00 per Strata Lot per month. The Developer will also enter into an indemnity agreement with Enerpro where the Developer agrees to indemnify Enerpro with respect to a loan agreement entered into by Enerpro and a third party for the Smartforme Equipment and materials to be supplied to, and incorporated in the construction of the Development and which, upon creation of the Strata Corporation, shall be assumed by the Strata Corporation (the "**Indemnity Agreement**"). The Indemnity Agreement will be substantially in the form attached as Exhibit "G".

The principal and interest payments under the Smartforme Leases (the "**Smartforme Lease Payments**") will be incorporated into the Consumption Charge and Common Charge (as defined and described below) payable by each Owner. Based on current interest rates and an amortization of 15 years, it is anticipated that the aggregate Smartforme Lease Payments during the initial 10 year terms will be approximately $118,000 (approximately $76,000.00 pursuant to the BRS Equipment Lease and $42,000.00 pursuant to the iEMS Equipment Lease). The portion of the Smartforme Lease Payments payable by each Owner will vary depending on the consumption of the Smartforme Resources in each Strata Lot as described below. The Developer will grant a security interest in the Smartforme Equipment to the third party, together with any other security interest reasonably required by the third party (collectively referred to as the "**Third Party Security**") which interest will be registered in the Personal Property Security Registry. In is intended that the Third Party Security will remain in place until the expiration of the Smartforme Leases.

Enerpro will bill each Owner on a monthly basis for the following charges and fees in respect of the Smartforme Resources consumed in the Strata Lot and the Common Property:

(a) a monthly base charge being the aggregate of the following fees:

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(i) maintenance and management fee in respect of the iEMS Equipment of $1.50 (exclusive of any applicable taxes) per Strata Lot per month (to be increased annually based on the lesser of the CPI Increase and 2.0%;

(ii) maintenance and management fee in respect of the BRS Equipment of $1.50 (exclusive of any applicable taxes) per Strata Lot per month (to be increased annually by the CPI Increase; and

(iii) meter reading and billing fee of $13.00 per Strata Lot per month (to be increased annually by the CPI Increase);

(collectively, the "**Base Charge**");

(b) a monthly consumption charge for all Smartforme Resources consumed in each Strata Lot (the "**Consumption Charge**"); and

(c) a monthly charge in respect of each Strata Lot's proportionate share (based on unit entitlement) of Smartforme Resources consumed in the Common Property (the "**Common Charge**").

(The Base Charge, Consumption Charge and Common Charge are collectively referred to as the "**Smartforme Charges**").

The Consumption Charge and the Common Charge will be determined each month by multiplying the consumption of Smartforme Resources in the Strata Lot and the Common Property, respectively by the rate per kilowatt hour of thermal energy consumed (the "**Thermal Energy Rate**"). The Thermal Energy Rate will be calculated annually by Enerpro based on the following input costs and expenses:

(a) the Smartforme Lease Payments;

(b) a contingency estimated at $15,000.00 per annum and adjusted from time to time by Enerpro (with the approval of the Strata Corporation) to ensure there are sufficient funds to operate the Smartforme Equipment; and

(c) the input cost of the Smartforme Resources consumed.

The Base Charge and the Common Charge are payable by the Owners regardless of whether or not Smartforme Resources are consumed in their Strata Lot.

The Developer makes no warranties or representations and is not providing any assurances to the purchasers of any Strata Lots with respect to the actual Smartforme Charges in respect of a Strata Lot.

3.10 Strata Management Contract

The Developer intends to cause the Strata Corporation to enter into a management agreement with a property management company not related to the Developer with respect to the control, management and administration of the Common Property and Strata Corporation. Under Section 24 of the *Strata Property Act* of British Columbia, such management agreement will terminate automatically on the earlier of 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

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Corporation if the cancellation is approved by a ¾ vote at a meeting of the Strata Corporation; and (ii) by the manager.

3.11 Insurance

The Developer will obtain the following insurance coverage in the name of the Strata Corporation forthwith on filing the Final Strata Plan in the Land Title Office:

(a) property insurance on a replacement cost basis on the Common Property, common assets, buildings shown on the Strata Plan, and fixtures built or installed on the Strata Lots by the Developer as part of the original construction, including floor and wall coverings and electrical and plumbing fixtures, but excluding, if they can be removed without damage to the building, refrigerators, stoves, dishwashers, microwaves or other similar items; and

(b) commercial general liability insurance for property damage and bodily injury in an amount not less than $2,000,000 per occurrence.

The items described in subsection (a) above will be insured against those major perils for which coverage is generally available and obtained by strata corporations in the City.

Each purchaser will be responsible for insuring personal property within such purchaser's own Strata Lot, Parking Stall, Storage Locker and Limited Common Property as soon as the transfer of title to such Strata Lot from the Developer to the purchaser is complete, and for obtaining such purchaser's own liability insurance coverage.

3.12 Rental Disclosure Statement

Under Section 139 of the *Strata Property Act*, the Developer must disclose to any purchaser the intention to rent the Strata Lots in order to preserve the right of the Developer and purchasers of the Strata Lots to rent the Strata Lots in the future. A Rental Disclosure Statement under the *Strata Property Act* will be filed by the Developer with the Superintendent of Real Estate in the form (Form J) attached as Exhibit "H", concurrently with the filing of this Disclosure Statement. As set out in the Rental Disclosure Statement, the Developer has reserved the right to rent out the Strata Lots in the Development to the expiry date set out therein.

3.13 Storage Lockers

The Developer, in its sole discretion, may construct 46 storage lockers (the **"Storage Lockers"** and individually, a **"Storage Locker"**) within the Parking Facility on portions of P2, P3 and P4 and partial assignments of the Parking Tenant's leasehold interest in and to the Parking Lease (as described in Section 3.6) in respect of individual Storage Lockers, if constructed, will be available for purchase by Owners, subject to availability. The Developer may cause the Parking Tenant to partially assign its interest in the Parking Lease to an Owner, or any other third party in its sole discretion, with respect to a Storage Locker, on terms satisfactory to the Developer and for such consideration as the Developer may determine in its sole discretion, and any such consideration will be retained by the Developer for its sole benefit. Upon each partial assignment of its interest in the Parking Lease in respect of a Storage Locker, the Parking Tenant will be automatically released from any obligations or liabilities thereunder with respect to the Storage Locker for which the partial assignment was made.

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3.14 Bicycle Storage Areas

It is intended that the Bicycle Storage Areas will be constructed on portions of floor 1, P1 and P2 containing approximately 205 bicycle stalls and approximately six "class B" (visitor) bicycle racks and that all or portions of the Bicycle Storage Areas in which the Bicycle Lockers are located will also be included within the Parking Facility. Partial assignments of the Parking Tenant's leasehold interest in and to the Parking Lease (as described in Section 3.6) in respect of individual Bicycle Lockers, will be available for purchase by Owners, subject to availability. The Developer may cause the Parking Tenant to partially assign its interest in the Parking Lease to any such Owner or any other third party in its sole discretion, with respect to a Bicycle Storage Locker, on terms satisfactory to the Developer and for such consideration as the Developer may determine in its sole discretion, and any such consideration will be retained by the Developer for its sole benefit. Upon each partial assignment of its interest in the Parking Lease in respect of a Bicycle Storage Locker, the Parking Tenant will be automatically released from any obligations or liabilities thereunder with respect to the Bicycle Storage Locker for which the partial assignment was made.

4. TITLE AND LEGAL MATTERS

4.1 Legal Description

The Development will be constructed on lands, which are currently legally described as:

PID: 029-078-555
Lot 1 Block 90 District Lot 541 Group 1 New Westminster District Plan EPP31030

(the "**Lands**").

As described in Section 2.1, the Developer intends to: (a) subdivide the Lands by deposit of the Air Space Plan at the Land Title Office, to create the Air Space Parcel and the Residential Parcel and (b) subsequently subdivide the Residential Parcel by deposit of the Final Strata Plan at the Land Title Office, upon which, title to each of the Strata Lots will be created.

4.2 Ownership

As described in Section 1.1, Kenstone Properties Ltd is the registered owner of the Lands as nominee, agent and bare trustee of the Developer.

4.3 Existing Encumbrances and Legal Notations

The following legal notations and encumbrances are registered on title to the Lands and unless otherwise indicated, will remain registered against title to the Lands:

Legal Notations

(a) **Notice of Interest, Builders Lien Act (s. 3(2)), see BA81277**. This Notice is pursuant to Section 3(2) of the *Builders Lien Act*, which provides that the land owner's interest in the Land's is not bound by a lien claimed under the *Builders Lien Act* in respect of an improvement on the lands unless such improvement is undertaken at the express request of the land owner. The Developer will cause the Nominee to discharge this Notice of Interest from title to a Strata Lot within a reasonable time after the closing of the sale of a Strata Lot by the Developer to a purchaser.

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(b) **Notice of Heritage Designation Bylaw, Vancouver Charter, Section 593, See BB1506292.** This Notice pursuant to Sections 594(9) and 601(1) of the *Vancouver Charter* states that the City has designated a building on the Lands as protected heritage property under Section 593 of the *Vancouver Charter* and City's Heritage Designation By-law No. 10769. This designation relates only to the Murray Hotel and the Developer intends to cause the Nominee to amend this Notice of Heritage Designation with the City so that it will be discharged from title to the Residential Parcel and remain only as a charge against the Air Space Parcel.

(c) **Notice of Interest, Builders Lien Act (s. 3(2)), see BB581772.** This Notice is pursuant to Section 3(2) of the *Builders Lien Act*, which provides that the land owner's interest in the Land's is not bound by a lien claimed under the *Builders Lien Act* in respect of an improvement on the lands unless such improvement is undertaken at the express request of the land owner. The Developer will cause the Nominee to discharge this Notice of Interest from title to a Strata Lot within a reasonable time after the closing of the sale of a Strata Lot by the Developer to a purchaser.

Charges, Liens and Interests:

(a) **Encroachment Agreement 463201M** in favour of the City of Vancouver (the "**City**"). This encroachment agreement is subject to the Encroachment By-Law, as amended, and provides that the landowner may construct and maintain a filler pipe situated behind the building known as the Murray Hotel in the lane located west of Hornby Street and south of Helmcken Street, adjacent to the northwest corner of Lot 35 and measuring approximately 7 feet long. This agreement also provides that the landowner indemnifies the City for any costs associated with the encroachment, including its removal. This agreement will not impact the development of the Lands, although it will likely be obsolete once the filler pipe is removed, in which case the encumbrance should be discharged from title to the Residential Parcel.

(b) **Easement and Indemnity Agreement R66623** in favour of the City. This encroachment agreement is subject to the Encroachment By-Law, as amended, and provides that the landowner may construct and maintain an encroachment over Hornby Street comprised of a 5.5 inch portion of the building known as the Murray Hotel, (located at 1117 – 1127 Hornby Street on Lots 34 and 35) and extending around the perimeter of that building. This agreement also provides that the landowner indemnifies the City for any costs associated with the encroachment, and further provides for a fee of $15.00 annually payable to the City on June 1 of every year the agreement charges the Lands. This agreement will not impact the development of the Lands or the Development.

(c) **Covenant CA3198748** in favour of the City. As part of the heritage restoration covenant agreement, this rehabilitation and conservation of heritage building covenant states that the owner of the Lands within 24 months after the date upon which the Development Permit, as defined in Section 6.1, is issued, but in any event no later than 30 months after the date upon which the City issues a building

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permit for any "New Building", being the Development, shall rehabilitate the "Heritage Building", being the Murray Hotel, as per the "Rehabilitation Work", being rehabilitation of the Murray Hotel. Furthermore, the Owner covenants that nobody will in any way use or occupy the New Building or take action to compel the City to issue any occupancy permit until the Rehabilitation Work is complete and accepted by the City. The owner of the Lands agrees to conserve the Heritage Building as rehabilitated and keep in good condition in all respect at all times. It is expected that once the Rehabilitation Work is complete, this charge will be discharged from title to the Residential Parcel.

(d) **Statutory Right of Way CA3198750** in favour of the City. As part of the heritage restoration covenant agreement referred to in (c) above, the Owner grants to the City a statutory right of way to enter, be, and move about on the Lands to carry out any of the owner's obligations hereunder to rehabilitate and conserve the Heritage Building and to install, maintain, repair and replace on the exterior of the Heritage Building, at the City's expense, and in consultation with the owner of the Lands as to location, one commemorative plaque regarding the Heritage Building. It is expected that once the Rehabilitation Work is complete, this charge will be discharged from title to the Residential Parcel.

(e) **Equitable Charge CA3198752** in favour of the City. As part of the heritage restoration covenant agreement referred to in (c) above, the owner of the Lands grants to the City an equitable charge over the Lands for payment of all sums which may at any time be payable by the owner of the Lands to the City under the terms of this agreement.

(f) **Covenant CA3538438** in favour of the City. This no occupancy/no subdivision covenant ensures that there will be no occupancy of any "Building", being any new building, improvement or structure constructed on the Lands following the date of covenant, and no subdivision of the Lands will take place until all documents, plans and legal agreements, as required by the "Development Conditions", being arrangements to the satisfaction of the City, for appropriate access and use agreements to the proposed Murray Hotel Garbage Room and Murray Hotel Parking Stalls located in the Development, have been fully executed and, where appropriate, registered in the Land Title Office, either prior to or concurrently with the documents for the proposed subdivision of the Lands.

(g) **Mortgage CA3669203** and **Assignment of Rents CA 3669204** in favour of Canadian Western Bank securing the principal sum of $50,000,000 representing all present and future debts and liabilities owing to the mortgagee, as amended, renewed or replaced from time to time which charges will be discharged as against each Strata Lot as provided in Section 6.2 hereof.

4.4 Proposed Encumbrances

(1) The Lands, and once created, the Residential Parcel, 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, utilities companies, other public or government authorities, and other parties described below in this Section 4.4(1) which may be or are

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required or deemed advisable in respect of the development of the Lands, the Residential Parcel, the Strata Lots and the Common Property including:

(a) any covenants (including one or more covenants pursuant to Section 219 of the *Land Title Act* ("**Section 219 Covenants**") in favour of the City), statutory rights of way, easements or other charges required or deemed necessary by the City or Her Majesty the Queen in Right of the Province of British Columbia or any other governmental authority to be registered against title to the Lands in order to approve the Development or the Project, the subdivision of the Lands by the Air Space Plan or of the Residential Parcel or as a condition of issuance of any development, building or occupancy permits, or as may be deemed necessary or advisable by the Developer in connection with the Development or the Project;

(b) one or more easements or other encumbrances or agreements which may be granted in favour of, and agreements with, adjacent land owners regarding the installation of undersurface anchor rods and the air space encroachment by overhead cranes and similar or related works and encroachments;

(c) any covenants, easements, statutory rights of way, or other charges to be granted in favour of the City, other governmental authorities, public or private utilities (which may include, *inter alia,* BC Hydro, FortisBC and TELUS Communications Inc. or their respective affiliates) or other individuals or entities (which may be related to the Developer) with respect to the provision of utilities and services to, *inter alia*, the Development, Service Facilities (described above at Section 3.9), the Project or other properties and buildings or to the general public;

(d) one or more easements, statutory rights of way, equitable charges or encumbrances or other agreements in favour of Enerpro with respect to the Management and Operating Service Agreement or the Smartforme Leases (as described in Section 3.9(2)) granting Enerpro access to the Development, the Strata Lots and the Common Property to meter, manage, maintain, monitor, bill and report on the consumption of Smartforme Resources throughout the Development and to install, repair and maintain all Smartforme Equipment;

(e) one or more easements, statutory right of way, equitable charges or encumbrances or other agreements in favour of each of the Residential Parcel and the Air Space Parcel and charging the Residential Parcel and the Air Space Parcel to permit the non-exclusive use by the owners, tenants, residents and occupants of the Strata Lots of portions of the Parking Facility, including but not limited to, the driveway aisles therein, in common with the owners, tenants and occupants of the Air Space Parcel for access to and egress from the Parking Facility to the Murray Hotel Parking Stalls located in the Parking Facility, and which may provide for:

(i) the management of and cost sharing for the operation, maintenance, repair and replacement of equipment or facilities in the Parking Facility between the parties; and

(ii) a charge registered against each such parcel to secure the performance of the respective obligations of the parties under such easements or encumbrances, including securing the $400.00 annual contribution to such

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costs from the Air Space Parcel Owner in favour of the Residential Owner as set out in Section 3.8(4) hereof;

(f) one or more easements, statutory rights of way, equitable charges or encumbrances or other agreements in favour of each of the Air Space Parcel and charging the Residential Parcel and the Air Space Parcel to permit the exclusive use by the owners, tenants and occupants of the Air Space Parcel for use of, access to and egress from the Murray Hotel Garbage Room located on floor 1 of the Development and the reimbursement of costs and expenses by the owner of the Murray Hotel to the Strata Corporation for the management, operation, maintenance, repair and replacement of such area and will provide for a charge registered against each such parcel to secure the performance of the respective obligations of the parties under such easements or encumbrances, including securing the Air Space Parcel Owner's obligation to contribute the costs and expenses associated with the Murray Hotel Garbage Room in favour of the Residential Owner as set out in Section 3.8(4) hereof;

(g) one or more easements, Section 219 Covenants, equitable charges or encumbrances or other agreements in favour of one or both of the Residential Parcel and the Air Space Parcel and the City, and charging one or both of the Residential Parcel and the Air Space Parcel and containing such provisions as may be required or are desirable or necessary as a requirement for filing an air space plan to subdivide the Lands in order to properly address access and egress from and to the Murray Hotel Garbage Room and Murray Hotel Parking Stalls.

(h) one or more easements, statutory rights of way, leases or other encumbrances or agreements charging the Residential Parcel in favour of the Developer, the Nominee or one or more third parties without compensation to the grantor, for access to and egress from one or more of the roofs of the Development, for the purposes of providing installing, operating, maintaining, repairing and replacing telecommunications, broadcast, mechanical and electrical equipment, which easement shall include the right to run cables and other related materials through one or more of the elevator or vertical shafts of the Development and such other common areas as are deemed necessary in connection therewith and to install and store equipment on the roof of the Development, the right to access the roof(s) in order to maintain, replace, or upgrade the roof and such equipment from time to time and the right to license the rights granted to the benefiting party therein to one or more third parties for consideration and revenue to be retained by the benefitting party for its sole benefit;

(i) one or more equitable charges which may be included within any of the proposed encumbrances previously listed under this Section 4.4, to secure the payment obligation(s) of the Strata Corporation or owners of Strata Lots as set out in those encumbrances;

(j) a mortgage, assignment of rents and any other security required by an insurer pursuant to the terms of a Deposit Protection Contract which security will be discharged from each Strata Lot on the conveyance of such Strata Lot; and

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(k) one or more notices registered pursuant to the provisions of the *Personal Property Security Act of British Columbia* with respect to equipment or Service Facilities leased or otherwise financed by or on behalf of the Strata Corporation as described in Sections 3.8(3)(e) and 3.9.

4.5 Outstanding or Contingent Litigation or Liabilities

There are no outstanding or contingent litigation or liabilities in respect of the Lands or against the Developer that may affect the Development, the Strata Corporation or the Owners.

4.6 Environmental Matters

The Developer is not aware of any dangers connected with the Development in respect of flooding, the condition of soil and subsoil, or drainage hazards or other environmental hazards.

5. CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

The estimated date range for the commencement of construction of the Development is March 15, 2015 to June 15, 2015.

The estimated date range for the completion of construction of the Development is January 15, 2017 to April 15, 2017.

The estimated dated range for completion of construction of the Development is an estimate only and the actual date for completion of construction of the Development may vary based on construction factors or market conditions. The purchasers of the Strata Lots should not rely upon these dates for determining the completion dates for the purchase of their Strata Lots, which will be determined in accordance with their respective Purchase Agreements.

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 *Homeowner 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 period 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 period begins; and

(c) structural defects for a period of at least 10 years after the date on which the warranty period 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.

5.3 Previously Occupied Building

The Development on the Residential Parcel is to be newly constructed and will not include any buildings that have been previously occupied.

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6. APPROVALS AND FINANCES

6.1 Development Approval

A development permit (the "**Development Permit**") with respect to construction of the Development was issued by the City on February 13, 2014 under No. DE412314 and a Development Permit Minor Amendment for the Development was issued by the City on September 16, 2014 under permit number DE417885.

A building permit for the Development has not yet been issued by the City. The estimated date for issuance of the initial building permit is March 15, 2015. 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 as of the date of this Disclosure Statement has obtained a satisfactory financing commitment from an institutional lender, Canadian Western Bank (the "**Lender**") for financing the construction of the Development (the "**Construction Financing**").

Title to the Lands are and, once created, the Strata Lots and the Common Property will be subject to, mortgage CA3669203 and assignment of rents CA3669204 described in Section 4.3(g) above and/or any other security required by the Lender with respect to the Construction Financing (collectively, the "**Construction Security**"). Upon the completion of the purchase and sale of any particular Strata Lot, the Developer will cause the Lender to provide a partial discharge of the Construction Security in respect of the 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.

7. MISCELLANEOUS

7.1 Deposits

(1) Subject to Section 7.1(2) below, unless paid out by operation of law, all deposits and other money received from purchasers of the Strata Lots will be held in trust by the deposit trustee as stakeholder, which trustee will be Kornfeld LLP, in the manner required by the Act until such time as:

(i) the Final Strata Plan in respect of the Development is deposited in the Land Title Office;

(ii) the purchased Strata Lot is capable of being occupied; and

(iii) an instrument evidencing the interest of the purchaser in the Strata Lot has been filed for registration in the Land Title Office.

The Developer reserves the right to appoint replacement or additional deposit trustees to hold deposits from purchasers so long as such deposits are held in accordance with the Act.

(2) Notwithstanding the terms for handling deposits set out in Section 7.1(1) above, the Developer may use for the Developer's own purposes (as defined in the Act),

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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 under the *Insurance Act* of British Columbia as amended or replaced) with an insurer in relation to the deposit; and

(ii) provides notice of the 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 will take effect.

7.2 Purchase Agreement

(1) The Developer will offer the Strata Lots for sale pursuant to this Disclosure Statement substantially on the terms and conditions set out in the form of contract of purchase and sale (the "**Purchase Agreement**") attached hereto as Exhibit "I", or as otherwise agreed to between the Developer and a Purchaser.

(2) The estimated Completion Date of the purchase and sale of the Strata Lots as of the date of this Disclosure Statement is March 31, 2017. Section 1 of Schedule "A" of the Purchase Agreement provides that the Purchase Agreement will be terminated if the Completion Date has not occurred by October 31, 2017 (the "**Outside Date**") subject to extension of the Outside Date for events beyond the reasonable control of the Developer as described in the Purchase Agreement for a period equal to such delay and provided that the Developer may extend the Outside Date in addition to such delay for a maximum of three consecutive periods of up to 120 days each.

The Purchase Agreement provides for the following rights of the Developer to terminate a Purchase Agreement:

(a) Section 5 of Schedule "A" of the Purchase Agreement: if the Developer (i) has not entered into binding Purchase Agreements with purchasers for at least 80 Strata Lots; (ii) has not obtained a full building permit and/or a satisfactory financing commitment for the Development; or (iii) is unable to obtain contracts for labour or materials on terms satisfactory to the Developer for the construction of the Development; by December 31, 2014 (the "**Vendor's Termination Option Date**"), the Developer may terminate the Purchase Agreement upon providing written notice to the Purchaser or the Purchaser's agent on or before two business days after the Vendor's Termination Option Date;

(b) Section 8(a) of Schedule "A" of the Purchase Agreement: the Developer may terminate the Purchase Agreement if the Purchaser is in default of the Purchase Agreement by failing to pay the deposit and all payments on account of the purchase price for a Strata Lot together with the adjustments there to as provided for in the Purchase Agreement and all other amounts payable under the Purchase Agreement when due; and

(c) Section 34 of Schedule "A" of the Purchase Agreement: if the Developer has reasonable grounds to suspect that any part of the transaction is related

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to the commission or attempted commission of a "money laundering offence" or a "terrorist activity financing offence", as defined in the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and *Regulations* under that act, as amended from time to time.

The Developer must deliver to the Purchaser an amendment to this Disclosure Statement setting out the particulars of the issued building permit for the Development it has received, which amendments may be contained in the same amending document, and the following terms shall apply to the Purchase Agreement:

(i) the Purchaser may cancel the Purchase Agreement for a period of seven days after the receipt of an amendment to the Disclosure Statement which sets out particulars of the issued building permit if the layout or size of the Strata Lot, 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;

(ii) if an amendment to the Disclosure Statement that sets out the particulars of an issued building permit for the Development 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 Strata Lot, 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;

(iii) the amount of the deposit to be paid by a Purchaser who has not yet received an amendment to the disclosure statement that sets out the particulars of an issued building permit is no more than 10% of the purchase price for a Strata Lot; and

(iv) all deposits paid by the Purchaser, including interest earned thereon if applicable, will be returned promptly to the Purchaser upon notice of cancellation from the Purchaser delivered within the time frames set out above.

(3) An extension of time for completing the purchase and sale transaction contemplated in Purchase Agreement is available to the Developer as set forth in the first paragraph of subsection (2) above without the approval of a Purchaser and without paying a fee. Pursuant to Section 8(b) of Schedule "A" of the Purchase Agreement, the Developer may also extend the Completion Date to a date chosen by it if the Purchaser does not complete on the Completion Date together with interest on the unpaid portion of the Purchase Price accruing at 2% per month until the date the unpaid portion is paid. If a Closing Notice (as defined in Section 1 of Schedule "A" of the Purchase Agreement) has been delivered by the Developer or the Developer's Solicitors, Section 1 of Schedule

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"A" of the Purchase Agreement provides that if the Strata Lot is not ready to be occupied on the Completion Date so established or if the Developer estimates that the Strata Lot will not be ready to be occupied on the Completion Date so established, the Developer may delay the Completion Date from time to time as required by notice of such delay given to the Purchaser or the Purchaser's Solicitors on or before the Completion Date. The Purchaser has no right to extend the Completion Date.

(4) Pursuant to Section 14 of Schedule"A" of the Purchase Agreement, the Purchaser may not assign his or her interest in the Strata Lot or in the Purchase Agreement for a period of 12 months following the date the Purchase Agreement was entered into and thereafter only if the Deposit under the Purchase Agreement is fully paid, the assignee is the Purchaser's spouse, parent, child, grandparent or grandchild and the Purchaser has obtained the written consent of the Developer, such consent to be in the Developer's sole discretion and may be arbitrarily withheld. The Developer may, at its option, charge the Purchaser for any such assignment with an administration fee equal to 1.5% of the greater of (a) the Purchase Price (plus GST, as applicable), or (b) the assignment price paid by the assignee to the Purchaser (plus GST, as applicable) and for any associated legal and administrative costs, except if the assignee is a spouse, parent, child, grandparent or grandchild of the Purchaser, in which case such administration fee shall be equal to five-hundred ($500.00) dollars (plus GST, as applicable). The assignor will not be relieved of his obligations under the Purchase Agreement upon such an assignment, but will continue to remain liable to perform all obligations of the Purchaser under such Purchase Agreement. Except as provided therein and in Section 14 of Schedule "A" of the Purchase Agreement, the Developer will not be required to convey the Strata Lot to anyone other than the Purchaser named therein. The Purchaser will not advertise or solicit offers from the public or use the Multiple Listing Service® (MLS) with respect to the assignment or resale of the Strata Lot by the Purchaser before the Completion Date without the express written consent of the Developer, which consent may be arbitrarily withheld.

(5) Section 3 of Schedule "A" of the Purchase Agreement provides that interest on the deposit accrues in favour of the Developer except if the Developer fails to complete the sale of a Strata Lot to the purchaser by reason of its default under the Purchase Agreement, if the Developer terminates the Purchase Agreement in accordance with Section 5 of Schedule "A" of the Purchase Agreement or if the Purchaser terminates the Purchase Agreement in accordance with Section 15(e) of the Purchase Agreement, as described in Section 7.2(2)(v) above, such interest will be paid to the Purchaser.

7.3 Developer's Commitments

The Developer has not made any commitments to be met after completion of the sales of the Strata Lots to purchasers, except as disclosed herein.

7.4 Other Material Facts

(1) The Developer hereby discloses the following additional material facts:

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(a) the Developer will enter into and cause the Strata Corporation to assume, or cause the Nominee to enter into and cause the Strata Corporation to assume, or cause the Strata Corporation to enter into a cost sharing agreement with the owner of the Air Space Parcel whereby the parties will agree as to the management of and to share the cost and expenses incurred in respect of, the provision of certain services, and the supply (by way of lease or otherwise), maintenance, repair, replacement and management of systems located in the Residential Parcel, including, without limitation, the items set out in more particular detail in Section 3.8(4) and which cost sharing agreement may be contained in the same agreement providing for the proposed encumbrances described under Sections 4.4(1)(e) and 4.4(1)(f);

(b) the Developer may enter into and cause the Strata Corporation to assume, or cause the Strata Corporation to enter into, maintenance, service, and rental or lease agreements affecting the Development, or agreements with respect to Common Property or the equipment and facilities of the Development, including, without limitation, agreements for garbage collection and waste removal, elevator service and maintenance, telecommunication services, security, access for telecommunication services, emergency and fire alarm system maintenance, monitoring and rental, window cleaning, mechanical systems service and maintenance, landscape maintenance, janitorial services, a lease or other financing agreement with respect to the entry phone system, the garbage compactor, fitness equipment in the Exercise Room, the security equipment and certain furniture, accessories and equipment to be located within the Common Property and the Smartforme Leases and related agreements as described in Section 3.9(2);

(c) the Developer may cause the Strata Corporation to assume the obligations of the Developer and/or the Nominee set out in any of the existing agreements or encumbrances described in Section 4.3 and any of the proposed agreements or encumbrances described in Section 4.4 from and after the date on which the Strata Corporation is formed;

(d) after the deposit of the Final Strata Plan in the Land Title Office, the Developer will continue to carry out, for such periods as the Developer determines to be necessary or desirable in connection with the marketing of the Development, marketing, sales, and leasing activities within the Common Property and any Strata Lots owned or leased by the Developer, including, without limitation, operating and maintaining display suites, other display areas, parking areas and signage. The Developer will act reasonably in exercising all such rights and will use reasonable efforts to minimize any interference with the use or enjoyment of the Common Property; and

(e) any depiction of any views or vistas purporting to represent the view or vista available from any particular Strata Lot which is contained in any sales brochure, models, websites, representative view sets, showroom displays, photographs, illustrations, renderings or other marketing or promotional material are for general information purposes only, and are not represented by the Developer as accurately reflecting the view or vista available from any particular Strata Lot upon completion of the Development. In addition, a particular view or vista available

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from a particular Strata Lot at any particular time may be affected by the subsequent construction of new buildings or alterations of existing buildings which may affect the view or vista available from a Strata Lot; and

(f) throughout this Disclosure Statement the Developer has reserved the right to make changes to or vary various components of the Development including, for example and without limitation, the number of floors of the Development, the size and location of any Strata Lots, Common Property, Limited Common Property and common areas, and although not specifically stated wherever such reservations appear, no such changes or variations are intended to be material nor materially adversely impact the decision of a purchaser with regard to his/or her purchase.

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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.

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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 October 16, 2014.

DEVELOPER:

KENSTONE HORNBY LIMITED PARTNERSHIP, by its General Partner, Kenstone Hornby GP Inc.

Per: _____
Authorized Signatory

NOMINEE:

KENSTONE PROPERTIES LTD.

Per: _____
Authorized Signatory

The Sole Director of Kenstone Hornby GP Inc., the General Partner of the Developer in his personal capacity:

_____
Edwin En-Wei Liang

The directors of Kenstone Properties Ltd., in their personal capacities:

_____
Edwin En-Wei Liang

_____
Ken Ter Huang Liang

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SOLICITOR'S CERTIFICATE

I, Samir Prinja, a member of the Law Society of British Columbia, HEREIN CERTIFY that I have read over the Consolidated Disclosure Statement of Kenstone Hornby Limited Partnership relating to the Development known as "**Addition**" being developed on those lands situated in Vancouver, British Columbia and currently legally described as:

PID: 029-078-555
Lot 1 Block 90 District Lot 541 Group 1 New Westminster District Plan EPP31030

and dated October 16, 2014, being a consolidation of the Disclosure Statement for the Development dated May 23, 2014, and the First Amendment dated October 16, 2014 and that the facts contained in paragraphs 4.1, 4.2 and 4.3 of the Consolidated Disclosure Statement are correct.

DATED at Vancouver, British Columbia, this 16td day of October, 2014.

Samir Prinja

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EXHIBIT "A"
DRAFT STRATA PLAN and PROPOSED FORM V
SCHEDULE OF UNIT ENTITLEMENT

The plan referred to as the "Amended Draft Strata Plan and Proposed Form V Schedule of Unit Entitlement" in Purchaser Agreements entered into prior to October 16, 2014 shall be the Draft Strata Plan and Proposed Form V Schedule of Unit Entitlement shown in this Exhibit "A".

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PRELIMINARY STRATA PLAN OF LOT 1, BLOCK 90, DISTRICT LOT 541, GROUP 1, NEW WESTMINSTER DISTRICT, PLAN EPP31030

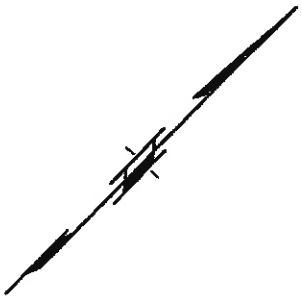
BCGS:92G025
(City of Vancouver)

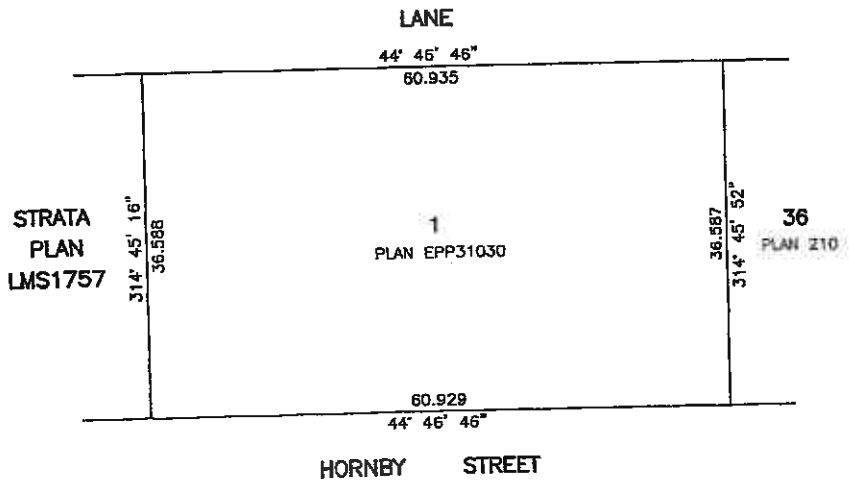
Civic Address:
1155 Hornby Street
Vancouver, B.C.

0 5 10 20 30 40m

All distances are in metres and decimals thereof unless otherwise indicated.

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:500.





LEGEND:

C.P.	denotes common property
L.C.P.	denotes limited common property
S.L.	denotes strata lot
PT.S.L.	denotes part strata lot
P/S	denotes patio/stairs, limited common property
RD	denotes roof deck, limited common property
B	denotes balcony, limited common property
P	denotes patio, limited common property
V	denotes void, common property
GME	denotes gas meter enclosure
E	denotes electrical closet
⊠	denotes duct space, common property
———	denotes walls for which dimensions were taken to one centimetre inside of the outside face of wall

NOTE:
This set of plans was drawn prior to construction according to architectural drawings.
Areas were calculated from dimensions taken to one centimetre inside of the outside face of exterior strata lot walls and to the centreline of all other walls.
Areas are subject to change upon field measurements.

Ken K. Wong and Associates
Canada and B.C. Land Surveyors
5824 E. Hastings Street
Burnaby, B.C. V5B 1R4
Telephone: 294-8881
Fax: 294-0825
130730
TGA-521, SU-2469
Drawn by: RH

STR - 1373

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STRATA LOT NO.	SHEET NO.	AREA OF S.L. IN m^2	AREA OF S.L. IN ft^2	UNIT ENTITLEMENT
1	10,11,12	94.3	1015	94
2	10,11,12	116.6	1255	117
3	10,11,12	116.6	1255	117
4	10,11,12	116.6	1255	117
5	10,11,12	116.6	1255	117
6	10,11,12	120.0	1292	120
7	11	57.5	619	58
8	11	60.7	653	61
9	11	60.7	653	61
10	11	56.7	610	57
11	11	47.7	513	48
12	12	55.8	601	56
13	12	60.7	653	61
14	12	60.7	653	61
15	12	56.7	610	57
16	12	46.5	501	47
17	12	57.6	620	58
18	12	45.8	493	46
19	13	49.4	532	49
20	13	56.6	609	57
21	13	60.7	653	61
22	13	60.7	653	61
23	13	56.7	610	57
24	13	46.5	501	47
25	13	57.6	620	58
26	13	45.2	487	45
27	13	37.6	405	38
28	13	72.4	779	72
29	14	49.4	532	49
30	14	56.6	609	57
31	14	60.7	653	61
32	14	60.7	653	61
33	14	56.7	610	57
34	14	46.5	501	47
35	14	82.2	885	82
36	14	45.7	492	46
37	14	80.9	871	81
38	15	49.4	532	49
39	15	56.6	609	57
40	15	60.7	653	61
41	15	60.7	653	61
42	15	56.7	610	57
43	15	49.6	534	50
44	15	81.2	874	81
45	15	45.2	487	45
46	15	81.2	874	81
47	16	49.4	532	49
48	16	56.6	609	57
49	16	60.7	653	61
50	16	60.7	653	61
51	16	56.7	610	57
52	16	49.6	534	50
53	16	81.2	874	81
54	16	45.2	487	45
55	16	81.2	874	81
56	17	49.4	532	49

B.C.L.S.

March 26th,2014.

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STRATA LOT NO.	SHEET NO.	AREA OF S.L. IN m^2	AREA OF S.L. IN ft^2	UNIT ENTITLEMENT
57	17	56.6	609	57
58	17	60.7	653	61
59	17	60.7	653	61
60	17	56.7	610	57
61	17	49.6	534	50
62	17	81.2	874	81
63	17	45.2	487	45
64	17	81.2	874	81
65	18	49.4	532	49
66	18	56.6	609	57
67	18	60.7	653	61
68	18	60.7	653	61
69	18	56.7	610	57
70	18	49.6	534	50
71	18	81.2	874	81
72	18	45.2	487	45
73	18	81.2	874	81
74	19	49.4	532	49
75	19	56.6	609	57
76	19	60.7	653	61
77	19	60.7	653	61
78	19	56.7	610	57
79	19	49.6	534	50
80	19	81.2	874	81
81	19	45.2	487	45
82	19	81.2	874	81
83	20	49.4	532	49
84	20	56.6	609	57
85	20	60.7	653	61
86	20	60.7	653	61
87	20	56.7	610	57
88	20	49.6	534	50
89	20	81.2	874	81
90	20	45.2	487	45
91	20	81.2	874	81
92	21	49.4	532	49
93	21	56.6	609	57
94	21	60.7	653	61
95	21	60.7	653	61
96	21	56.7	610	57
97	21	49.6	534	50
98	21	81.2	874	81
99	21	45.2	487	45
100	21	81.2	874	81
101	22	49.4	532	49
102	22	56.6	609	57
103	22	60.7	653	61
104	22	60.7	653	61
105	22	56.7	610	57
106	22	49.6	534	50
107	22	81.2	874	81
108	22	45.2	487	45
109	22	81.2	874	81
110	23	49.4	532	49
111	23	56.6	609	57
112	23	60.7	653	61

B.C.L.S.

March 26th,2014.

BCCONDOS.NET

STRATA LOT NO.	SHEET NO.	AREA OF S.L. IN m^2	AREA OF S.L. IN ft^2	UNIT ENTITLEMENT
113	23	60.7	653	61
114	23	56.7	610	57
115	23	49.6	534	50
116	23	81.2	874	81
117	23	45.2	487	45
118	23	81.2	874	81
119	24	49.4	532	49
120	24	56.6	609	57
121	24	60.7	653	61
122	24	60.7	653	61
123	24	56.7	610	57
124	24	49.6	534	50
125	24	81.2	874	81
126	24	45.2	487	45
127	24	81.2	874	81
128	25	49.4	532	49
129	25	56.6	609	57
130	25	60.7	653	61
131	25	60.7	653	61
132	25	56.7	610	57
133	25	49.6	534	50
134	25	81.2	874	81
135	25	45.2	487	45
136	25	81.2	874	81
137	26	49.4	532	49
138	26	56.6	609	57
139	26	60.7	653	61
140	26	60.7	653	61
141	26	56.7	610	57
142	26	49.6	534	50
143	26	81.2	874	81
144	26	45.2	487	45
145	26	81.2	874	81
146	27	49.4	532	49
147	27	56.6	609	57
148	27	60.7	653	61
149	27	60.7	653	61
150	27	56.7	610	57
151	27	49.6	534	50
152	27	81.2	874	81
153	27	45.2	487	45
154	27	81.2	874	81
155	28	96.4	1038	96
156	28	107.9	1161	108
157	28	106.7	1149	107
158	28	97.9	1054	98
159	28	97.9	1054	98
160	29	96.4	1038	96
161	29	107.9	1161	108
162	29	106.7	1149	107
163	29	97.9	1054	98
164	29	97.9	1054	98
TOTALS		10481.1	112811	10499

B.C.L.S.

March 26th,2014.

STR – 1373

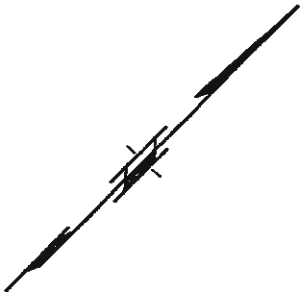
BCCONDOS.NET

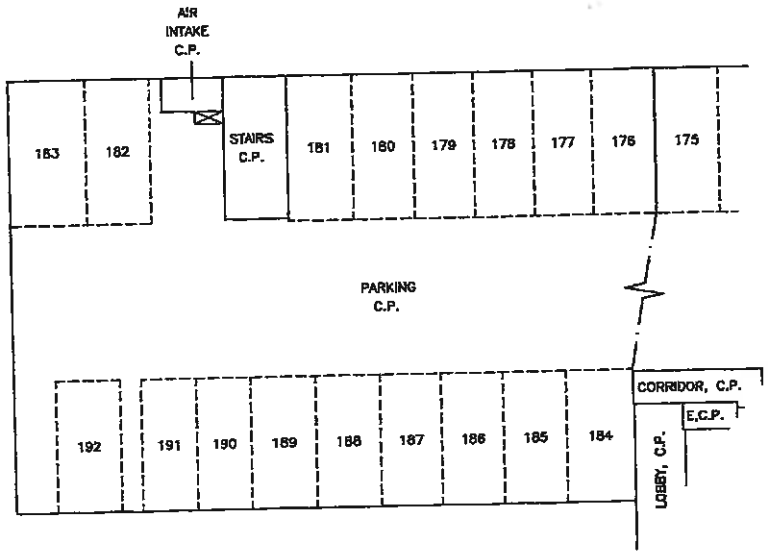
PARKING LEVEL P4a

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR – 1373

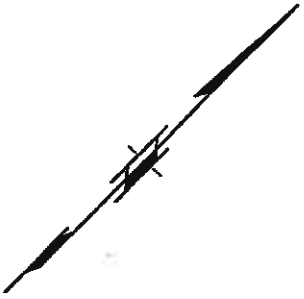
BCCONDOS.NET

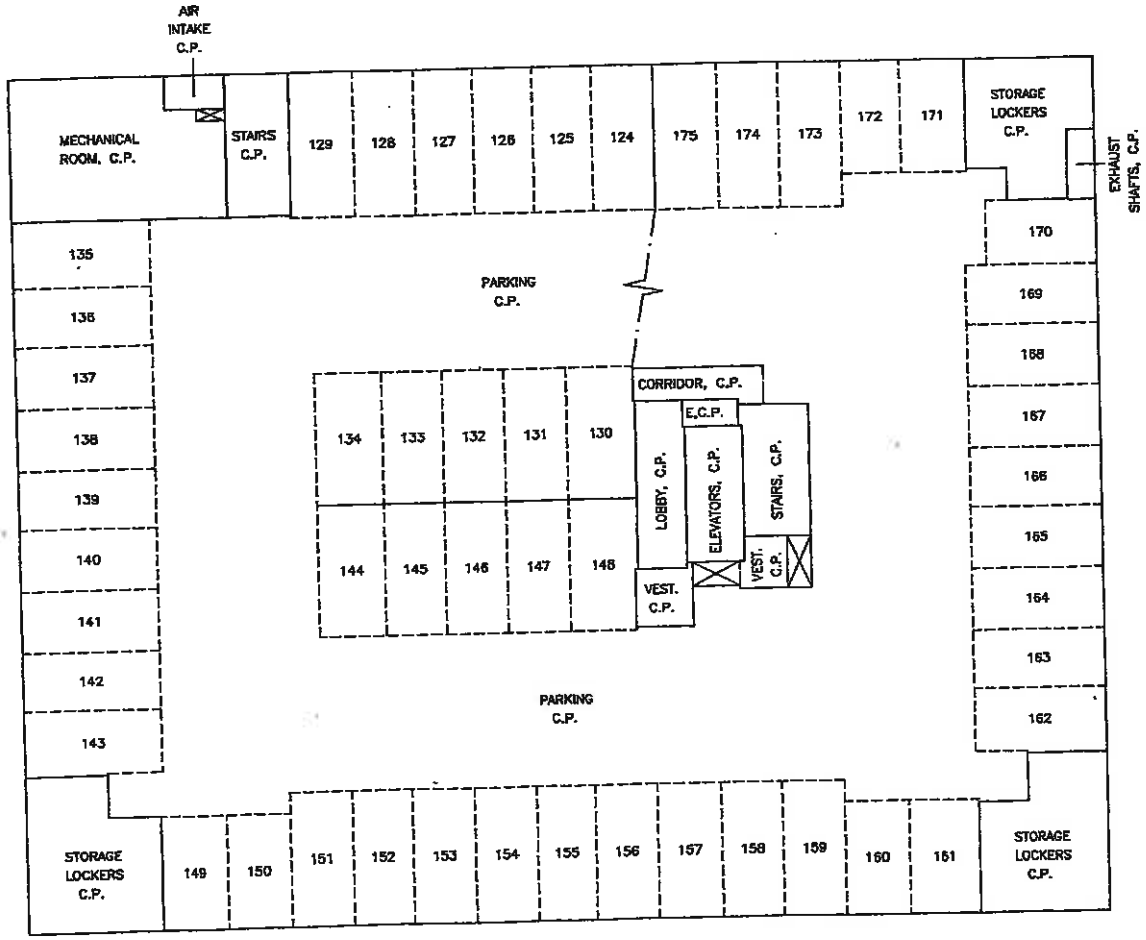
PARKING LEVEL P4b

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th.2014.

STR - 1373

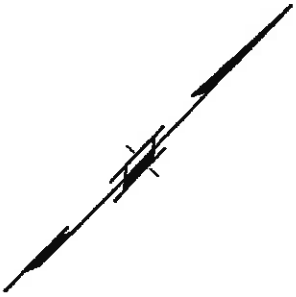
BCCONDOS.NET

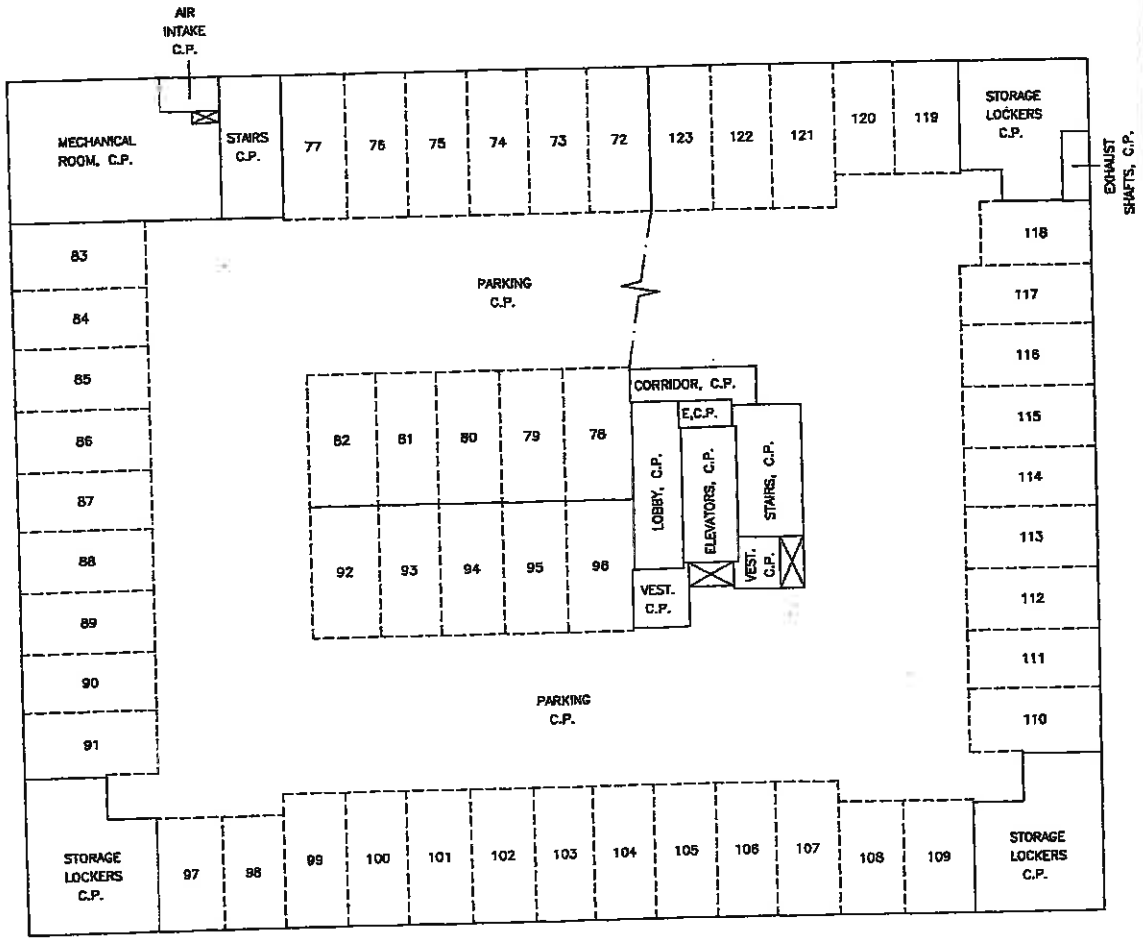
PARKING LEVEL P3

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR – 1373

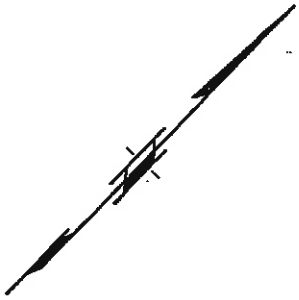
BCCONDOS.NET

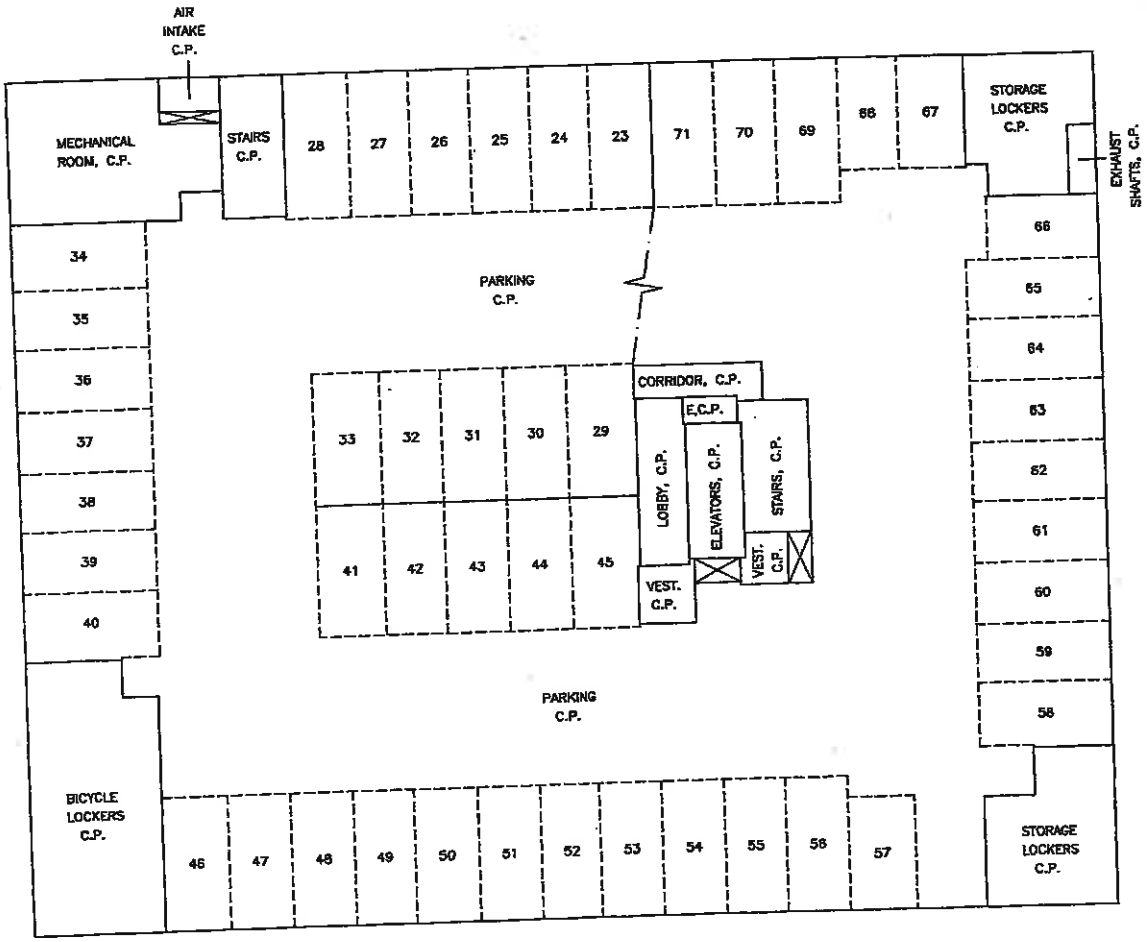
PARKING LEVEL P2

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR - 1373

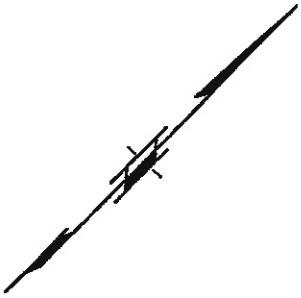
BCCONDOS.NET

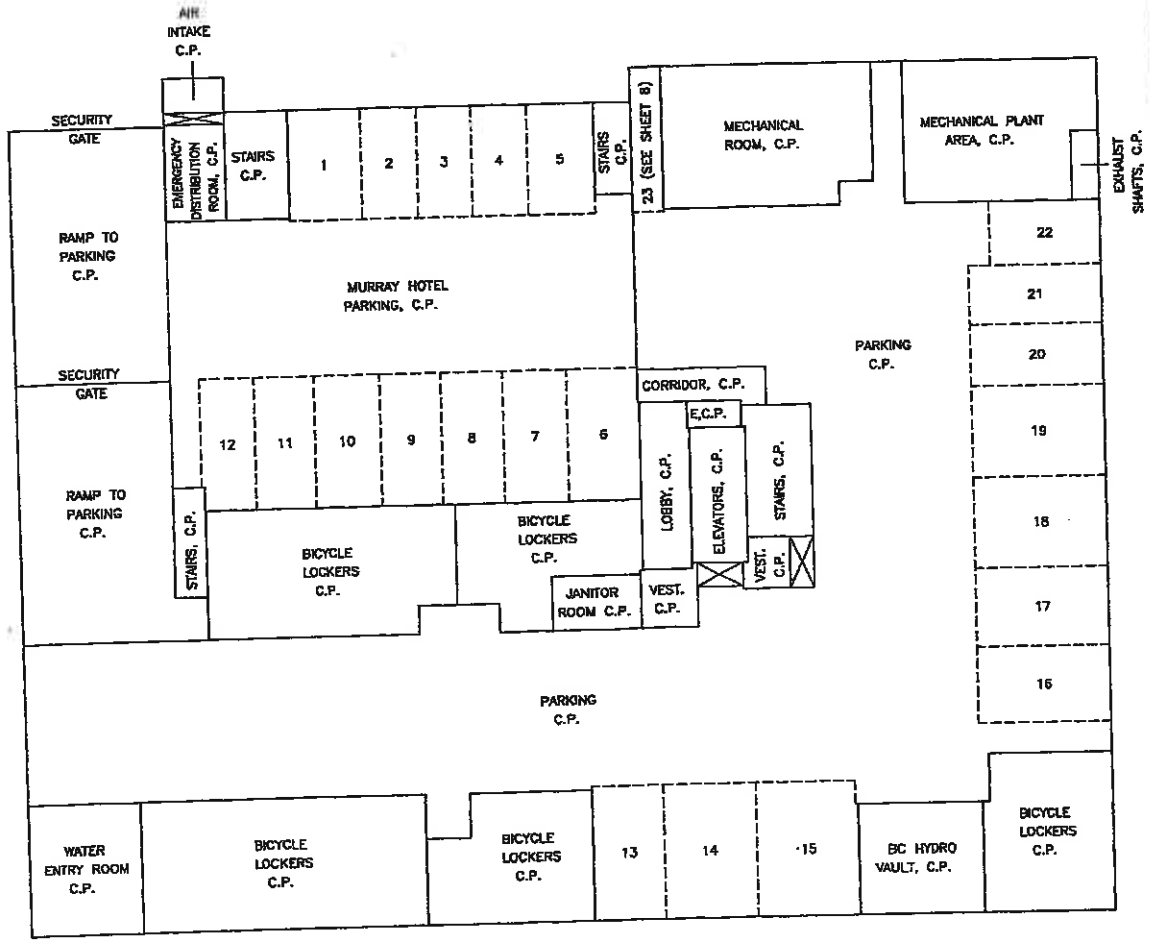
PARKING LEVEL P1

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR - 1373

BCCONDOS.NET

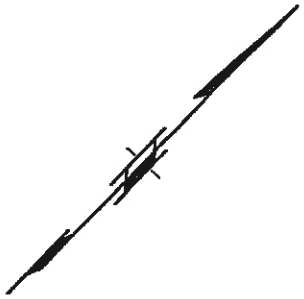
GROUND LEVEL

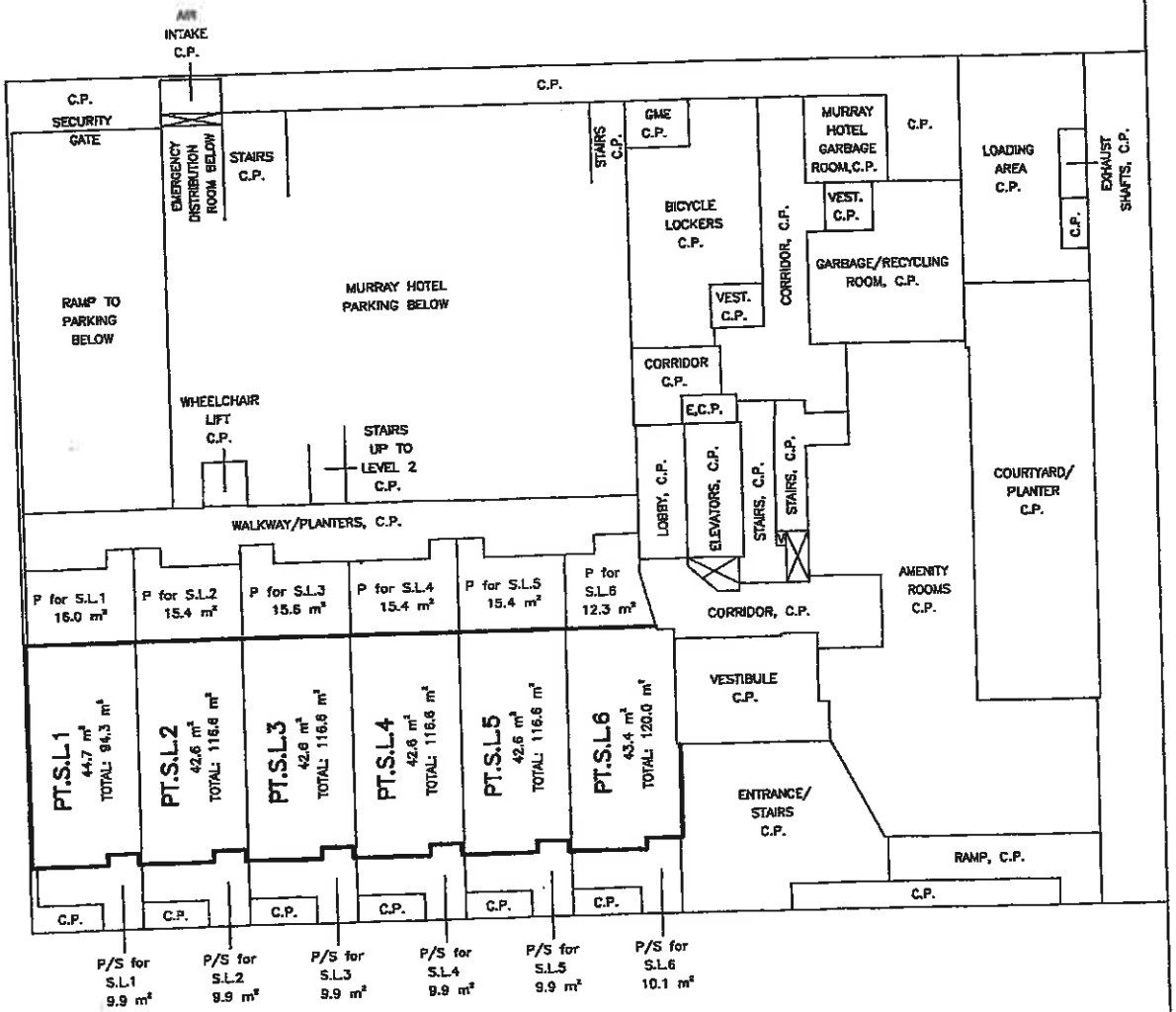
PART STRATA LOTS 1 TO 6

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR - 1373

BCCONDOS.NET

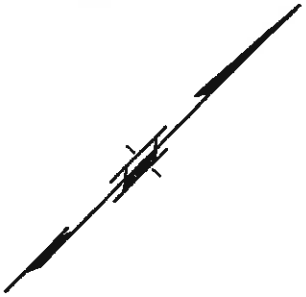
LEVEL 2

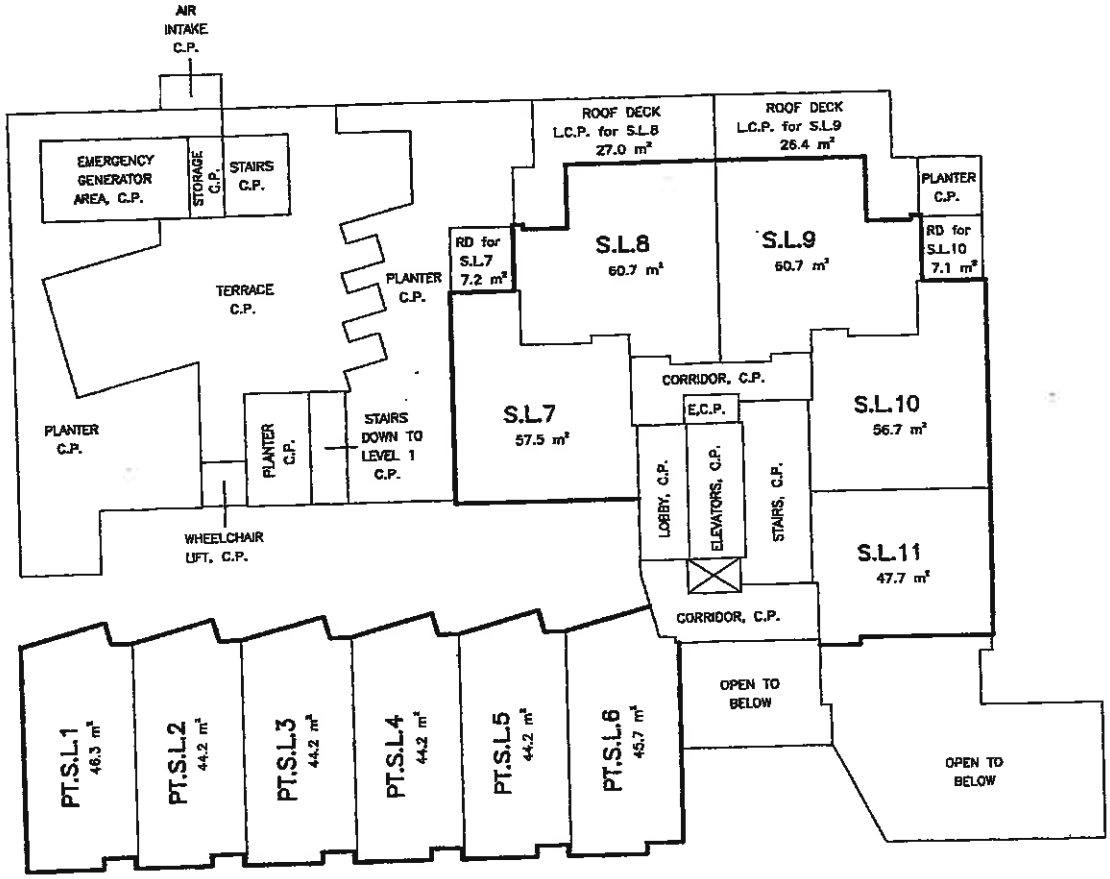
PART STRATA LOTS 1 TO 6
AND STRATA LOTS 7 TO 11

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR – 1373

BCCONDOS.NET

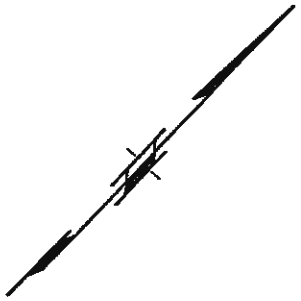
LEVEL 3

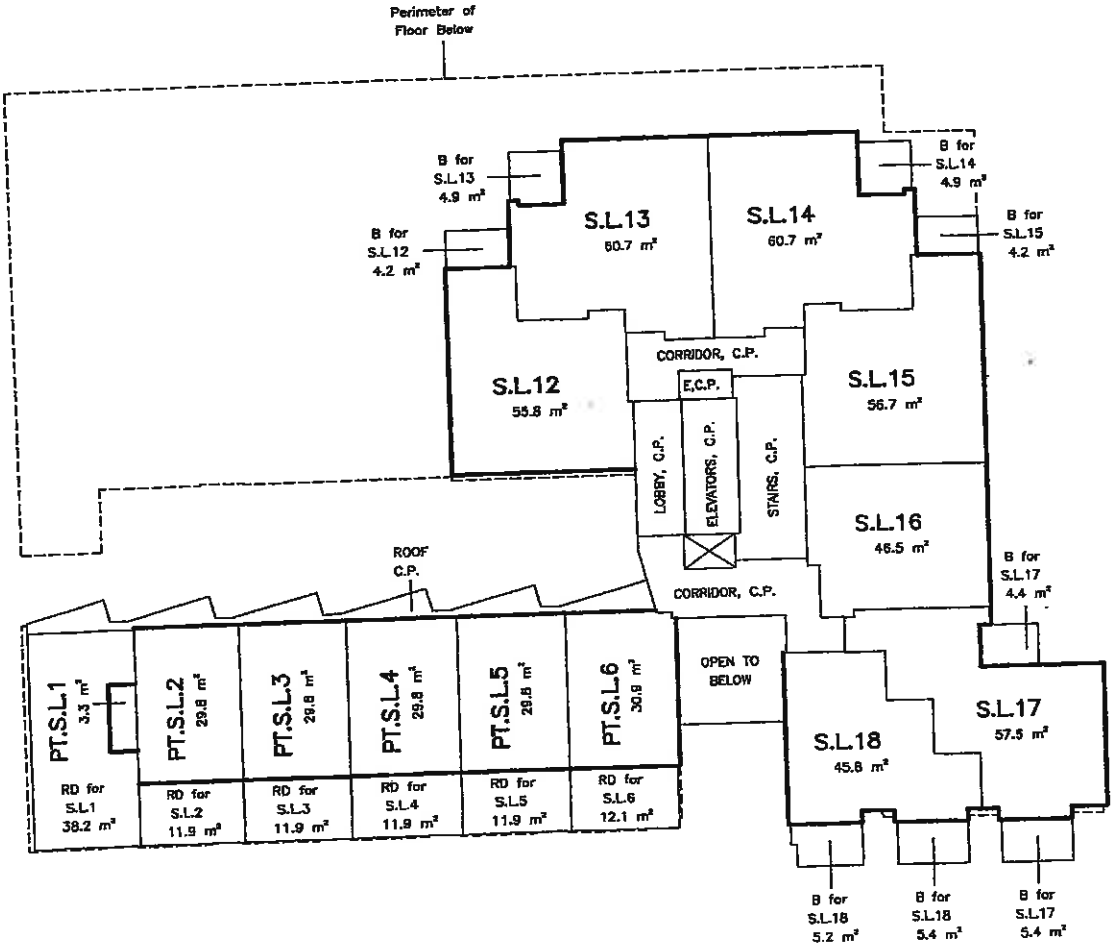
PART STRATA LOTS 1 TO 6
AND STRATA LOTS 12 TO 18

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR – 1373

BCCONDOS.NET

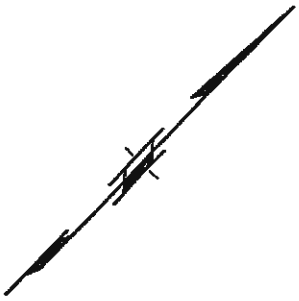
LEVEL 5

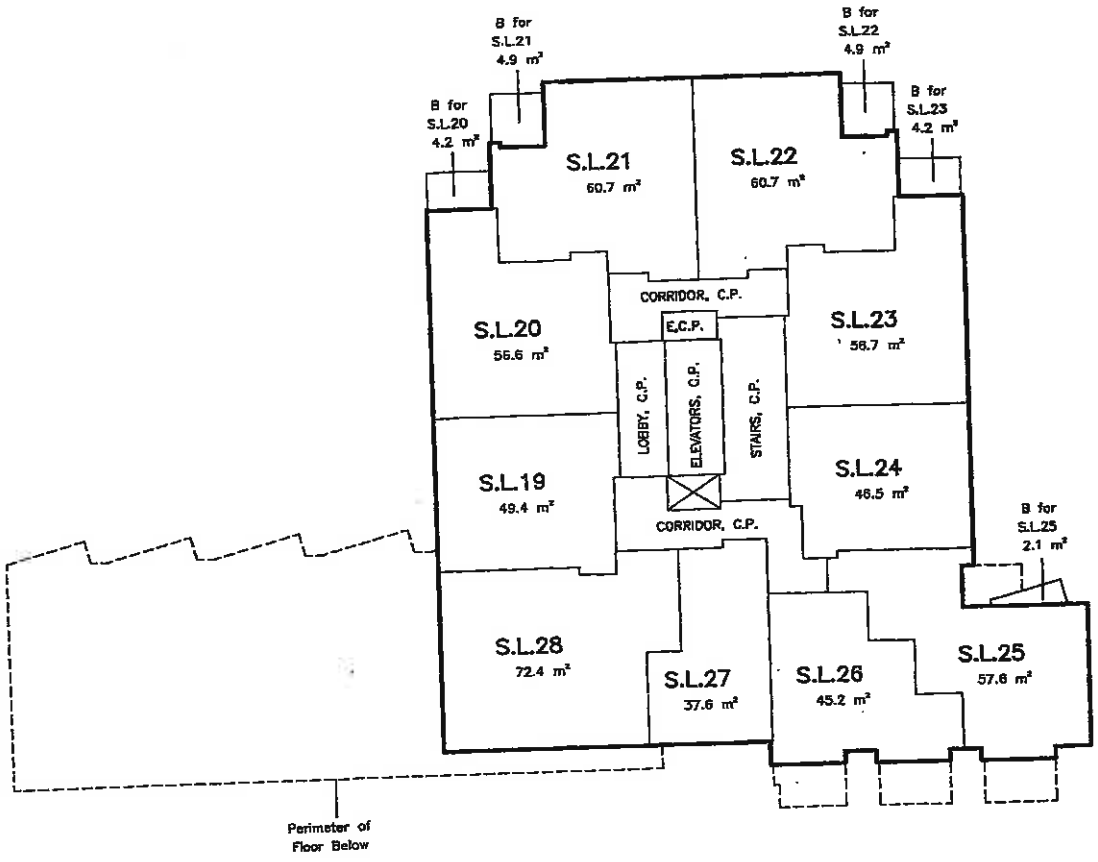
STRATA LOTS 19 TO 28

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR – 1373

BCCONDOS.NET

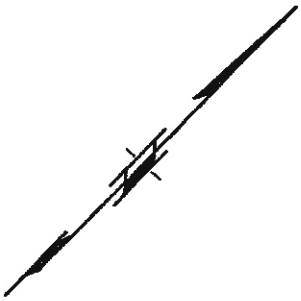
LEVEL 6

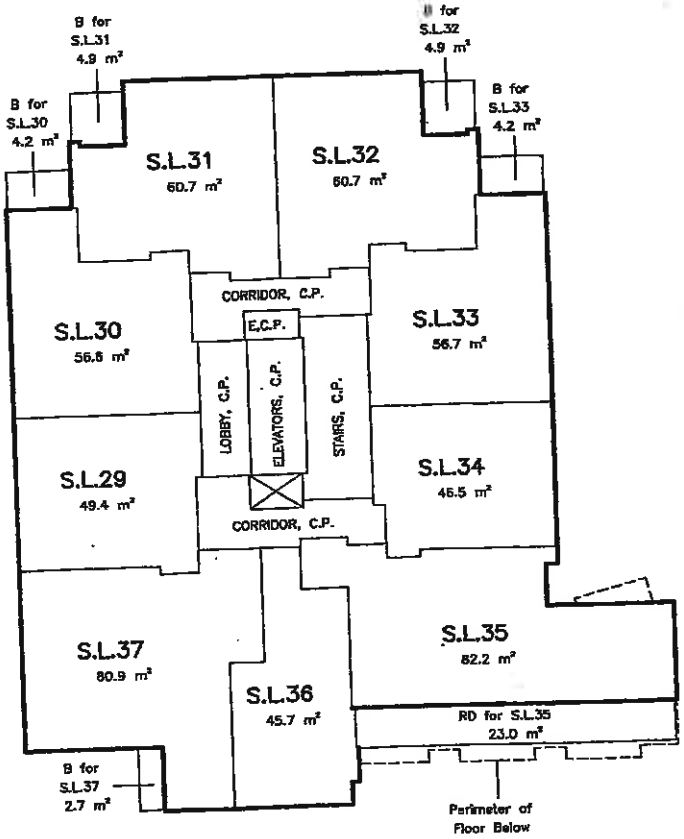
STRATA LOTS 29 TO 37

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR – 1373

BCCONDOS.NET

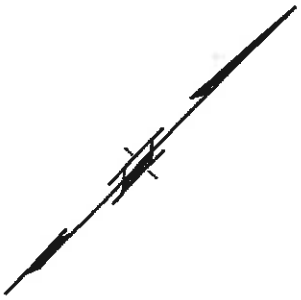
LEVEL 7

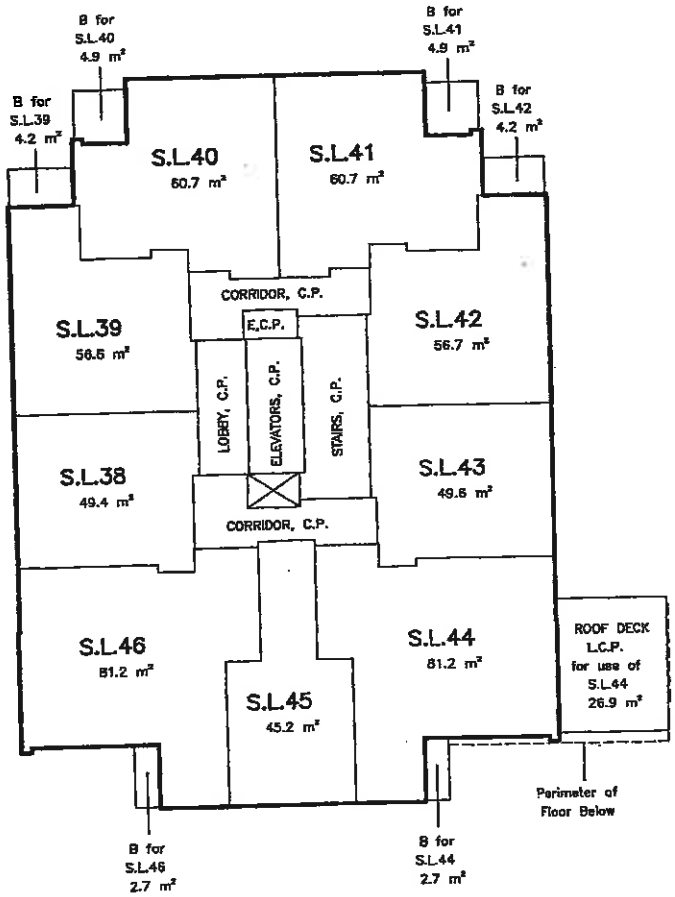
STRATA LOTS 38 TO 46

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR – 1373

BCCONDOS.NET

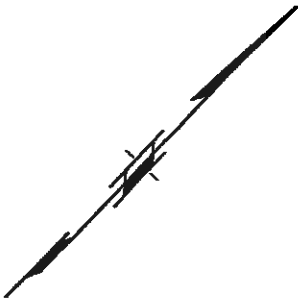
LEVEL 8

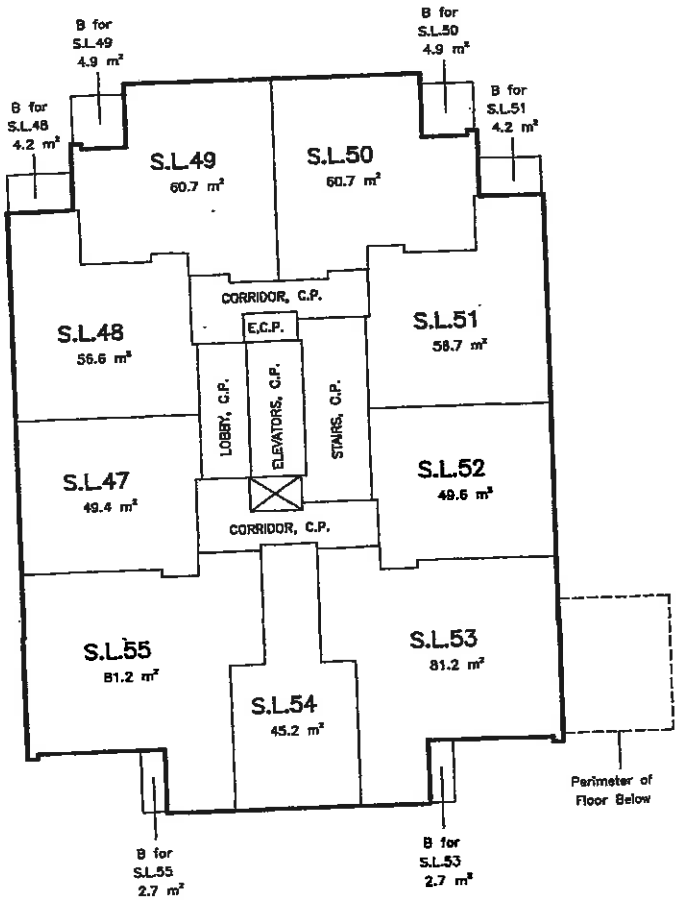
STRATA LOTS 47 TO 55

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR – 1373

BCCONDOS.NET

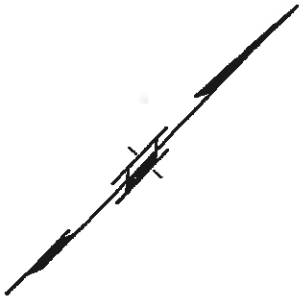
LEVEL 9

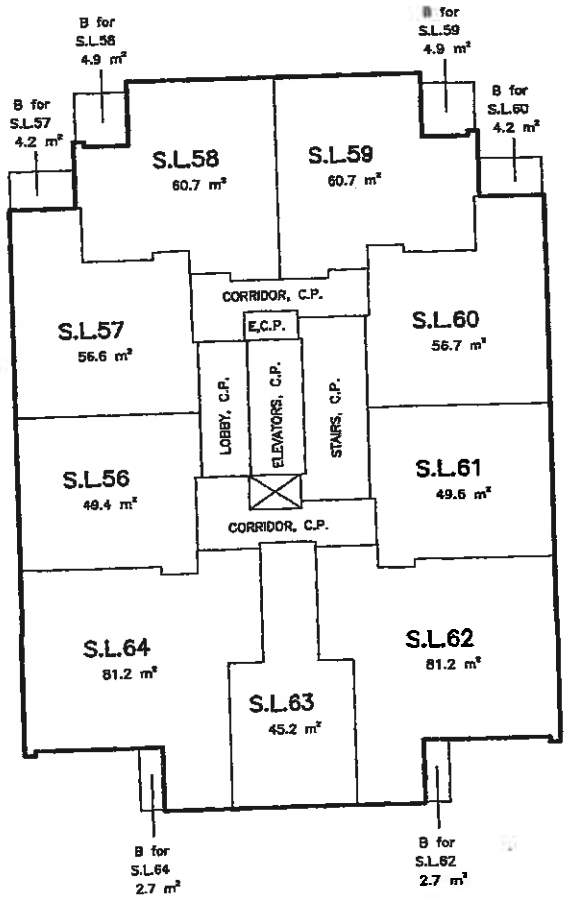
STRATA LOTS 56 TO 64

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR - 1373

BCCONDOS.NET

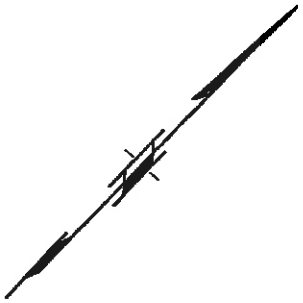
LEVEL 10

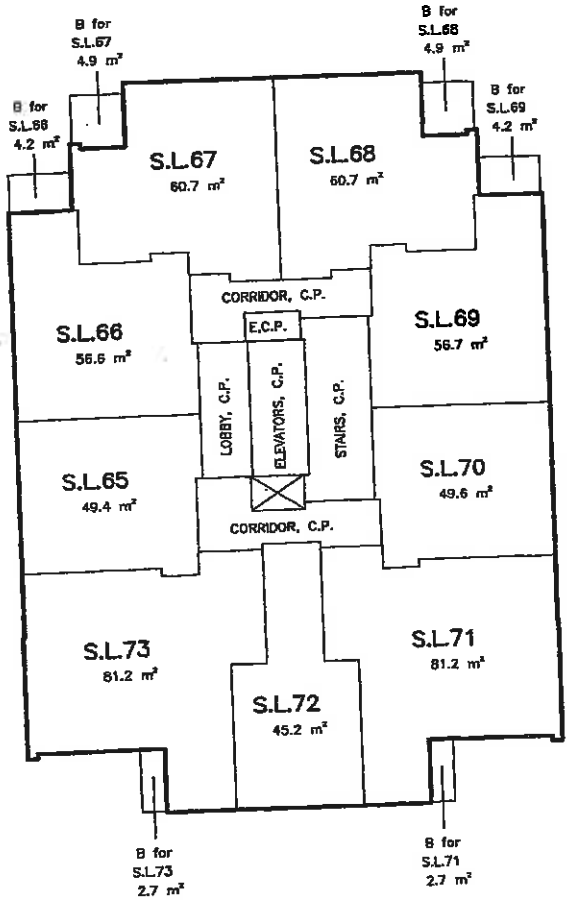
STRATA LOTS 65 TO 73

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR – 1373

BCCONDOS.NET

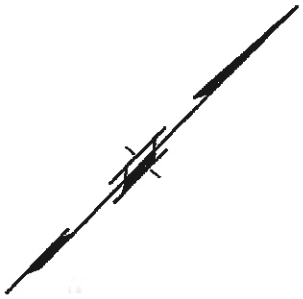
LEVEL 11

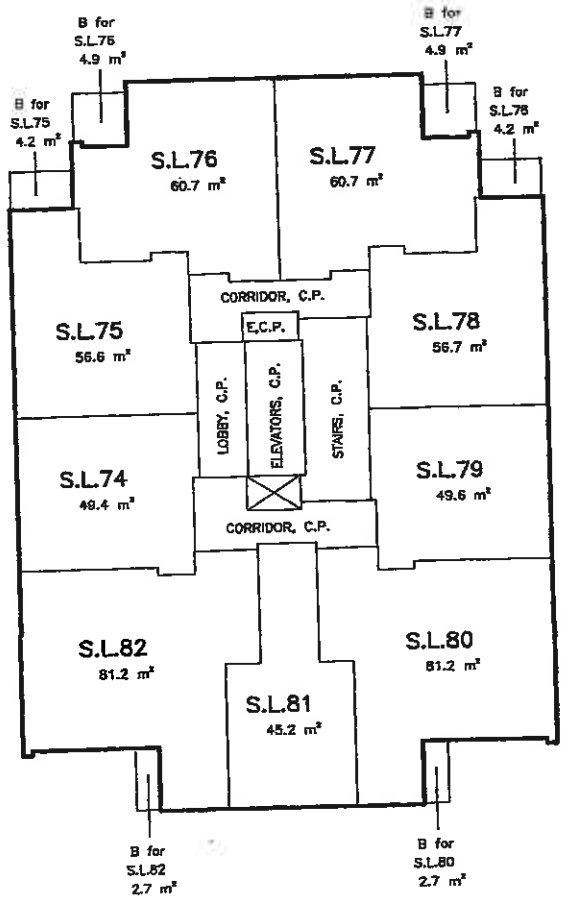
STRATA LOTS 74 TO 82

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR - 1373

BCCONDOS.NET

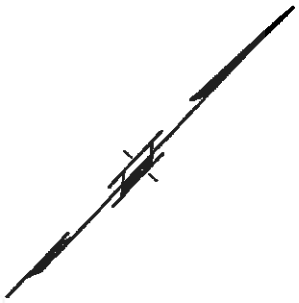
LEVEL 12

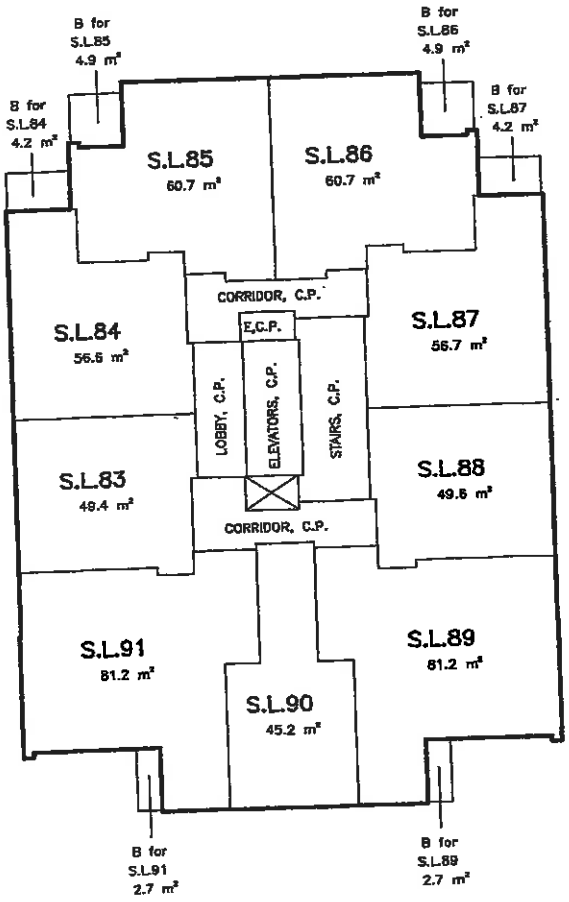
STRATA LOTS 83 TO 91

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR – 1373

BCCONDOS.NET

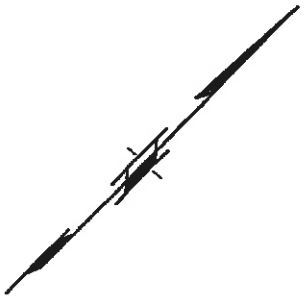
LEVEL 13

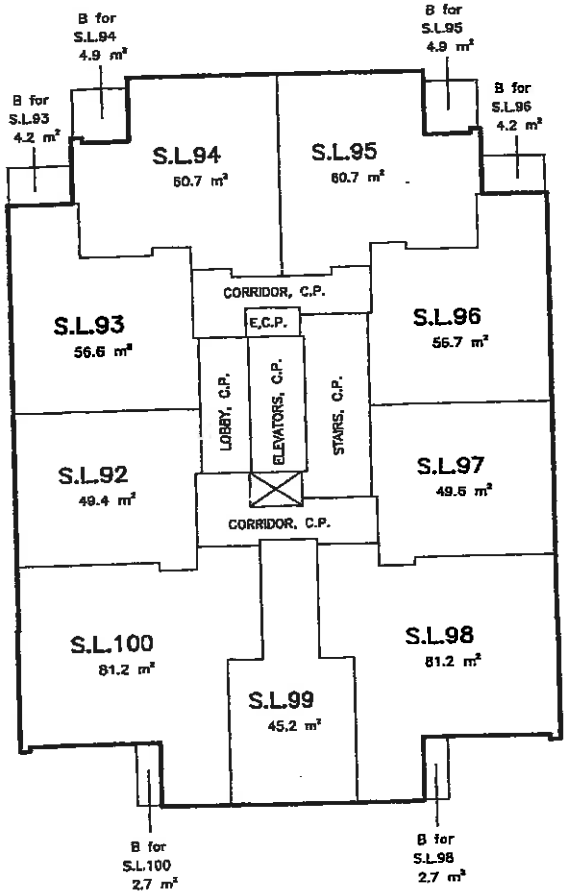
STRATA LOTS 92 TO 100

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR – 1373

BCCONDOS.NET

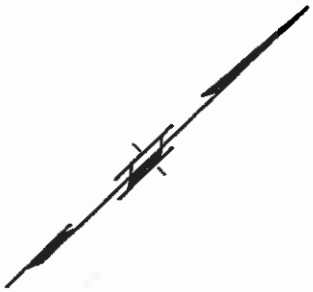
LEVEL 14

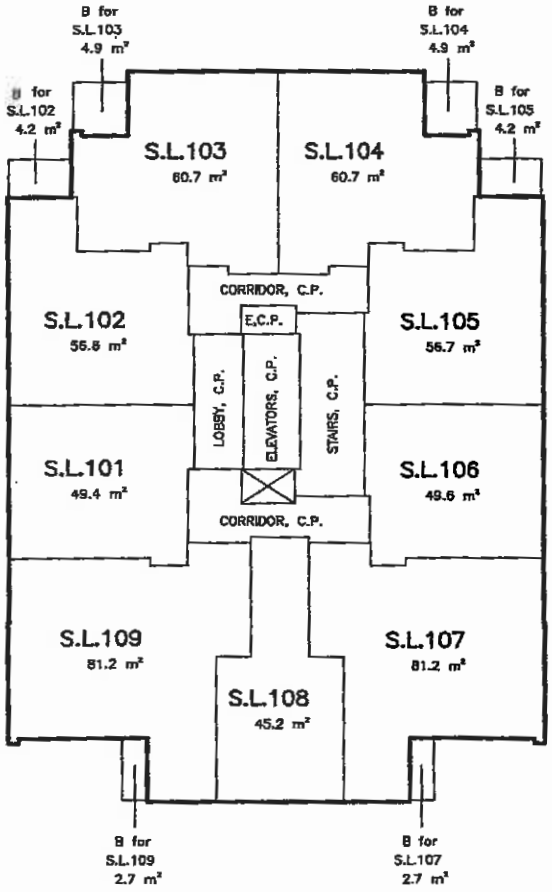
STRATA LOTS 101 TO 109

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR – 1373

BCCONDOS.NET

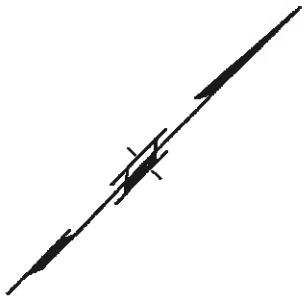
LEVEL 15

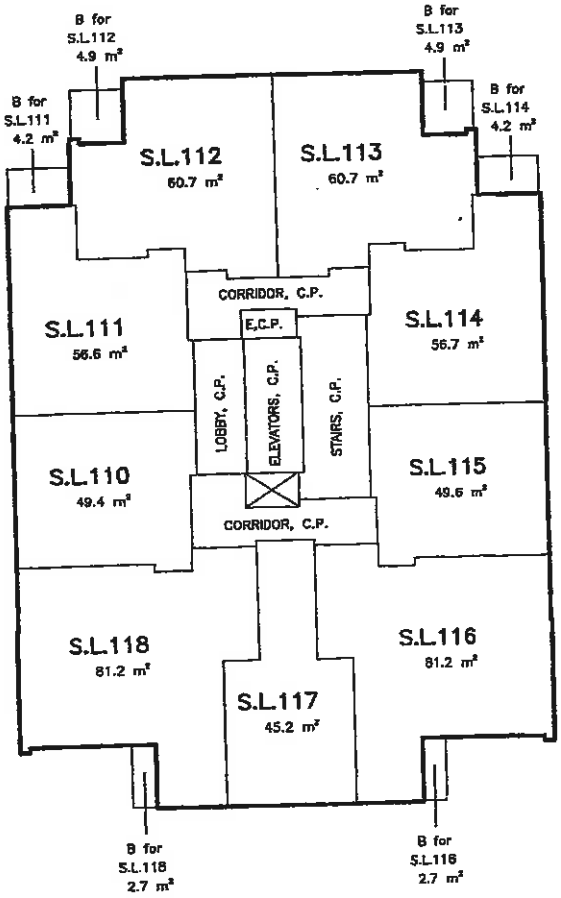
STRATA LOTS 110 TO 118

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





B.C.L.S.

March 26th,2014.

STR - 1373

BCCONDOS.NET

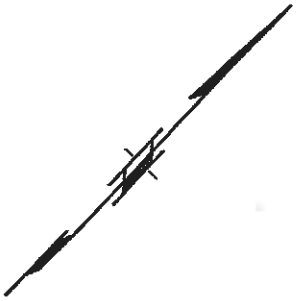
LEVEL 16

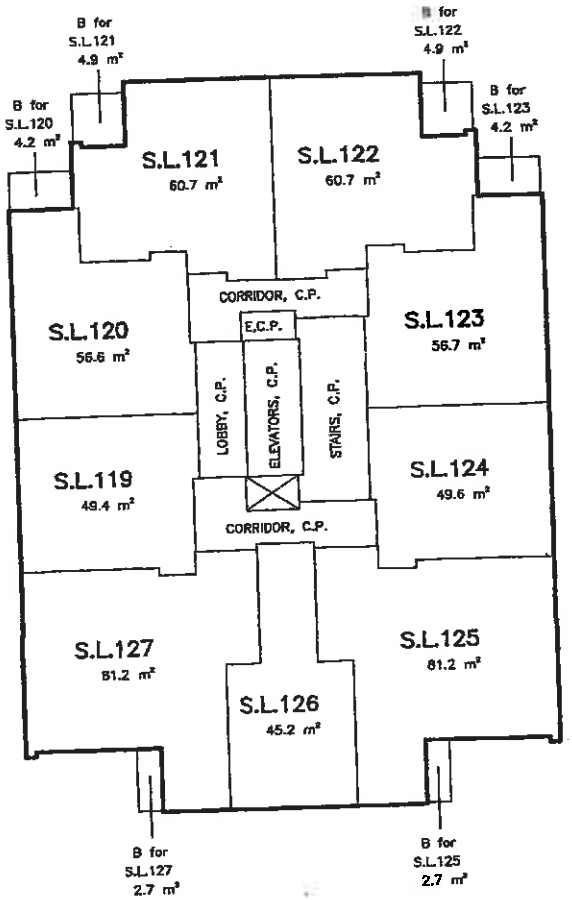
STRATA LOTS 119 TO 127

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





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March 26th, 2014.

STR - 1373

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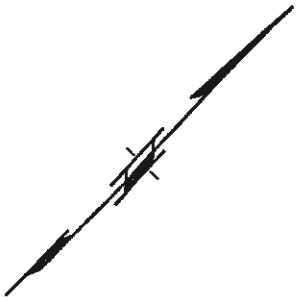
LEVEL 17

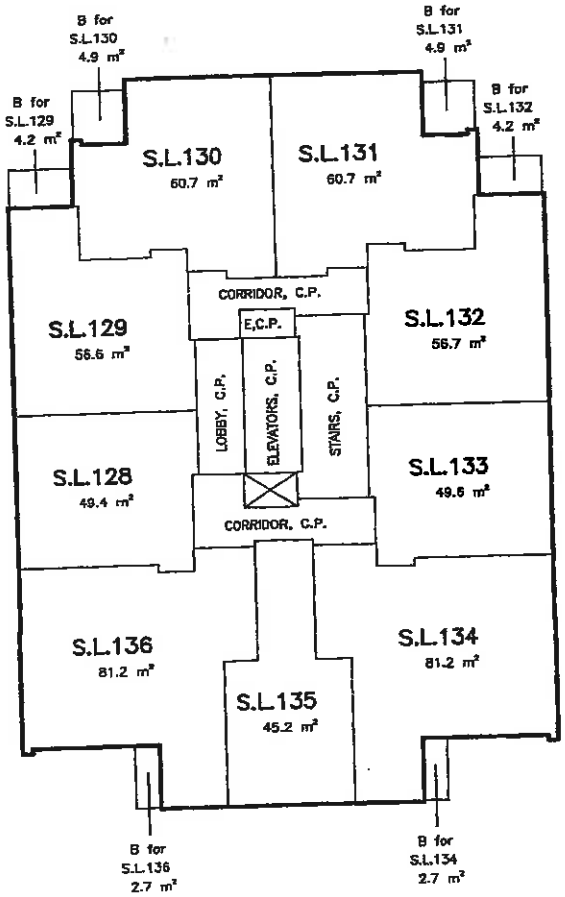
STRATA LOTS 128 TO 136

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





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March 26th,2014.

STR – 1373

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LEVEL 18

STRATA LOTS 137 TO 145

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

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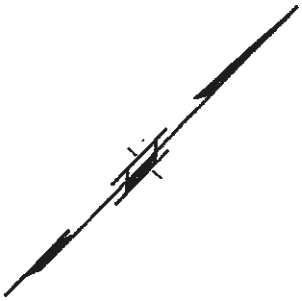

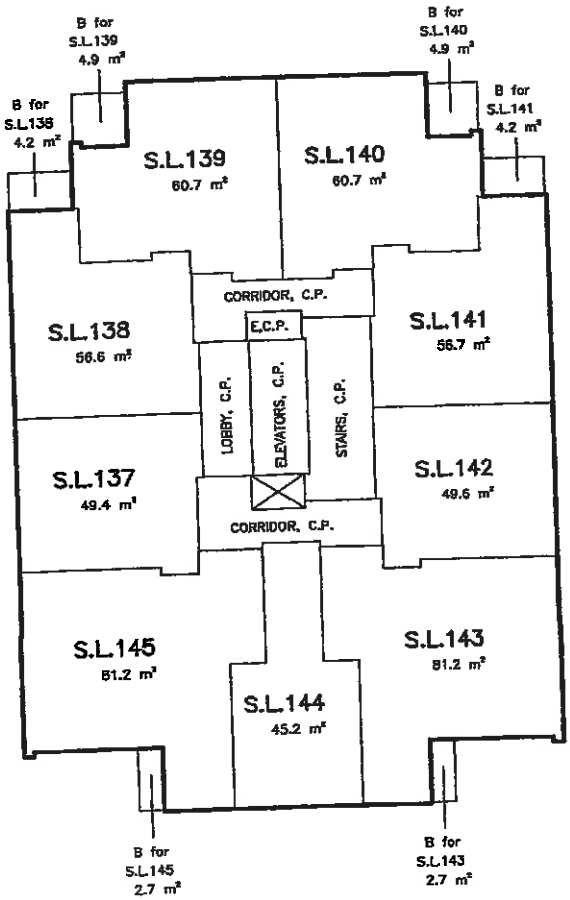

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March 26th,2014.

STR – 1373

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LEVEL 19

STRATA LOTS 146 TO 154

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

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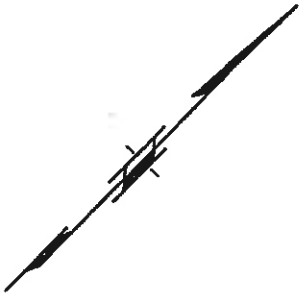

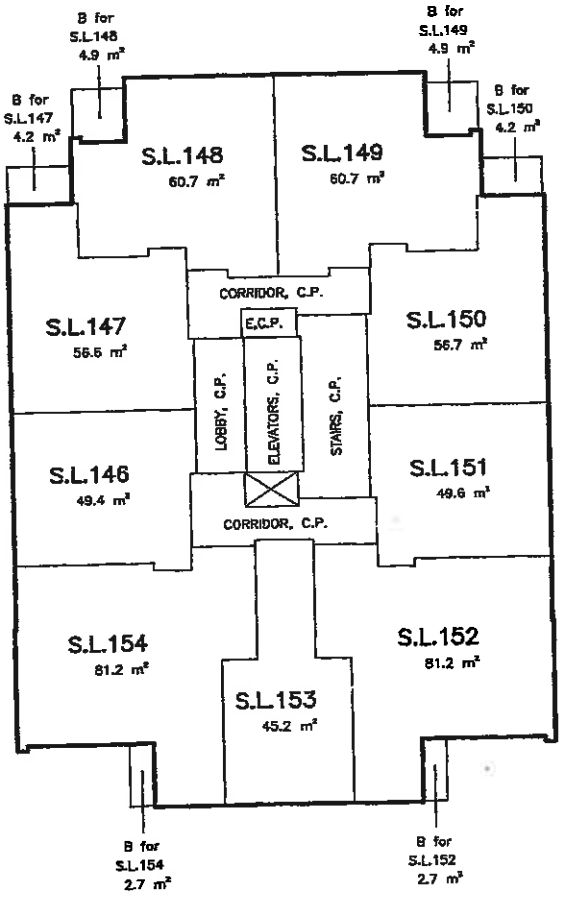

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March 26th,2014.

STR – 1373

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LEVEL 20

STRATA LOTS 155 TO 159

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

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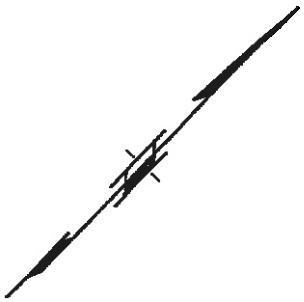

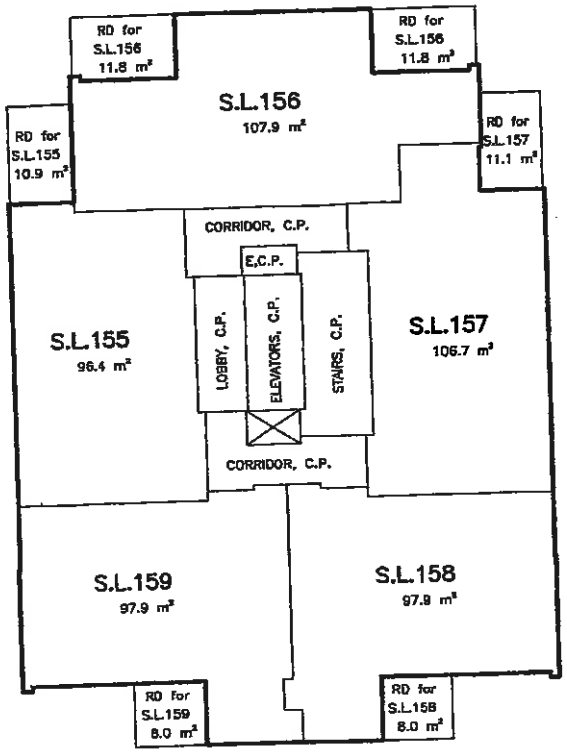

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March 26th,2014.

STR - 1373

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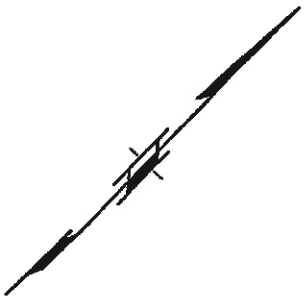
LEVEL 21

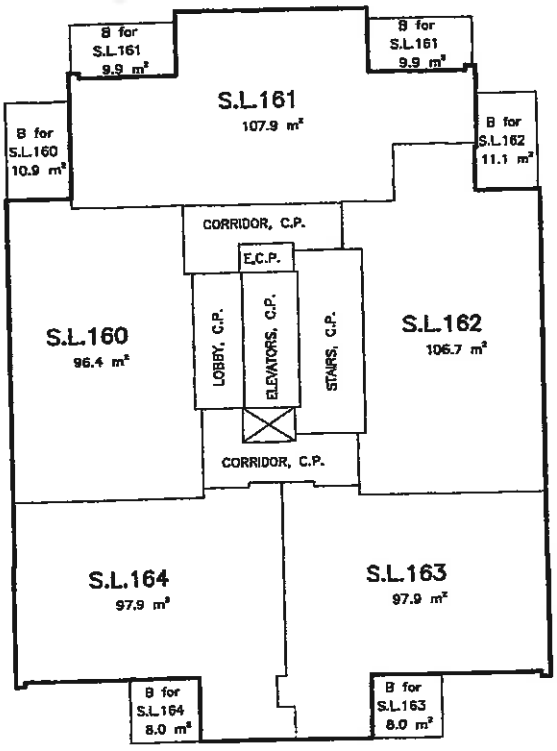
STRATA LOTS 160 TO 164

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





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March 26th,2014.

STR – 1373

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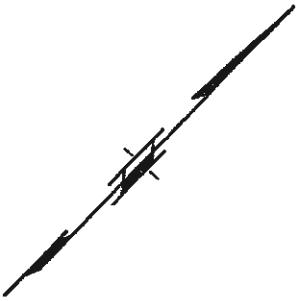
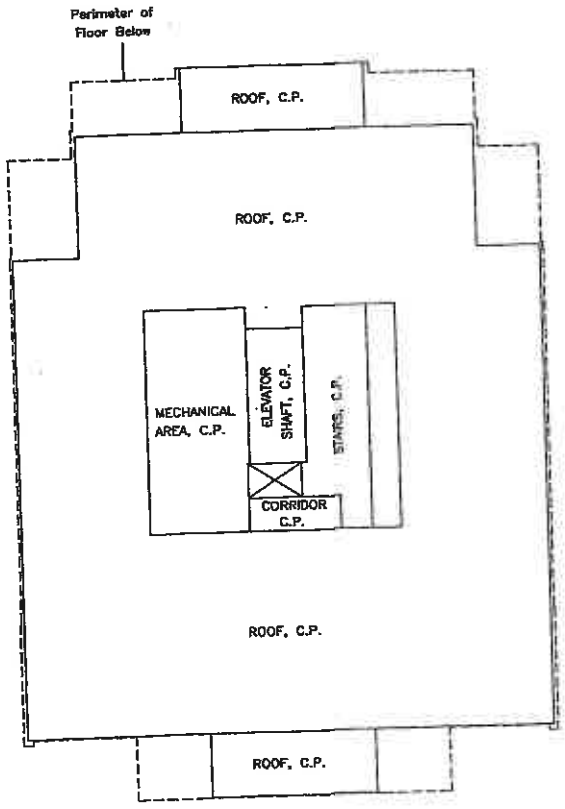
ROOF LEVEL

0 5 10 15m

All distances are in metres and decimals thereof unless otherwise indicated

The intended plot size of this plan is 280mm in width by 432mm in height (sheet size B) when plotted at a scale of 1:200.





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March 26th,2014.

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EXHIBIT "B"

PROPOSED OWNER DEVELOPER'S NOTICE OF DIFFERENT BYLAWS

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STRATA PROPERTY ACT

FORM Y

OWNER DEVELOPERS' NOTICE OF DIFFERENT BYLAWS

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

Re: Strata Plan _____ (the "Lands").

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

1. Amend Bylaw 3 by adding the following to subsection (1):

   3(1)(f) that is in contravention of any rule, order or bylaw of The City of Vancouver applicable to the Strata Lot or that will result in any unusual or objectionable odour to emanate from the Strata Lot, or that is inconsistent with the intent of these Bylaws.

2. Amend Bylaw 3 by adding the following to subsection (2):

   3(2) An owner shall not:

   (f) use his strata lot for any purpose which may be injurious to the reputation of the building;

   (g) make or cause to be made any structural alteration to his strata lot, or paint, decorate, or add to or remove any structure from the exterior of the building or the strata lot or add to or alter the wiring, plumbing, piping, or other services on his strata lot, or within any bearing or party wall or the common property without first obtaining the written consent of the strata council.

3. Amend Bylaw 3 by revision to subsection (4)(d):

   3(4)(d) two pets total, dogs or cats;

4. Amend Bylaw 3 by adding the following to subsection (4)

   3(4)(e) The owners of pets shall be fully responsible for their behaviour within the common property. If a pet is deemed to be a nuisance by the Strata Council, it shall be removed from the Strata Corporation within 30 days. Visitors shall be informed of the rules concerning pets and residents will be responsible for clean-up or damage repair should their guests bring pets into the common property.

5. Amend Bylaw 3 by adding subsection (5)

   (5) An owner, tenant or occupant shall not feed nuisance birds such as pigeons, seagulls, crows, starlings and other birds from any Strata Lot or the common property.

6. Amend Bylaw 4 by adding subsection (3):

   (3) Any owner of a Strata Lot who leases his lot without submitting a Form K in accordance with the Strata Property Act shall be liable to a fine of $50 for every month or part thereof that a tenant is in occupancy of the Strata Lot and the Form K is not submitted.

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7. Amend Bylaw 5 by adding the following to subsection (1):

5(1)(h) the painting of the exterior, or the attachment of sunscreens or greenhouses, or a satellite dish.

8. Amend Bylaw 7 by adding the following:

(3) Where the Strata Corporation is required to enter a Strata Lot for the purpose of maintaining, repairing, or renewing pipes, wires, cables and ducts for the time being existing in the Strata Lot, which are capable of being used in connection with the enjoyment of any other Strata Lot or the common property, the Strata Corporation and its agents shall in carrying out any work or repairs do so in a proper and workmanlike manner. The Strata Corporation shall make good any damage to the Strata Lot occasioned by such works and restore the Strata Lot to its former condition, leaving the Strata Lot clean and free from debris.

9. Delete Bylaw 30 and replace with the following:

(1) 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 for up to 24 months after the date of first occupancy of any such strata lot.

(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.

10. Add the following Bylaws

Bylaw 31: Strata Fees (s.107) Strata Property Act

(1) Strata fees are due and payable on or before the first day of each month. Strata fees not received by the 10th day of the month in which they are due are subject to a 10% per annum interest penalty compounded annually from the date due until paid.

(2) When arrears of strata fees exceed two monthly payments a lien may be placed by the Strata Corporation on the Strata Lot involved at the owner's expense for the total monies due, including all legal and other expenses.

Bylaw 32: Disturbance of Others

(1) Mops or dusters of any kind shall not be shaken, and nothing shall be thrown out of any window, door, passage, or other parts of the Strata Lot or the common property.

(2) No barbecues other than those fuelled by propane or natural gas or electricity may be used. No owner shall operate his barbecue in a manner which, in the opinion of the Strata Council, interferes with another owner's enjoyment of his Strata Lot. All barbecues must be kept at a minimum distance of 24 inches

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away from the building exterior walls. Strata Lot owners or residents are responsible for heat damage to the building envelope.

(3) Cycling on common property other than the driveway is prohibited.

(4) Carpentry or similar alterations shall be limited to the hours as allotted by the City of Vancouver.

Bylaw 33: Hazards

(1) Fire hazards must be minimized. No item shall be brought onto or stored in a Strata Lot or the common property which will in any way increase or tend to increase the risk of fire or the rate of fire insurance or any other insurance policy held by the Strata Corporations, or which will invalidate any insurance policy.

(2) No material substances, especially burning material such as cigarettes or matches, shall be permitted to be discharged from any window, door, patio or other part of a Strata Lot or the common property. No smoking will be permitted in any common area.

Bylaw 34: Cleanliness

(1) All household refuse and recycling material shall be secured in suitable plastic bags or recycling containers. The owners will comply with the City's recycling program as it is implemented.

(2) Any waste material other than ordinary household refuse and normally collected recycling materials shall be removed by the individual owner or resident of the Strata Lot.

Bylaw 35: Exterior Appearance

(1) No signs, fences, gates, billboards, placards, advertising or notices of any kind shall be erected or displayed on the common property or the Strata Lot without prior written approval by the Strata Council.

(2) No awning, shade screen, smoke stack, satellite dish, radio or television antenna shall be hung from or attached to the exterior of the Strata Lot, without prior written consent of the Strata Council.

(3) No laundry, clothing, bedding, or other articles shall be hung or displayed from windows, patios, or other parts of the Strata Lot so that they are visible from the outside.

(4) An owner or owners may, with the prior written approval of the strata council, may add to the existing draperies or window coverings that are visible from the exterior. No existing window coverings shall be removed and the council shall give due consultation to the issue of consistent appearance of the entire building.

(5) Balcony, patio and roof deck furnishings are restricted to patio furniture, barbeques and plants. For example, no laundry or other like articles shall be hung or displayed so that they are visible from the outside of the building. Balconies,

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patios or roof deck shall not be used for the storage of bicycles, refrigerators, freezers, storage boxes or cleaning materials.

Bylaw 36: Common Areas

(1) The Strata Council shall administer all common areas and any rules and regulations formulated by the Strata Council from time to time shall be binding upon all owners, residents and visitors.

Bylaw 37: Parking

(1) A resident shall use only the parking stall(s) as defined as the Limited Common Property for his/her individual Strata Lot. Any additional parking stalls designated as Common Property will be assigned and administrated by the Strata Corporation.

(2) No major repairs or adjustments shall be made to motor vehicles on the common property.

(3) A maximum speed of 15 km/h shall apply within the common property.

(4) Owners will be responsible for the clean up of oil spills on common property.

(5) No parking is permitted except in a designated parking space, nor shall a vehicle park in a manner, which will reduce the width of an access roadway.

(6) No vehicles exceeding 4,000 kg. G.V.W. shall be parked or brought onto the common property without the consent of the Strata Council, except when used in delivery to or removal from the premises.

(7) All vehicles parked or stored in the parkade must be licensed, insured and operable.

(8) Any vehicle, which does not comply with this Bylaw, may be removed at the owner's expense.

Bylaw 38: Damage to Property

(1) An owner or resident shall not cause damage to trees, plants, bushes, flowers or lawns and shall not place chairs, tables or other objects on lawns or grounds so as to damage them or prevent growth.

Bylaw 39: Security

(1) Strata Lot owners or residents are responsible for anyone they admit onto or about the common property, inclusive of agents, servants, licensees, or invitees.

(2) The Strata Council shall form a Security Committee to provide guidelines for the security of individual Strata Lots, and to establish resident-based voluntary crime prevention programs such as Block Watch.

(3) When entering the underground parking garage or through any common areas door (i.e.: the front lobby door), all residents will ensure that the gate or

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door is securely closed behind them and will not cause to enter in any other person to the common area after them.

Bylaw 40: Moving and Resale

(1) It will be the express responsibility of the owner to ensure that all moves in or out by the owner or resident conform to the rules and regulations as established by the Strata Council from time to time.

(2) Advertising for the resale or rental of a Strata Lot shall only be permitted within the boundaries of the Strata Corporation on Directory Trees which shall be located, supplied and maintained by the Strata Council.

Bylaw 41: Changes to Strata Lots

(1) An owner or owners may, with the prior written approval of the strata council, make changes to the floor finishing of their strata lot from carpet to any hard surface floor finish (e.g.: tile or hardwood flooring) and the council shall give due consultation to the issue of sound transmission between strata lots.

(2) An owner or occupant of a strata lot which already has hard floor surfaces such as wooden floors or tile in a strata lot at the time this bylaw was passed must take all reasonable steps to satisfy noise complaints from residents within audible range, including without limitation:

(a) ensuring that no less than 60% of such hard floor surfaces, excepting only kitchens, bathrooms, laundry rooms and entry areas, are covered with areas rugs or carpet unless otherwise dictated by a medical condition;

(b) avoiding walking with hard shoes or dragging furniture or other heavy objects across such floor surfaces;

(c) fitting the bottom of Chair legs with felt pads;

(d) avoiding activities that will cause unnecessary noise such as bouncing balls, dancing and stomping of feet; and

(e) any noise inducing equipment must be separated from the floor with adequate cushioning.

Bylaw 42: Leasing Requirements

(1) An owner must:

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

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(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.

Bylaw 43: Utilities and Services

(1) An owner must:

(a) set up and/or maintain an account for utilities measurement with Enerpro Systems Corp. for the Smartform Technology Program; and

(b) failure to comply with this bylaw shall result in a fine of up to $200.00.

DATED this 23rd day of May, 2014.

KENSTONE HORNBY LIMITED PARTNERSHIP, by its General Partner, Kenstone Hornby GP Inc.)

Per: _____)
Authorized Signatory)

KENSTONE PROPERTIES LTD.)

Per: _____)
Authorized Signatory)

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EXHIBIT "C"
FORM OF PARKING LEASE

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PARKING AREA LEASE

THIS AGREEMENT made as of the ____ day of _____, 201♦.

BETWEEN:

KENSTONE PROPERTIES LTD.
201 – 1926 West Broadway Street
Vancouver, B.C. V6V 1Z2

("**Kenstone**")

AND:

♦

(the "**Parking Tenant**")

WHEREAS:

A. Kenstone is the registered owner in fee simple title to certain lands and premises situate in Vancouver, British Columbia, and legally described as follows:

PID 029-178-555
LOT 1, BLOCK 90, DISTRICT LOT 541, GROUP 1, NWD PLAN EPP31030

(the "**Lands**");

B. Kenstone has agreed to lease to the Parking Tenant those resident parking, visitor parking, parking designated for the hotel located next to the Lands (the "**Murray Hotel**") and designated handicap parking stalls (respectively, the "**Resident Stalls**", the "**Visitor Stalls**", the "**Murray Hotel Parking Stalls**", "**Handicap Parking Stalls**" and collectively, the "**Stalls**") and storage and bicycle lockers (collectively, the "**Lockers**") and related hallways, driveways, drive isles and circulation lanes located within that portion of a parking facility of the building forming part of the strata development being constructed on the Lands (the "**Strata Development**") and shown outlined in heavy black line on the sketch plans dated ♦ (the "**Parking Area**"), a reduced copy of which is attached hereto as Schedule "A", all on the terms and conditions set out in this Lease and with the right of the Parking Tenant to grant partial assignments of this Lease pertaining to particular Stalls or Lockers to the member of the strata corporation (the "**Strata Corporation**") created upon the filing of a strata plan (the "**Strata Plan**") of the Lands;

C. After entering into this Lease, Kenstone proposes to subdivide its leasehold interest in the Lands by means of the Strata Plan pursuant to the *Strata Property Act (British Columbia)* to create the Strata Development;

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D. The Strata Plan will designate the Stalls and the Lockers and the Lockers as common property of the Strata Corporation; and

E. Each of the parties to this Lease agree that title to the common property of the Strata Corporation will be encumbered by this Lease and, if applicable, a document securing or evidencing this Lease.

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

1. GRANT AND TERM

1.1 Grant

Kenstone hereby leases to the Parking Tenant for the Term (as defined in Section 1.2) all of the Stalls and the Lockers and the Lockers now existing or to be constructed in the areas outlined in heavy black line on the Parking Area.

1.2 Term

The term (the "**Term**") of this Lease will commence on the ___ day of _____ (the "**Commencement Date**") and terminate on the earlier of:

(a) The 99th anniversary of the Commencement Date;

(b) The date the registrar of titles under the *Land Title Act* orders the Strata Corporation be dissolved; and

(c) the date the Strata Corporation files a notice of destruction in prescribed form with the Registrar of the appropriate Land Title Office following the destruction or deemed destruction of the buildings in which the Parking Area is located.

2. RENT

The parties to this Lease acknowledge that the sum of $10.00 now paid by the Tenant to the Owner will be the only payment required to be paid to the Owner by either the Tenant or any assignee of a partial assignment or sublease of rights under this Lease for the use and enjoyment of the Parking Area and of the Stalls and the Lockers, and that no further payment to the Owner is required for any partial assignment or sublease or rights under this Lease.

2.1 License

Kenstone agrees that the Parking Tenant may at all times, in common with Kenstone and all other persons now or hereafter having the express or implied permission of Kenstone or having a similar right, enter upon and pass over any part of the Lands necessary for the purpose of obtaining access to or egress from the Stalls and the Lockers and the Lockers, provided that the operation of vehicles will be restricted to roadways, driveways and ramps. Kenstone will at all times provide the Parking Tenant, in its capacity as the tenant of the Stalls and the Lockers and the Lockers, with means of access to any security devices as necessary to enable the Parking Tenant and subsequent assignees to use and enjoy the Stalls and the Lockers.

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3. SUBDIVISION BY STRATA PLAN

3.1 Strata Plan

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

(a) continue to run with and bind each subdivided parcel which contains a Stall or a Locker; and

(b) with respect to the Stalls and the Lockers, be assumed by the Strata Corporation, as the representative of the owners of strata lots within the Strata Development, following the registration of the Strata Plan and execution by Kenstone and the Strata Corporation of an Assignment and Assumption Agreement (the "**Assumption Agreement**") in the form attached hereto as Schedule "B".

Upon assumption by the Strata Corporation of Kenstone's obligations under this Lease, Kenstone will be absolutely and forever released from any further obligation or liabilities hereunder and will no longer be entitled to the benefit of any rights hereunder.

3.2 Common Property

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

4. MAINTENANCE AND ENCUMBRANCES

4.1 Maintenance

Kenstone confirms that until the deposit for registration of the Strata Plan and execution of the Assumption Agreement by the parties to it, Kenstone will be solely responsible for the control, management, and administration of the Stalls and the Lockers but thereafter, pursuant to Section 3.1(b) the Strata Corporation will assume full responsibility for the control, management and administration of the Stalls and the Lockers as common property in accordance with the provisions of the *Strata Property Act (British Columbia)* and may pass bylaws or make rules and regulations with respect to the Stalls and the Lockers as long as such bylaws, rules or regulations do not materially interfere with the rights of the Parking Tenant or any subsequent assignee under this Lease.

4.2 Alterations

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

4.3 Subordination

The Parking Tenant agrees to subordinate its interest pursuant to this Lease to any financial encumbrance registered by Kenstone against title to the Lands.

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4.4 No Right to Encumber

The Parking Tenant, its successors and assigns, are not entitled to mortgage, charge, pledge or otherwise grant their interest in the Parking Area including the Stalls, the Lockers, or any part of thereof as security to any person.

4.5 Electrical Outlets

If a Resident Stall is equipped with an electrical outlet (the "**Electrical Outlet**"), the holder of a leasehold interest in such Resident Stall (a "**Electrical Outlet Resident Stall**") shall have a licence to use such Charging Station for as long as the holder holds a leasehold interest in such Charging Station Resident Stall, and the Landlord shall be responsible for all charges for any electricity consumed by the Electrical Outlets, except that the Landlord shall be entitled to cause one or more Electrical Outlets to be separately metered or to establish a fee (the "**Electrical Outlet Fee**") based upon a reasonable estimate and allocation by the Landlord for the cost of electricity consumption of an Electrical Outlet for a period of time specified by the Landlord, in which case the holder of a leasehold interest in an Electrical Outlet Resident Stall shall either pay the Electrical Outlet Fee to the Landlord or, if its Electrical Outlet is metered, reimburse and pay the actual cost of electricity consumed by its Electrical Outlet to the Landlord, within ten (10) days of receiving written demand therefor from the Landlord.

5. ASSIGNMENTS

5.1 Partial Assignments

The Parking Tenant may partially assign this Lease and its rights under this Lease pertaining to particular Stalls and/or the Lockers to purchasers of strata lots within the Strata Development or to the Strata Corporation or to any other person, including the owner of the Murray Hotel. Any such assignment, except the assignment of the Visitor Stalls which shall be for the consideration of the premises and the sum of $10.00, will be for such consideration as the Parking Tenant may in its sole discretion determine, which consideration may be retained by the Parking Tenant for its own benefit. Any partial assignment by the Parking Tenant, or by any subsequent assignee of this Lease and its rights under this Lease pertaining to a particular Stall or Locker:

(a) subject to clause 5.1(e) hereof, will be absolute, and the assignee and its guests, lessees, successors and permitted assigns will be entitled to the use and enjoyment of the Stall so assigned for the balance of the Term;

(b) with respect to an assignment of a Residential Stall or Locker made to the owners of strata lots within the Strata Development, an assignment of rights to which an assignee will only be entitled for so long as such assignee owns a fee simple interest in a strata lot within the Strata Development unless the assignment is to the Strata Corporation;

(c) may only be assigned to an owner or purchaser of a fee simple interest in a strata lot within the Strata Development or to the Strata Corporation;

(d) will not be effective until written notice of such assignment (together with a copy of such assignment if available) is delivered by the assignee to the Strata Corporation, subject to Section 5.2 of this Lease; and

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(e) if the Stall is a Handicap Parking Stall or an Electrical Outlet Resident Stall, the Strata Corporation may, upon receipt of a written request to do so, give 30 days' written notice (the "**Notice**") to an assignee of a Handicap Parking Stall or a Electrical Outlet Residential Stall, respectively, requiring such assignee to transfer such Stall to another owner within the Strata Development in exchange for a Resident Stall which is not a Handicap Parking Stall or an Electrical Outlet Residential Stall, respectively. There shall be no monetary consideration for such exchange. Upon the expiration of the Notice period, the parties shall enter into partial assignments of the Lease with respect to the parking Stalls and/or the Lockers being exchanged in the form attached hereto as Schedule "C" and "D" respectively. In the event either of the parties do not execute the required assignment of Lease, the assignment will be deemed to have occurred without execution of a partial assignment of the Lease. Notwithstanding the foregoing, a Notice shall only be given by the Strata Corporation if:

(i) the owner of the strata lot within the Strata Development holding the lease of a Handicap Parking Stall, or a full-time occupant of such strata lot, is not a holder of a permanent disability handicap parking pass obtained by a formal application approved by a medical doctor (the "**Parking Pass**");

(ii) the owner or full-time occupant of the strata lot within the Strata Development requesting a Handicap Parking Stall is the holder of a Parking Pass but does not hold a Handicap Parking Stall lease, respectively; and

(iii) the owner or full-time occupant of the strata lot within the Strata Development requesting an Electrical Outlet Resident Stall is the owner of an electric car but does not hold an Electrical Outlet Residential Stall lease, respectively.

5.2 Automatic Assignment

If a holder of an interest in a Stall or a Locker that is an owner of a strata lot within the Strata Development sells all of his or her interest in the strata lot within the Strata Development to which such Resident Stall is at such time appurtenant as shown on the register maintained under Section 5.7 without concurrently executing an assignment of such Resident Stall to another owner or purchaser of a strata lot within the Strata Development, then the interest of such holder in such Stall or Locker will be deemed to have been automatically assigned to and assumed by the purchaser of such strata lot without execution of a partial assignment of this Lease with respect to such Stall or delivery of notice of such partial assignment to the Strata Corporation.

5.3 Exchanges and Transfers

(a) A holder of an interest (the "**First Owner**") in a Resident Stall or Locker (the "**First Resident Stall**") may exchange his or her interest in the First Resident Stall with the holder of an interest (the "**Second Owner**") in a different Resident Stall or Locker (the "**Second Resident Stall**") for such consideration as the First Owner and the Second Owner may agree. Such an exchange will be accomplished by the First Owner partially assigning this Lease to the Second Owner in respect

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of the First Resident Stall, and the Second Owner partially assigning this Lease to the First Owner in respect of the Second Resident Stall. The First Owner and the Second Owner will each execute a partial assignment of this Lease substantially in the form attached hereto as Schedule "C" or Schedule "D" as the case may be. The exchange will be on the terms set out in Sections 5.1(a) to (c) and will not be effective until written notice of each assignment (together with a copy of each assignment) is delivered to the Strata Corporation. For greater certainty, Section 5.2 will not apply to exchanges under this Section 5.3(a).

(b) A holder of an interest (the "**First Owner**") in a Resident Stall may transfer his or her interest in such Resident Stall to an owner of a strata lot within the Strata Development or the Strata Corporation, or with respect to an interest in a Locker, to any owner of a strata lot in the Strata Development or the Strata Corporation (the "**Second Owner**") for such consideration as the First Owner may in his or her discretion determine. Such a transfer will be accomplished by the First Owner partially assigning this Lease to the Second Owner and, in connection therewith, the First Owner will execute a partial assignment substantially in the form attached hereto as Schedule "C" or Schedule "D" as the case may be. The transfer will be on the terms set out in Sections 5.1(a) to (c) and wi11 not be effective until written notice of the assignment (together with a copy of the assignment) is delivered to the Strata Corporation. For greater certainty, Section 5.2 will not apply to transfers under this Section 5.3(b).

5.4 Consent

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

5.5 Form of Partial Assignments

Subject to Section 5.2, all partial assignments of this Lease will be substantially in the form attached hereto as Schedule "C" and "D" respectively. No such partial assignment will be registrable by an assignee in any Land Title Office.

5.6 Release of Assignors

Upon the partial assignment (including an automatic assignment pursuant to Section 5.2) of this Lease pertaining to a particular Stall and/or a Locker, the Parking Tenant and any subsequent assignor of an interest in such Resident Stall or Locker will be automatically and absolutely released from any obligations or liabilities under this Lease as it pertains to such Stall and/or Locker arising after the date of such assignment.

5.7 Register of Partial Assignments

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

(a) the number of the Stall and/or Locker assigned;

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(b) the date of assignment;

(c) the name and address of the assignee; and

(d) with respect to an assignment made to an owner of a strata lot within the Strata Development, the number of the strata lot within the Strata Development owned by the assignee to which such Stall or Locker is at the time appurtenant, unless the assignee is the Strata Corporation in which event the Stall need not be appurtenant to a strata lot.

Upon request by any owner or prospective purchaser of a strata lot within the Strata Development, the Strata Corporation will provide a certificate, within seven days of receipt of such request, certifying the name and address of the owner to whom a particular Stall and/or Locker is assigned and the number of the strata lot within the Strata Development to which such Resident Stall is at the time appurtenant. The Strata Corporation may require a fee of not more than $50.00, or a greater amount reasonably prescribed by the bylaws of the Strata Corporation, from the person requesting such certificate. Upon the Strata Corporation becoming aware of a partial assignment pertaining to a particular Stall or Locker pursuant to Sections 5.1 or 5.2, the Strata Corporation will amend the register accordingly.

5.8 Handicap Stall

For the purpose of this Article 5, the references to "Stall" shall include "Handicap Parking Stall" unless the context requires otherwise.

5.9 Access Devices

The Parking Tenant and, after the registration of the Strata Plan, the Strata Corporation shall provide each holder of an interest in a Stall and/or a Locker with a reasonable number of keys and such other devices as are required to access the Stalls and/or Lockers, subject to payment of a reasonable fee as determined by the Strata Corporation from time to time, provided that such fee shall be the same for each holder of an interest in a Stall and/or a Locker.

6. MISCELLANEOUS

6.1 Form of Agreement

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

6.2 Definitions

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

6.3 Enurement

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

6.4 Severability

If any provision of this Agreement or part hereof is found to be invalid or unenforceable, then the remaining parts of this Agreement will remain unaltered and continue in full force and effect.

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IN WITNESS WHEREOF the parties hereto have executed this Lease by their respective duly authorized signatories as of the year and date first above written.

KENSTONE PROPERTIES LTD.)
)
)
Per: _____)
Authorized Signatory)

◆)
)
)
Per: _____)
Authorized Signatory)

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SCHEDULE A

PLAN OF STALLS AND THE LOCKERS

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SCHEDULE "B"

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS AGREEMENT made as of the _____ day of _____.

BETWEEN:

♦ of
201 – 1926 West Broadway
Vancouver, British Columbia
V6V 1Z2

(the "**Assignor**")

OF THE FIRST PART

AND:

The Owners, Strata Plan _____ of

_____
Vancouver, British Columbia,

_____

(the "**Assignee**")

OF THE SECOND PART

WHEREAS:

A. By a lease (the "**Lease**") dated _____ made between Kenstone Properties Ltd. as "Kenstone" and the Assignor as Parking Tenant (the "**Lease**"), Kenstone leased to the Assignor certain resident parking, visitor parking, parking designated for the hotel located next to the Lands (the "**Murray Hotel**") and designated handicap parking stalls (collectively the "**Stalls**") and storage and bicycle lockers (collectively, the "**Lockers**") and related hallways, driveways, drive isles and circulation lanes located within that portion of a parking facility of the building forming part of the strata development being constructed on the Lands and premises described as:

PID: 029-178-555
LOT 1, BLOCK 90 DISTRICT LOT 541 GROUP 1, NWD PLAN EPP31030

(the "**Lands**")

and shown outlined in heavy black line on the Parking Area attached as Schedule "A" to the Lease, all on the terms and conditions set out in the Lease and with the right of the Parking Tenant to grant partial assignments of the Lease pertaining to particular Stalls and the Lockers to the owners of fee simple title to strata lots in the strata plan to be created upon the filing of a strata plan (the "**Strata Plan**") of the Lands;

B. The Strata Plan was filed for registration in the Lower Mainland Land Title Office thereby creating The Owners, Strata Plan BCP_____, being the Assignee named in this instrument;

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C. The Assignor has agreed to assign all its rights under the Lease to the Strata Corporation and the Strata Corporation has agreed, as the representative of the owners of the strata lots within the Strata Plan, to assume all of the Assignor's rights, obligations and liabilities under the Lease on registration of the Strata Plan and execution by the Assignor and the Strata Corporation of this Agreement.

NOW THEREFORE in consideration of the premises and the sum of TEN DOLLARS and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignor, the parties covenant and agree as follows:

1. The Assignor hereby absolutely grants, transfers, assigns and sets over unto the Assignee for its own use absolutely all the right, title and interest of the Assignor in and to the Lease and all rights, benefits and advantages to be derived therefrom from and including the date hereof.

2. The Assignee hereby covenants and agrees to assume all of the liabilities and obligations of the Assignor under the Lease and to observe, keep and perform all the terms, covenants and conditions in the Lease during all the residue now unexpired of the term of the Lease as fully and effectually as if the Assignee had been the Parking Tenant named in the Lease.

3. The Assignee covenants with the Assignor to indemnify the Assignor against all actions, suits, costs, expenses, charges, damages, losses, claims and demands for or on account of or in any way arising out of the Lease before or after the date hereof, it being understood and agreed that provided the Strata Plan has been filed for registration in the Land Title Office prior to the execution of this Agreement then, on execution of this Agreement all of the rights, obligations and liabilities of the Assignor arising out of or in any way related to the Lease shall pass to and be assumed by the Assignee.

4. It is hereby agreed by the parties hereto that all grants, covenants, provisos, agreements and rights contained in these presents shall be read and held as made by and with and granted to and imposed upon the respective parties hereto and therein respective successors and assigns.

5. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together constitute one and the same document.

IN WITNESS WHEREOF the parties hereto have executed this Indenture as and of the day and year first above written.

KENSTONE PROPERTIES LTD.)
)
)
Per: _____)
Authorized Signatory)

THE OWNERS, STRATA PLAN ♦)
)
)
Per: _____)
Authorized Signatory)

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SCHEDULE "C"

PARKING STALL/STORAGE LOCKER ASSIGNMENT
(Resident Stall Other Than A Handicap and Electrical Parking Stall)

BETWEEN:

♦
201 – 1926 West Broadway Street
Vancouver, B.C. V6V 1Z2

(the "**Assignor**")

AND:

(the "**Assignee**")

RE: Parking Stall No(s). _____ and _____ (the "Stall") and/or Storage Locker No. _____ (the "Storage Locker") shown on the Parking Areas for "Addition"

WHEREAS the Assignor is the lessee of the Stall and the Assignee is the fee simple owner or purchaser of strata lot _____ (the "**Strata Lot**") in Strata Plan _____ (the "**Strata Corporation**") or the Parking Tenant (as defined below)

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

1. Assignment. Effective as of the date of the purchase of the Strata Lot by the Assignee, the Assignor hereby assigns to the Assignee its partial interest in the lease dated _____ (the "**Lease**") made between Kenstone Properties Ltd., as "Kenstone" and ♦ as "**Parking Tenant**" pertaining to the exclusive right to lease the Stall for the balance of the Term (as defined in the Lease). Subject to Section 4.2 of the Lease, this Assignment will not be effective until the Assignee has delivered a copy of this Assignment to the Strata Corporation.

2. Assignment Contingent Upon Strata Lot Owners. Unless the Assignee is the Strata Corporation or the Parking Tenant, the Assignee, its successors, permitted assigns, heirs, executors or administrators will only be entitled to the rights with respect to the Stall for as long as the Assignee owns the fee simple interest in the Strata Lot.

3. Compliance. The Assignee agrees to use the Stall in accordance with the bylaws, rules and regulations of the Strata Corporation, but only to the extent such bylaws, rules and regulations do not materially interfere with the Assignee's rights under this Assignment. The Assignee further assumes and agrees to be responsible for all maintenance costs, taxes and other expenses which are directly attributable to the Stall.

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4. Sale or Disposition. The Assignee may only assign its rights under this Assignment in accordance with the Lease.

5. Acknowledgement. The Assignee acknowledges having received a copy of this Lease and agrees to be fully bound by its terms.

6. Enurement. This Assignment will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and assigns.

7. Counterpart. This Agreement may be executed in one or more counterparts, each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

The parties have executed this Assignment effective as of the ____ day of _____.

◆

Per: _____
Authorized Signatory

_____
Assignee

_____
Assignee

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SCHEDULE "D"

PARKING STALL/LOCKER ASSIGNMENT
(Handicap or Electrical Parking Stall)

BETWEEN:

♦
201 – 1926 West Broadway Street
Vancouver, B.C. V6V 1Z2

(the "**Assignor**")

AND:

(the "**Assignee**")

RE: Parking Stall No(s). _____ and _____ (the "Stall") and/or Storage Locker No. _____ (the "Storage Locker") shown on the Parking Areas for "Addition"

WHEREAS the Assignor is the lessee of the Stall and the Assignee is the fee simple owner or purchaser of strata lot _____ (the " **Strata Lot**") in Strata Plan _____ (the "**Strata Corporation**") or the Parking Tenant (as defined below)

IN CONSIDERATION OF the covenants and agreements set forth in this assignment, the parties agree with each other as follows:

1. Assignment. Effective as of the dale of the purchase of the Strata Lot by the Assignee, the Assignor hereby assigns to the Assignee its partial interest in the lease dated _____ (the "**Lease**") made between Kenstone Properties Ltd. as "Kenstone" and ♦ as "**Parking Tenant**" pertaining to the exclusive right to lease the Stall for the balance of the Term (as defined in the Lease). Subject to Section 4.2 of the Lease, this Assignment will not be effective until the Assignee has delivered a copy of this Assignment to the Strata Corporation.

2. Assignment Contingent Upon Strata Lot Ownership. Unless the Assignee is the Strata Corporation or the Parking Tenant, the Assignee, its successors, permitted assigns, heirs, executors or administrators will only be entitled to the rights with respect to the Stall for as long as the Assignee owns the fee simple interest in the Strata Lot.

3. Compliance. The Assignee agrees to use the Stall in accordance with the bylaws, rules and regulations of the Strata Corporation, but only to the extent such bylaws, rules and regulations do not materially interfere with the Assignee's rights under this Assignment. The Assignee further assumes and agrees to be responsible for all maintenance costs, taxes and other expenses which are directly attributable to the Stall.

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4. Required Assignment. The Assignee acknowledges and agrees that the Strata Corporation may require, upon 30 days' written notice, the Assignee to assign the Stall to another fee simple owner of a Strata Lot in exchange for a Resident Stall which is not a Handicap Parking Stall. The Assignee agrees to execute an assignment of the Stall in the form of this Assignment at the end of the notice period upon the condition that the Assignee receives in exchange an assignment of a Resident Stall in the building which is not a Handicap Parking Stall. The exchange of parking Stalls and the Lockers shall be without compensation and in accordance with the terms of the Lease and the by-laws of the Strata Corporation. Notwithstanding the foregoing, the Assignee acknowledges and agrees that such notice may only be given by the Strata Corporation if:

   (a) the Assignee or a full-time occupant of the Strata Lot does not hold a permanent disability handicap parking pass obtained by formal application approved by a medical doctor (a **"Parking Pass"**);

   (b) the owner or full-time occupant of another Strata Lot requesting a Handicap Parking Stall is the holder of a Parking Pass but does not hold a Handicap Parking Stall Lease; and

   (c) the owner or full-time occupant of the strata lot within the Strata Development requesting an Electrical Outlet Resident Stall is the owner of an electric car but does not hold an Electrical Outlet Residential Stall lease, respectively.

5. Sale or Disposition. The Assignee may only assign its rights under this Assignment in accordance with the Lease.

6. Acknowledgement. The Assignee acknowledges having received a copy of this Lease and agrees to be fully bound by its terms.

7. Enurement. This Assignment will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and assigns.

8. Counterpart. This Agreement may be executed in one or more counterparts, each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement,

The parties have executed this Assignment effective as of the ____ day of _____.

♦

Per: _____
Authorized Signatory

_____
Assignee

_____
Assignee

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EXHIBIT "D"

INTERIM BUDGET

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Interim Budget for Addition
1155 Hornby Street Vancouver

Budget Item		Interim Budget Common
	REVENUE	
1	Strata Fees	376,654
	TOTAL REVENUE	**376,654**
	EXPENSES	
	ADMINISTRATIVE EXPENSES	
2	Property Management	40,000
3	Bank Charges	168
4	Professional - Legal	300
5	Building Envelope Review*	0
6	Sundry, Postage & Copies	3,000
7	Insurance	68,500
8	Telephone	1,000
9	Misc Administration	500
	TOTAL ADMIN. EXPENSES	**113,468**
	UTILITIES	
10	Utilities - Electricity	30,000
11	Occupancy Energy Subsidy	22,000
12	Sewer and Water	34,000
	TOTAL UTILITIES	**86,000**
	BUILDING MAINTENANCE	
13	Garbage Disposal & Recycling	12,000
14	Janitorial Services	40,000
15	Supplies	500
16	General Repairs & Maintenance	30,000
17	Emergency Generator	3,000
18	Elevator Maintenance	16,000
19	Mechanical Maintenance	5,000
20	Window Cleaning	14,000
21	Fire & Alarm Maintenance	10,000
22	Fire & Alarm Monitoring	1,000
23	Pest Control	1,500
24	Garage Gate Maintenance	3,500
25	Amenities Room Maintenance	2,000
26	Gym Maintenance	750
27	Security Service and Cameras	1,500
	TOTAL BUILDING MAINTENANCE	**140,750**
	GROUNDS MAINTENANCE	
28	Landscaping Services	18,000
29	Irrigation	500
	TOTAL GROUNDS & GARDENS	**18,500**
	TOTAL EXPENSES	**358,718**
	TRANSFER TO RESERVES	
30	Transfer to Contingency Fund	17,936
	TOTAL RESERVES	**17,936**
	TOTAL OPERATING EXPENSES	**376,654**
	NET SURPLUS (DEFICIT)	**0**
	SMARTFORM ENERGY PROGRAM	
	REVENUE	
	Thermal Energy Fee	179,792
	TOTAL SMARTFORME REVENUE	**179,792**
	EXPENSES	
	BRS Lease (Thermo-machinery)	75,547
	iEMS Lease (Meter)	41,208
	Input Energy Electrical	24,213
	Input Energy - Natural Gas	17,920
	System Maintenace	5,904
	Smartforme Contingecy	15,000
	TOTAL SMARTFORME EXPENSES	**179,792**

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EXHIBIT "E"

MONTHLY STRATA FEES

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1155 Hornby Street Vancouver
Proposed Interim Strata Fees

Strata Lot	Unit Entitlement	Square Footage	Contingency Reserve Fund	Operating Common Contribution	Monthly Strata Fee	Annual Strata Fee
Townhouse						
1	96	1,028	$13.70	$273.94	**$287.63**	**$3,451.58**
2	117	1,259	$16.69	$333.86	**$350.55**	**$4,206.62**
3	117	1,254	$16.69	$333.86	**$350.55**	**$4,206.62**
4	117	1,254	$16.69	$333.86	**$350.55**	**$4,206.62**
5	117	1,254	$16.69	$333.86	**$350.55**	**$4,206.62**
6	120	1,293	$17.12	$342.42	**$359.54**	**$4,314.48**
Total	**684**					
7	57	608	$8.13	$162.65	**$170.78**	**$2,049.38**
8	62	665	$8.85	$176.92	**$185.76**	**$2,229.15**
9	62	665	$8.85	$176.92	**$185.76**	**$2,229.15**
10	55	592	$7.85	$156.94	**$164.79**	**$1,977.47**
11	48	520	$6.85	$136.97	**$143.82**	**$1,725.79**
12	57	608	$8.13	$162.65	**$170.78**	**$2,049.38**
13	62	665	$8.85	$176.92	**$185.76**	**$2,229.15**
14	62	665	$8.85	$176.92	**$185.76**	**$2,229.15**
15	55	592	$7.85	$156.94	**$164.79**	**$1,977.47**
16	46	496	$6.56	$131.26	**$137.82**	**$1,653.88**
17	61	653	$8.70	$174.06	**$182.77**	**$2,193.19**
18	46	497	$6.56	$131.26	**$137.82**	**$1,653.88**
19	49	527	$6.99	$139.82	**$146.81**	**$1,761.75**
20	55	592	$7.85	$156.94	**$164.79**	**$1,977.47**
21	62	665	$8.85	$176.92	**$185.76**	**$2,229.15**
22	62	665	$8.85	$176.92	**$185.76**	**$2,229.15**
23	55	592	$7.85	$156.94	**$164.79**	**$1,977.47**
24	46	496	$6.56	$131.26	**$137.82**	**$1,653.88**
25	61	653	$8.70	$174.06	**$182.77**	**$2,193.19**
26	46	492	$6.56	$131.26	**$137.82**	**$1,653.88**
27	41	443	$5.85	$116.99	**$122.84**	**$1,474.11**
28	70	750	$9.99	$199.74	**$209.73**	**$2,516.78**
29	49	527	$6.99	$139.82	**$146.81**	**$1,761.75**
30	55	592	$7.85	$156.94	**$164.79**	**$1,977.47**
31	62	665	$8.85	$176.92	**$185.76**	**$2,229.15**
32	62	665	$8.85	$176.92	**$185.76**	**$2,229.15**
33	55	592	$7.85	$156.94	**$164.79**	**$1,977.47**
34	46	496	$6.56	$131.26	**$137.82**	**$1,653.88**
35	77	829	$10.99	$219.72	**$230.70**	**$2,768.46**
36	52	560	$7.42	$148.38	**$155.80**	**$1,869.61**
37	82	879	$11.70	$233.99	**$245.69**	**$2,948.23**
38	49	527	$6.99	$139.82	**$146.81**	**$1,761.75**
39	55	592	$7.85	$156.94	**$164.79**	**$1,977.47**
40	62	665	$8.85	$176.92	**$185.76**	**$2,229.15**
41	62	665	$8.85	$176.92	**$185.76**	**$2,229.15**
42	55	592	$7.85	$156.94	**$164.79**	**$1,977.47**
43	47	507	$6.71	$134.11	**$140.82**	**$1,689.84**
44	81	874	$11.56	$231.13	**$242.69**	**$2,912.27**
45	49	524	$6.99	$139.82	**$146.81**	**$1,761.75**
46	80	865	$11.41	$228.28	**$239.69**	**$2,876.32**
47	49	527	$6.99	$139.82	**$146.81**	**$1,761.75**
48	55	592	$7.85	$156.94	**$164.79**	**$1,977.47**
49	62	665	$8.85	$176.92	**$185.76**	**$2,229.15**
50	62	665	$8.85	$176.92	**$185.76**	**$2,229.15**
51	55	592	$7.85	$156.94	**$164.79**	**$1,977.47**

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1155 Hornby Street Vancouver
Proposed Interim Strata Fees

Strata Lot	Unit Entitlement	Square Footage	Contingency Reserve Fund	Operating Common Contribution	Monthly Strata Fee	Annual Strata Fee
52	47	507	$6.71	$134.11	$140.82	$1,689.84
53	81	874	$11.56	$231.13	$242.69	$2,912.27
54	49	524	$6.99	$139.82	$146.81	$1,761.75
55	80	865	$11.41	$228.28	$239.69	$2,876.32
56	49	527	$6.99	$139.82	$146.81	$1,761.75
57	55	592	$7.85	$156.94	$164.79	$1,977.47
58	62	665	$8.85	$176.92	$185.76	$2,229.15
59	62	665	$8.85	$176.92	$185.76	$2,229.15
60	55	592	$7.85	$156.94	$164.79	$1,977.47
61	47	507	$6.71	$134.11	$140.82	$1,689.84
62	81	874	$11.56	$231.13	$242.69	$2,912.27
63	49	524	$6.99	$139.82	$146.81	$1,761.75
64	80	865	$11.41	$228.28	$239.69	$2,876.32
65	49	527	$6.99	$139.82	$146.81	$1,761.75
66	55	592	$7.85	$156.94	$164.79	$1,977.47
67	62	665	$8.85	$176.92	$185.76	$2,229.15
68	62	665	$8.85	$176.92	$185.76	$2,229.15
69	55	592	$7.85	$156.94	$164.79	$1,977.47
70	47	507	$6.71	$134.11	$140.82	$1,689.84
71	81	874	$11.56	$231.13	$242.69	$2,912.27
72	49	524	$6.99	$139.82	$146.81	$1,761.75
73	80	865	$11.41	$228.28	$239.69	$2,876.32
74	49	527	$6.99	$139.82	$146.81	$1,761.75
75	55	592	$7.85	$156.94	$164.79	$1,977.47
76	62	665	$8.85	$176.92	$185.76	$2,229.15
77	62	665	$8.85	$176.92	$185.76	$2,229.15
78	55	592	$7.85	$156.94	$164.79	$1,977.47
79	47	507	$6.71	$134.11	$140.82	$1,689.84
80	81	874	$11.56	$231.13	$242.69	$2,912.27
81	49	524	$6.99	$139.82	$146.81	$1,761.75
82	80	865	$11.41	$228.28	$239.69	$2,876.32
83	49	527	$6.99	$139.82	$146.81	$1,761.75
84	55	592	$7.85	$156.94	$164.79	$1,977.47
85	62	665	$8.85	$176.92	$185.76	$2,229.15
86	62	665	$8.85	$176.92	$185.76	$2,229.15
87	55	592	$7.85	$156.94	$164.79	$1,977.47
88	47	507	$6.71	$134.11	$140.82	$1,689.84
89	81	874	$11.56	$231.13	$242.69	$2,912.27
90	49	524	$6.99	$139.82	$146.81	$1,761.75
91	80	865	$11.41	$228.28	$239.69	$2,876.32
92	49	527	$6.99	$139.82	$146.81	$1,761.75
93	55	592	$7.85	$156.94	$164.79	$1,977.47
94	62	665	$8.85	$176.92	$185.76	$2,229.15
95	62	665	$8.85	$176.92	$185.76	$2,229.15
96	55	592	$7.85	$156.94	$164.79	$1,977.47
97	47	507	$6.71	$134.11	$140.82	$1,689.84
98	81	874	$11.56	$231.13	$242.69	$2,912.27
99	49	524	$6.99	$139.82	$146.81	$1,761.75
100	80	865	$11.41	$228.28	$239.69	$2,876.32
101	49	527	$6.99	$139.82	$146.81	$1,761.75
102	55	592	$7.85	$156.94	$164.79	$1,977.47
103	62	665	$8.85	$176.92	$185.76	$2,229.15
104	62	665	$8.85	$176.92	$185.76	$2,229.15
105	55	592	$7.85	$156.94	$164.79	$1,977.47

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1155 Hornby Street Vancouver
Proposed Interim Strata Fees

Strata Lot	Unit Entitlement	Square Footage	Contingency Reserve Fund	Operating Common Contribution	Monthly Strata Fee	Annual Strata Fee
106	47	507	$6.71	$134.11	$140.82	$1,689.84
107	81	874	$11.56	$231.13	$242.69	$2,912.27
108	49	524	$6.99	$139.82	$146.81	$1,761.75
109	80	865	$11.41	$228.28	$239.69	$2,876.32
110	49	527	$6.99	$139.82	$146.81	$1,761.75
111	55	592	$7.85	$156.94	$164.79	$1,977.47
112	62	665	$8.85	$176.92	$185.76	$2,229.15
113	62	665	$8.85	$176.92	$185.76	$2,229.15
114	55	592	$7.85	$156.94	$164.79	$1,977.47
115	47	507	$6.71	$134.11	$140.82	$1,689.84
116	81	874	$11.56	$231.13	$242.69	$2,912.27
117	49	524	$6.99	$139.82	$146.81	$1,761.75
118	80	865	$11.41	$228.28	$239.69	$2,876.32
119	49	527	$6.99	$139.82	$146.81	$1,761.75
120	55	592	$7.85	$156.94	$164.79	$1,977.47
121	62	665	$8.85	$176.92	$185.76	$2,229.15
122	62	665	$8.85	$176.92	$185.76	$2,229.15
123	55	592	$7.85	$156.94	$164.79	$1,977.47
124	47	507	$6.71	$134.11	$140.82	$1,689.84
125	81	874	$11.56	$231.13	$242.69	$2,912.27
126	49	524	$6.99	$139.82	$146.81	$1,761.75
127	80	865	$11.41	$228.28	$239.69	$2,876.32
128	49	527	$6.99	$139.82	$146.81	$1,761.75
129	55	592	$7.85	$156.94	$164.79	$1,977.47
130	62	665	$8.85	$176.92	$185.76	$2,229.15
131	62	665	$8.85	$176.92	$185.76	$2,229.15
132	55	592	$7.85	$156.94	$164.79	$1,977.47
133	47	507	$6.71	$134.11	$140.82	$1,689.84
134	81	874	$11.56	$231.13	$242.69	$2,912.27
135	49	524	$6.99	$139.82	$146.81	$1,761.75
136	80	865	$11.41	$228.28	$239.69	$2,876.32
137	49	527	$6.99	$139.82	$146.81	$1,761.75
138	55	592	$7.85	$156.94	$164.79	$1,977.47
139	62	665	$8.85	$176.92	$185.76	$2,229.15
140	62	665	$8.85	$176.92	$185.76	$2,229.15
141	55	592	$7.85	$156.94	$164.79	$1,977.47
142	47	507	$6.71	$134.11	$140.82	$1,689.84
143	81	874	$11.56	$231.13	$242.69	$2,912.27
144	49	524	$6.99	$139.82	$146.81	$1,761.75
145	80	865	$11.41	$228.28	$239.69	$2,876.32
146	49	527	$6.99	$139.82	$146.81	$1,761.75
147	55	592	$7.85	$156.94	$164.79	$1,977.47
148	62	665	$8.85	$176.92	$185.76	$2,229.15
149	62	665	$8.85	$176.92	$185.76	$2,229.15
150	55	592	$7.85	$156.94	$164.79	$1,977.47
151	47	507	$6.71	$134.11	$140.82	$1,689.84
152	81	874	$11.56	$231.13	$242.69	$2,912.27
153	49	524	$6.99	$139.82	$146.81	$1,761.75
154	80	865	$11.41	$228.28	$239.69	$2,876.32
155	97	1,045	$13.84	$276.79	$290.63	$3,487.54
156	108	1,158	$15.41	$308.18	$323.59	$3,883.03
157	107	1,152	$15.27	$305.32	$320.59	$3,847.08
158	97	1,046	$13.84	$276.79	$290.63	$3,487.54
159	97	1,046	$13.84	$276.79	$290.63	$3,487.54
160	97	1,045	$13.84	$276.79	$290.63	$3,487.54

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1155 Hornby Street Vancouver
Proposed Interim Strata Fees

Strata Lot	Unit Entitlement	Square Footage	Contingency Reserve Fund	Operating Common Contribution	Monthly Strata Fee	Annual Strata Fee
161	108	1,158	$15.41	$308.18	**$323.59**	**$3,883.03**
162	107	1,152	$15.27	$305.32	**$320.59**	**$3,847.08**
163	97	1,046	$13.84	$276.79	**$290.63**	**$3,487.54**
164	97	1,046	$13.84	$276.79	**$290.63**	**$3,487.54**
Total	9,792	105,343				**$376,653.90**
		105,343				

Total Unit Entitlement	10,476

Common Strata Fees Total	$376,654
Common CRF Contribution	$17,936
Common Operating Contribution	$358,718
Residential Strata fees Total	$0.00

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EXHIBIT "F"

MANAGEMENT AND OPERATING SERVICE AGREEMENT

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smartforme® Management and Operating Service Agreement (THE "AGREEMENT")

DATED FOR REFERENCE: _____

BETWEEN:

ENERPRO SYSTEMS CORP., a company incorporated in British Columbia and having an address at 351 Bewicke Avenue, North Vancouver, B.C. V7M 3E9

("Enerpro")

AND:

KENSTONE PROPERTIES LTD., a company incorporated in British Columbia and having an address at 201 - 1926 West Broadway, Vancouver, B.C. V6J 1Z2

("Building Owner")

WHEREAS:

A. Building Owner is the registered owner of certain lands and premises located in Vancouver, British Columbia, and legally described as:

Lot A, Block 90, DL 541, Group 1, New Westminster District, Plan EPP31030

(the "Land").

B. After entering into this Agreement, a strata plan will be deposited, pursuant to the Strata Property Act, S.B.C. 1998, c. 43 (the "Act"), resulting in the creation of a strata corporation (the "Strata Corporation") consisting of residential strata lots (the "Strata Lots"). This Agreement will be assigned by Building Owner to the Strata Corporation.

C. In order to improve the energy delivery system efficiency and to monitor thermal energy and domestic hot water (the "Resource") consumption by Strata Lot and common area of the Land, Building Owner has entered into, or will enter into, a Building Resource System lease with XXXX(leasing agency) dated _____ (the "BRS Lease") and an integrated Energy Management System lease with XXXX(leasing agency) dated _____ (the "iEMS Lease"). The BRS Lease relates to augmented energy generation and associated energy delivery technology. The iEMS Lease relates to technology for the metering and management of the Resource. The equipment that is the subject to the BRS Lease shall be referred to as the "BRS Equipment". The equipment that is the subject to the iEMS Lease shall be referred to as the "iEMS Equipment". The BRS Equipment and iEMS Equipment shall collectively be referred to as the "Equipment". The "Thermal Energy Rate" is defined under Clause 14.

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D. The Equipment has been or will be installed on the Land.

E. Enerpro has designed and developed a **smartforme** Energy Program (the **"smartforme"**) whereby it manages the Equipment, the BRS Lease and the iEMS Lease, and provides usage summaries and expense reports in respect of consumption of the Resource.

F. In order that the consumption of Resource is accurately measured and the costs of consumption of Resource is shared proportionate to usage of Resource, Building Owner wishes to retain Enerpro to employ the **smartforme** for the Land and, subject to the terms, covenants and conditions contained in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of $10.00 now paid by each party to the other, the mutual promises contained herein and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

SERVICES

1. **Measuring Consumption of Resource.** Utilizing proprietary hardware, software and technical methods, Enerpro will measure the consumption of Resource in respect of each metered area.

2. **Reporting.** Enerpro will provide the Strata Corporation a bi-monthly report summarizing the aggregate consumption of Resource in respect of each metered area and the aggregate expenses incurred in the supply and management of Resource consumed. Enerpro will include suggested journal entries solely for the purpose of internal record keeping and not for any other purpose including, but not limited to, accounting, legal or taxation.

3. **A) Repair of BRS Equipment.** The Strata Corporation shall be responsible for costs of repairs and software updates in respect of the BRS Equipment. In the event that repairs and/or software updates are necessary or desirable in respect of the BRS Equipment, Enerpro, or a third party satisfactory to Enerpro, shall affect such repairs, and/or software updates. In such case, Enerpro will invoice the Strata Corporation on a time and materials basis for such repairs and software updates.
   B) Maintenance of BRS Equipment. The maintenance of the BRS Equipment shall be undertaken by an approved third party under the direction of Enerpro, and the annual cost of such maintenance is included in the Base Charge (as defined under Clause 17) and is to be paid by Enerpro from the energy revenue received. Maintenance of the key BRS energy generation systems including the AERMEC technology, the backup boilers and the energy distribution system (not including both the in-suite radiators and energy centers) will include quarterly site inspections to generally undertake the following:

a. Refrigerant pressure checks and leak analysis
b. Cleaning of all heat exchange coils and checking for hydronic leakage
c. Reviewing alarm logs and checking all electrical connections
d. Reviewing and adjusting of all operating parameters
e. Checking of boiler firing mechanisms, set points, burner performance and thermal piping.

4. **Maintenance of iEMS Equipment.** Enerpro shall be responsible for repairs, maintenance and software updates in respect of the iEMS Equipment that are, from time to time, required in the normal course of operation. The costs associated with such maintenance are included in the iEMS Maintenance Fee (as defined under Clause 8) component of the Base Charge. Notwithstanding the foregoing, Enerpro is not responsible for repairs, maintenance or software updates necessitated by damage caused by any intentional or wrongful act, negligence, act of God, or any other external cause for which Enerpro is not, as a matter of law, responsible. From time to time, Enerpro may perform repairs, maintenance and software updates for which, pursuant to this Agreement, it is not responsible. In such case, Enerpro will invoice the Strata Corporation on a time and materials basis for such repairs, maintenance and software updates.

5. **Monitoring and Optimization.** Enerpro will monitor the iEMS Equipment to identify iEMS Equipment problems and will continuously upgrade the iEMS Equipment software to download and store data and provide alerts for analysis and management of the BRS Equipment being monitored by the iEMS Equipment.

6. **Meter Reading.** Enerpro will take all reasonable precautions to ensure that the meters read accurately and that they are installed according to the specified manufacturer's instructions and conform to the applicable international codes recognized by the Canadian Standards Association.

7. **Data Storage and Dispute Resolution.** Enerpro will maintain a system of data storage. If there is a dispute as to the measurement of the consumption of the Resource in respect of an Account, (see Clause 18 for Account Set Up) the Account holder shall provide notice of such dispute and the dispute shall be resolved in accordance with the Enerpro Dispute Resolution Policy, a copy of which is attached as Schedule "D" to this Agreement.

COST OF SERVICES

8. **iEMS Maintenance Fee.** The iEMS Maintenance Fee (iEMS Maintenance Fee) is $1.50 per suite per month, excluding applicable taxes. The iEMS Maintenance Fee shall, every 12 months, be increased by the greater of the Consumer Price Index Factor or 2.0%. The iEMS Maintenance Fee is included in the Base Charge.

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9. **The BRS Maintenance Fee.** The BRS Maintenance Fee ("BRS Maintenance Fee") is $1.50 per suite per month excluding applicable taxes. The BRS Maintenance Fee shall, every 12 months, be increased by the greater of the consumer price index Factor or 2.0%. The BRS Maintenance Fee is included in the Base Charge.

10. **Billing Services Fee.** The billing services fee ("Billing Services Fee") is $13.50 per suite per month, excluding applicable taxes. The Billing Services Fee shall, every 12 months, be increased by Consumer Price Index Factor. The Billing Services Fee is included in the Base Charge.

11. **Consumer Price Index Factor.** The consumer price index factor ("Consumer Price Index Factor") is the "all-items" consumer price index for British Columbia, published by Statistics Canada (or its successor) for the most recent calendar year, expressed as a percentage change from the previous year.

12. **The Fixed Costs.** The Fixed Costs shall include the annual BRS Lease payments and the annual iEMS Lease payments. (the "Fixed Costs")

13. **The Contingency.** The contingency shall be a fixed amount added to the Expenses for the operation of the **smartforme** Energy Program and may be adjusted time to time by Enerpro with the approval of the Strata Corporation to ensure that there are sufficient funds available to operate the **smartforme**.

14. **The Thermal Energy Rate.** The Thermal Energy Rate ("Rate") shall be set annually at the anniversary date of this Agreement. The Rate shall be:
    a. the sum of the following costs as reported for the preceding year:
        i. The Fixed Costs
        ii. The Contingency as noted in Clause 13 and defined in the Thermal Energy Rate Schedule – See Schedule "A" appended.
        iii. Input Utility costs of the Resource;
    b. then divided by the aggregate number of kilowatt hours of thermal energy consumed by the building in the preceding year.

    Enerpro will provide the Strata Corporation the calculated Rate annually.

15. **Consumption Charge.** The consumption charge ("Consumption Charge") in respect of each Account (as defined in Clause 18) shall be the Rate multiplied by the number of kilowatt hours of thermal energy consumed in respect of that Account over the billing period.

16. **Common Charge.** The common area and system consumption charge ("Common Charge") in respect of each Account (as defined in Clause 18) shall be the Rate multiplied by the total number of kilowatt hours of thermal energy delivered by the BRS Equipment less the aggregate of the thermal energy consumed and measured by the individual Strata Lot owners, distributed to each Account on the basis of Unit Entitlement for the Strata Lot owners.

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17. **Base Charge.** The "Base Charge" being the sum of the monthly "BRS Maintenance Fee", the monthly "iEMS Maintenance Fee" and the monthly "Metering Fee" applicable to every suite and being designated as the monthly "Base Charge" (2015 - $16.50 per suite per month) and being invoiced along with the "Common Charge".

BILLING

18. **Account Set Up.** Enerpro will open an account ("Account") in respect of each Strata Lot and the common area of the Strata. The Strata Corporation shall cause the owner(s) of each Strata Lot to set up an Account, including banking information for a pre-authorized payment program, with Enerpro. The Operation and Management of each Account is governed by the **smartforme** Welcome Package and Application for Billing Services Form as Schedule B and Schedule C respectively.

19. **Billing to Strata Lot Account.** Enerpro shall invoice each Account monthly. The amount invoiced to an Account in respect of a Strata Lot shall be the Strata Lot's Consumption Charge plus the Common Charge inclusive of the Base Charge as defined in Clauses 15, 16 and 17.

20. Enerpro will NOT issue separate invoices in respect of the common area of the Strata. Invoices to individual accounts will identify energy costs for the Consumption Charge as a separate line item from the Common Charge and Base Charge. All amounts invoiced shall be due no later than twenty five (25) days after the date of each invoice.

21. **Allocation of Payments.** Enerpro shall apply monthly funds received in the following manner and order of priority:
    a. Priority One - Third Party Payments:
        i. to payment of the BRS Lease and the iEMS Lease;
        ii. to the payment for the cost of utilities consumed by the BRS Equipment;
        iii. to the payment for maintenance under Clause 3;
        iv. to the payment for maintenance under Clause 4;
    b. Priority Two - Enerpro Payments:
        i. to the payment of the Billing Services Fee;
    c. Priority Three - Building Owner/Strata Corporation Payments:
    Excess funds owing to the Building Owner or, upon assignment of this Agreement to the Strata Corporation, will be held in a Depreciation account controlled by the Building Owner or the Strata Corporation, as the case may be, designated for the future costs of repair and replacement of the Equipment, which maintenance and repair obligations are the responsibility of the Strata Corporation/Building Owner pursuant to this Agreement.

22. **Interest on Overdue Amounts.** Interest shall be charged on overdue amounts at the prime commercial lending rate set by TD Canada Trust plus five percent (5%), calculated monthly.

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GENERAL

23. **Term.** This Agreement shall be for a term of ten (10) years (the "Term"). The Term shall commence on the date of the first conveyance of a Strata Lot from the building owner (as defined in the Act) to a purchaser.

24. **Renewal.** Upon expiry of the Term, this Agreement shall automatically renew for a further term of ten (10) years (the "Renewal Term"), unless the Strata Corporation provide written notice to Enerpro at the address for Enerpro set out in this Agreement, or at such other address as Enerpro may advise, of its desire to not renew this Agreement. Should this Agreement automatically renew as set out herein, the Renewal Term shall be subject to renewal as set out herein. Should the Strata Corporation not exercise the right to terminate this Agreement at the end of the Term or a Renewal Term, Enerpro may, prior to the expiry of the Term or Renewal Term, by way of written notice provided to the Strata Corporation, advise of its desire to not renew this Agreement. In such case, the Agreement shall terminate at the end of the Term or Renewal Term, as the case may be.

25. **Default by Building Owner.** In the event that the Strata Corporation, as the case may be, fails to comply with or meet any of the material covenants, conditions or agreements herein, and such default is not remedied within a reasonable period of time of receipt of written notice from Enerpro giving the particulars of such material default, Enerpro may terminate this Agreement.

    In the event the Strata Corporation, as the case may be, becomes bankrupt, makes a general assignment for the benefit of its creditors, or if a receiver or trustee is appointed because of the Strata Corporation's insolvency, Enerpro may immediately terminate this Agreement.

26. **Default by Enerpro.** In the event that Enerpro fails to comply with or meet any of the material covenants, conditions or agreements herein, and such default is not remedied within a reasonable period of time of receipt of written notice from the Building Owner or the Strata Corporation, as the case may be, giving the particulars of such material default, the Building Owner or the Strata Corporation, as the case may be, may terminate this Agreement.

    In the event Enerpro becomes bankrupt, makes a general assignment for the benefit of its creditors, or if a receiver or trustee is appointed because of Enerpro's insolvency, the Building Owner or the Strata Corporation, as the case may be, may immediately terminate this Agreement.

27. **Additional Building Owner Obligations.** The Strata Corporation will provide and pay for all electrical power, internet service providers and telephone equipment necessary for the operation of the iEMS Equipment. Input electrical energy costs for the BRS Equipment will be included in the Rate calculation and such funds received by Enerpro will be conveyed to the Strata for part payment of the Utility accounts as noted under Clause 22(a.ii.). Bank charges associated with the operation of the Depreciation account shall be the responsibility

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of the Strata Corporation. The Strata Corporation will take all necessary measures to ensure the Equipment is and remains operational and free from damage. The Strata Corporation will provide all reasonably necessary information requested by Enerpro for the management of Accounts including, but not limited to, the identification and addresses of the owners of the Strata Lots. Enerpro will make all reasonable efforts to collect unpaid accounts. Long-term delinquent accounts belonging to Strata Lot owners shall be deemed an expense for the purpose of calculating the annual Thermal Energy Rate.

28. **Strata Corporation's Insurance.** The Strata Corporation shall, at all times during which this Agreement is in force, maintain the insurance required under the Act for the Equipment as a common asset of the Strata Corporation.

29. **Enerpro's Insurance.** Enerpro shall, at all times during which this Agreement is in force, maintain commercial general liability insurance with limits of no less than $5,000,000.

30. **Proprietary Rights.** All technical information, data, reports, specifications, drawings, schematics, software, hardware, documentation, technical data, invention, improvement, trade secrets and "know how" of every kind and description (the "Information") supplied or generated by Enerpro under this Agreement are the exclusive property of Enerpro. Enerpro may, at its sole and unfettered discretion, publish the Information as a case study evidencing energy savings achieved through the implementation of the **smartforme**. All Information shall be treated as confidential by the Strata Corporation, Strata Lot owners and any others to which Information is provided.

31. **License.** The Information is licensed to the Strata Corporation on a non-exclusive basis for use in the management of the Strata Corporation's property and assets only and remains the property of Enerpro. The license shall expire upon the termination of this Agreement. Upon the termination of this Agreement, all Information, to the extent practicable, must be returned to Enerpro.

32. **Access.** Enerpro, its employees and specifically authorized agents shall at all reasonable times have and be granted reasonable access to the Equipment for the purposes of carrying out its obligations pursuant to this Agreement.

33. **Greenhouse Gas Emission Credits.** Enerpro will accumulate the greenhouse gas credits as saved and document this in a form acceptable to the various regulatory bodies. The value of these credits will reside with Enerpro. Enerpro reserves the right to trade these credits. Should value accrue to the carbon credits Enerpro will return 50% of such value to the Strata Corporation after all expenses related to carbon credits have been addressed.

34. **Severability.** This Agreement is intended to constitute a valid and enforceable instrument. If any term, covenant or condition of this Agreement or its application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

35. **Time.** Time shall be of the essence of this Agreement.

36. **No Waiver.** A failure, refusal or neglect to exercise or rely on any of the right or privileges provided to either of the parties by this Agreement shall not be construed as a waiver of same.

37. **Assignment.** Building Owner shall not assign any rights or benefits of this Agreement without the prior consent of Enerpro, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, this Agreement shall be assigned by the Building Owner to the Strata Corporation and Building Owner shall thereafter be relieved of any obligations or liabilities under this Agreement.

38. **Joint and Several.** It is expressly agreed that in the event that more than one person, firm or corporation is named herein as Building Owner, then all grants, covenants, agreements, rights and privileges and liabilities on the part of the Building Owner shall be construed and held to be several as well as joint grants, covenants, agreements, rights, privileges and liabilities of all persons, firms or corporations whose names appear as Building Owners signing this Agreement and they shall be jointly and severally bound to the fulfillment of their obligations under this Agreement.

39. **Identity of Parties.** Any reference herein to the Strata Corporation shall be deemed a reference to Building Owner unless and until such time as this Agreement is assigned to the Strata Corporation. This Agreement does not bind the Strata Corporation unless and until such time as it is assigned to the Strata Corporation.

40. **Plural.** The use of the words in the singular or plural shall not limit the scope or exclude the application of any provision of this Agreement to such person or persons or circumstances as the context otherwise permits.

41. **Enurement.** This Agreement shall be binding on and enure to the benefit of the parties and their respective successors and permitted assignees.

42. **Jurisdiction.** This Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia. The parties hereby attorn to the exclusive jurisdiction of the courts of the Province of British Columbia. Any action or proceeding brought in respect of this Agreement must be commenced in the court registry located in the City of Vancouver. The prevailing party upon final adjudication or resolution of any action or proceeding in respect of this Agreement shall be entitled to reimbursement of its reasonable costs and expenses, including costs as between solicitor and client on a full indemnity basis.

43. **Entire Agreement.** This Agreement, and any agreements expressly referenced herein, contains the entire agreement between the parties and shall supersede all prior written or oral agreements between the parties. There are no representations, warranties, guarantees, promises or agreements other than those set out in this Agreement.

44. **Headings.** Headings are included in this Agreement as a matter of convenience only and shall not aid in the interpretation of this Agreement.

45. **Force Majeure.** If Enerpro is delayed or prevented from performing any of its obligations under this Agreement 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 of carriers or contractors, unavailability of supplies or materials, breakage or other casualty, climatic conditions, or any other event beyond the control of Enerpro, then Enerpro's obligations hereunder shall be suspended for a period equivalent to such period of delay and Building Owner will have no right as a result of such delay to declare Enerpro in default or terminate this Agreement.

46. **Further Assurances.** The parties hereto shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each party hereto shall provide such further documents or instruments required by the other party as may be reasonable necessary desirable to effect the purpose of this Agreement and carry out its provisions.

47. **Counterparts.** This Agreement may be executed in counterpart and shall be deemed as effective as if all signatories had executed the same copy of this Agreement.

48. **Miscellaneous.** Building Owner acknowledges receiving a copy of this Agreement. The parties have required that this Agreement be drawn up in English. No variation or modification of this Agreement shall in any way be valid unless signed by an authorized representative of Enerpro and Building Owner. The undersigned each acknowledge having read this Agreement in its entirety and each accepts the terms and conditions hereof.

IN WITNESS WHEREOF this Agreement has been executed the day and year first above written.

Kenstone Properties Ltd.
by its authorized signatory:

Signature _____

Name (print clearly) _____

Title _____

Enerpro Systems Corp.
by its authorized signatory:

Signature _____

Name (print clearly) _____

Title _____

Signature _____

Name (print clearly) _____

Title _____

Schedule "A" - Thermal Energy Rate Schedule

Schedule "B" - Welcome Letter

Schedule "C" - Application for Billing Services Form

Schedule "D" - Dispute Resolution Policy

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smartforme® Management and Operating Service Agreement
Addition
Schedule A - Thermal Energy Rate Schedule

The Thermal Energy Rate (the "Rate") to be applied for all in-suite thermal energy consumption and for all common area and system thermal energy consumption is based on the following calculation. This calculation provides an assessment of the total thermal energy consumption in kWhs for thermal energy for heating, thermal energy for cooling and thermal energy for domestic hot water and includes all expenses attributed to the leasing, operational utility cost, maintenance and billing services fee and contingency for the operation of the **smartforme** energy initiative offset against fixed Revenue. (the "Base Charge")

The total estimate of annual consumption for the complete project is based on:

Gross Area of the Development	12,562 sq. m.
Number of Suites	164
Thermal Heating Energy	76 kWhs per sq. m. per annum
Thermal Cooling Energy	18 kWhs per sq. m. per annum
Thermal Domestic Hot Water Energy	30 kWhs per sq. m. per annum
Total Thermal Energy	**124 kWhs per sq. m. per annum**

Total Annual Consumption (12,562*124) 1,557,688 kWhs

The lease costs and the operating costs for the smartforme system are estimated as follows

smartforme Leases: BRS lease costs - $55.00 per sq. m. for 20 years		$ 63,928 per annum
iEMS lease costs - $33.00 per sq. m for 20 years		$ 38,357 per annum

Note - these costs are fixed for a ten year term with a renewal option and are not subject to inflation.

smartforme variable energy input costs: As billed by the public utility (anticipated 2016 rates)

Electrical energy for Air-to-Water system - commercial rate
Natural Gas energy - commercial rate
Total estimated cost per annum for energy input 2016 $ 40,971 per annum

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Schedule A - Thermal Energy Rate Schedule (cont'd)

smartforme operating costs:

A. BRS Maintenance Fee - $1.50/suite/month	$ 2,952 per annum
B. iEMS Maintenance Fee - $1.50/suite/month	$ 2,952 per annum
C. Billing Services Fee – $13.50 /suite/month	$26,568 per annum
D. Contingency	$15,000 per annum

Note – costs for items A, B and C are subject to an annual Consumer Price Index Factor adjustment.

Total annual smartforme costs	**$190,727 per annum**
Less Revenue from Base Charge applicable to all accounts (164* $16.50*12) (Includes operating costs A, B and C above – calculated per annum)	-$ 32,472 per annum
Total Annual smartforme Costs less Base Charge Revenue	**$158,255**

Thermal Energy Rate in 2016		**10.16 cents per kWh**
Broken down into:	BRS Thermal Energy Rate	7.70 cents per kWh
	iEMS Metering Rate	2.46 cents per kWh

Calculation of the Thermal Energy Rate

1. The annual consumption and costs for the calculation of the Thermal Energy Rate are provided above. The lease costs for the **smartforme** components, including interim financing expense, between the Lessor and the Strata Corporation are based on a 20 year amortization for the BRS equipment and a 20 year amortization for the iEMS equipment. Both leases are fixed for a term of ten years and are renewable for the balance of the lease at lease rates to comply with market conditions. Subsequent to the ten year renewal of the leases the Thermal Energy Rate will be recalculated to account for any change in the lease rate.

2. The Thermal Energy Rate shall be calculated based on the total expense of the **smartforme** energy initiative, less the Revenue from the "Base Charge" applicable to all units, divided by the total thermal energy consumption for the complete building based on the gross area of the building. The overall energy calculation shall be subject to review by the Strata Corporation on the 5th and 10th anniversaries of the commencement of the Management and Operating Service Agreement.

3. The Thermal Energy Rate shall be subject to **annual adjustment** based on the disclosure of both the actual total consumption measured and the input energy costs and such adjustment shall be fully disclosed to the Strata Corporation.

4. The calculated Thermal Energy Rate shall be applied to both the in-suite "Consumption Charge", based on usage, and to the "Common Charge" based on unit entitlement for the Strata Lot owners and shall be invoiced monthly to the individual Strata Lot owners or their assignees.

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Schedule A - Thermal Energy Rate Schedule (cont'd)

5. The BRS Maintenance Fee, the iEMS Maintenance Fee and the Billing Services Fee shall be subject to an annual adjustment based on the consumer price index factor as defined by the Management and Operating Service Agreement. The aggregate of these expenses shall be used to set the "Base Charge".

6. Strata Lot owners, or their assignees, shall be billed for energy on the following basis:

A. The "Consumption Charge" being the in-suite measured consumption calculated at the approved Thermal Energy Rate.

B. The "Common Charge" being the common area and system consumption charge in respect of each Account shall be the "Rate" multiplied by the total number of kilowatt hours of thermal energy delivered by the BRS Equipment less the aggregate of the thermal energy consumed and measured by the individual Strata Lot owners, distributed to each Account on the basis of Unit Entitlement for the Strata Lot owners.

C. The "Base Charge" being the sum of the monthly "BRS Maintenance Fee", the monthly "iEMS Maintenance Fee" and the monthly "Billing Services Fee" applicable to every unit and being designated as the monthly "Base Charge" (2016 - $16.50 per unit) and being invoiced along with the "Common Charge".

7. Enerpro will provide a complete annual Thermal Energy Report to the Strata Corporation detailing annual consumption, the common area consumption and all incurred expenses including the calculation of the Thermal Energy Rate and the "Base Charge" for the coming annual period. On the 5th and 10th anniversary of the Management and Operating Service Agreement the Thermal Energy Rate shall be reviewed by the Strata Corporation.

8. Enerpro will reconcile the annual financial performance of the system with the Strata Corporation and settle all accrued accounts and forward all excess funds to be held by the Strata Corporation in a Depreciation Account for future equipment replacement. The Thermal Energy Rate includes a contingency component that will be applied to any unexpected expense and all accumulated funds from this component shall be forwarded annually to the Strata Corporation to be held in the Depreciation account. The Strata Corporation may choose to reduce the contingency amount following the first year of operation in order to reduce the Thermal Energy Rate.

9. The Thermal Energy Rate calculation does not include applicable taxes which will be included in the billing in order to apportion the payment of taxes to the Strata Lot owners or their assignees.

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Schedule A - Thermal Energy Rate Schedule (cont'd)

Example of an average monthly invoice - estimate only, not showing taxes

Strata Lot XXXX - month of YY

Consumption Charge			
Consumption:	Thermal Heating	412.4 @ $0.1016/kWh	$41.89
	Thermal Cooling	91.9 @ $0.1016/kWh	$ 9.34
	Thermal Domestic Water	160.9 @ $0.1016/kWh	$16.34
Total Consumption Charge			**$67.57**
Common Charge			
Strata Lot unit entitlement ratio		.006098	
(Strata Lot gross area/gross building area - 76.6 sq. m./12,562 sq. m.)			
Common area usage		20,727 kWh	
Strata Lot share (.006098*20,727)		126.4 kWh	
Common Charge		126.4 @ $0.1016/kWh	$12.84
Base Charge		$16.50 per month	$16.50
Total Common Charge + Base Charge			**$29.34**
Total All Charges - month of YY			**$96.91**

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smartforme® Addition

Welcome Letter

Welcome!

Addition is Vancouver's most advanced residential development incorporating state of the art energy technology supported by a personalized energy metering and management system. **smartforme** at Addition provides the opportunity to effectively manage the energy you use and the consumption based billing program within **smartforme** delivers significant reductions in overall energy use while ensuring stabilized long-term energy costs.

smartforme offers hydronic heating and cooling along with domestic hot water. Thermal energy is recovered from the natural environment using European Air to Water heat pump technology in conjunction with natural gas fired peak and back-up boilers. **smartforme** measures all building common area energy consumption and allows your prescribed share of these costs to be billed directly to you on a monthly basis. Your strata fees do NOT include any thermal energy consumption or thermal energy infrastructure costs.

Your monthly thermal energy bill includes the thermal energy you use in your suite and your share of the common area energy costs along with a Base Charge of $16.50 per month. Your metered usage is provided for heating/cooling and for hot water based on the kilowatt hours of energy used. The total thermal energy consumed in the common areas is provided on your energy bill.

Every meter installed in your building meets current national and international standards. Should you wish to further review the meter readings there is a Dispute Resolution Policy attached to this welcome package.

Your account setup procedures are outlined following and we are available during business hours to assist you in managing your energy environment. We are committed to providing you with exceptional customer service and to helping you save money and protect our natural environment.

Standard Account Information

Please fill out the attached Application For Billing Services form and return it, along with a Void Cheque, to your legal counsel. The account must be set up in the name of the registered owner of the unit. As the registered owner, you are solely responsible for all monthly thermal energy bill payments.

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Basis for Monthly Thermal Energy Bill

A. A "Consumption Charge" based on the in-suite measured energy use at the approved Thermal Energy Rate.

B. A "Common Charge" based on the common area and system consumption and calculated based on Unit Entitlement.

C. A "Base Charge" equal to the fixed cost of the BRS Maintenance Fee, the iEMS Maintenance Fee and the Billing Services Fee – invoiced monthly at $16.50 per unit.

Additional Payment Information

Payments:	Net 25 days (based on the due date shown on the invoice)
Late payment fee:	1.5% per month
NSF fee:	$20.00 (plus applicable taxes)

Enerpro Systems diligently adheres to Canada's privacy policy rules. Your personal information will never be sold to or shared with any third party

Enerpro Billing Contact Information

The **smartforme** billing process is managed by Enerpro Systems Corp. as the parent company of the **smartforme** energy program.

Telephone:	(604) 982-9155 Ext. 201
Fax:	(604) 982-9166
Email:	billing@enerprosystems.com
Address:	351 Bewicke Ave, North Vancouver, BC, V7M 3E9

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Application for Billing Services

Information provided on this form is for the use of Enerpro Systems Corp. in opening an account for billing services. The information is Not Sold and Not Shared with Third-Parties. Enerpro Systems Corp. serves customers in accordance with industry standards.

NOTE: This Application is subject to a $20.00 Account Application/Setup Charge plus GST (#89009 6480 RT0001)

BILLING SERVICES FOR UNIT # _____ - _____, Vancouver, BC
EFFECTIVE DATE OF BILLING SERVICES: _____

ACCOUNT HOLDER INFORMATION:

Legal Owner's Name(s) ("Owner"):	
Billing Address:	
City:	Province/State:
Country:	Postal Code/ZIP:
Contact Phone #:	
Contact Email:	

RECEIVE INVOICES BY EMAIL: ☐ **YES** ☐ **NO**

I hereby represent that I am authorized to submit this application on behalf of the Owner and is warranted to be true. The Owner hereby requests an account for Billing Services be opened and understands they will be billed for Energy supplied to their unit and a fee to administrate the account. The Owner agrees to Net 25-Days Terms of Sale and acknowledges payments are due based on the "Pay By" date shown on each bill. If payments are received after this date, Enerpro Systems Corp. will charge 1.5% per month on unpaid amounts of $30 or more (when compounded monthly, 1.5% equals 19.6% per year). (Subject to revision). I grant in favour of the Strata Corp an equitable charge over the Strata Lot to secure the Strata Lot Owner's payment of billed utility accounts and allows the Strata Corp, in the event that the Strata Lot Owner neglects or fails to pay the billed utility amount within 30 days of notice, to exercise the same rights and remedies as the Strata Corp may exercise for non payment of strata fees and other amount owing to the Strata Corp.

Authorized Signature	Name	Date

****** Area Below for Enerpro Systems Corp. Use Only ****** Area Below for Enerpro Systems Corp. Use Only ******

Date Received:	Account #:
Date Entered	Per:

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smartforme® Addition

Dispute Resolution Policy

Enerpro Systems Corp. maintains impartiality concerning dispute resolutions. When a meter is certified to the industry standards, that meter is considered to be accurate, therefore, Enerpro Systems will not offer any comment on the integrity of the meter.

If the accuracy of the meter is being questioned, then it should be tested.

If the meter is found to be working within the parameters as determined by the relevant Agency, then the account holder must pay for the cost of the test.

To remove the meter, install a temporary meter and test the meter in question will take a period of some weeks to accomplish. It is possible that the entire resolution could cost approximately $500.00. Therefore, it is prudent to make an informed decision before proceeding.

For Enerpro Systems to evaluate the validity of the claim, at a minimum we require the following:

a. The reason behind the inquiry
b. The relevant information used to come to the conclusion that there is a problem

If you have any questions, please feel free to contact us.

Enerpro billing contact information

Telephone:	(604) 982-9155 Ext. 201
Fax:	(604) 982-9166
Email:	billing@enerprosystems.com
Address:	351 Bewicke Ave, North Vancouver, BC, V7M 3E9

I (we) acknowledge that I (we) have read and understood all the provisions contained in the Dispute Resolution Policy (above) and that I (we) have received a copy of same. I (we) have requested the _____ meter, which measures the consumption for Unit #_____ – Street Address _____, City _____, Prov _____, be tested.

Authorized Signature: _____ Date: _____

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EXHIBIT "G"

INDEMNITY AGREEMENT

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INDEMNITY AGREEMENT

THIS AGREEMENT made the _____ day of _____, 2014.

BETWEEN:

KENSTONE HORNBY LP., a company incorporated in British Columbia and having an address at 201 - 1926 West Broadway, Vancouver, B.C. V6J 1Z2

(the "Indemnitor")

AND:

ENERPRO SYSTEMS CORP., a company incorporated in British Columbia having an address at 351 Bewicke Avenue, North Vancouver, B.C., V7M 3E9

("Enerpro")

WHEREAS:

A. **KENSTONE HORNBY LP.** (the "Developer") is the developer of a development being constructed at 1155 Hornby Street in Vancouver, B.C. and known as "Addition" (the "Development").

B. Enerpro has entered into a loan agreement (the "Loan Agreement"), attached hereto as Schedule "A", for the purchase of materials and equipment to be supplied to, and incorporated in the construction of, the Development.

C. Enerpro intends to sell the materials and equipment to _____ (the "Purchaser") upon deposit of the strata plan for the Development and certain other requirements being met by the Developer to the satisfaction of the Purchaser.

D. The Developer has entered into lease funding facility agreements with the Purchaser whereby the Developer will lease the materials and equipment from the Purchaser or, alternatively, the Developer will cause the strata corporation created in respect of the Development to lease the materials and equipment from the Purchaser.

E. The Indemnitor agrees to indemnify Enerpro on the terms and conditions set out herein.

NOW THEREFORE in consideration of the sum of $1.00 paid by each party to the other, the premises and of the covenants, agreements set out below and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties covenant and agree as follows:

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1. The Indemnitor will indemnify and save harmless Enerpro from and against any and all claims of every nature and kind whatsoever which may be made against it under or in reliance upon the Loan Agreement.

2. Enerpro shall immediately provide notice to the Indemnitor of any claim made under or in reliance upon the Loan Agreement. Enerpro shall not settle or compromise any such claim without the prior written consent of the Indemnitor and shall otherwise cooperate in the defence of the claim.

3. The Indemnitor shall, within seven days of receipt of notice of any claim, pay the claim and provide confirmation of payment to Enerpro. In the event the Indemnitor does not respond in writing to a claim, Enerpro shall be free to pursue the remedies available to it with respect to the claim and the Indemnitor shall be liable for all reasonable costs and expenses paid or incurred by Enerpro in connection therewith including the recovery of legal fees incurred by it in dealing with the claim.

4. The Indemnitor's obligations hereunder are conditional upon Enerpro, through no fault of its own, not having sold the materials and equipment for which the Loan Agreement was provided to the Purchaser or any other person. Upon Enerpro selling the materials and equipment to the Purchaser, as intended, the Indemnitor's obligations hereunder shall cease.

5. Notices may be delivered by courier, pre-paid registered mail, or regular mail to addresses of the parties as follows:

   Kenstone Hornby LP.:
   201 - 1926 West Broadway
   Vancouver, B.C. V6J 1Z2

   Enerpro Systems Corp.:
   351 Bewicke Avenue
   North Vancouver, B.C. V7M 3E9

   or such other address as the parties may from time to time advise. Notice shall be deemed to have been received on the date of delivery or, if delivered by mail, on the fifth business day after mailing. In the event of a postal strike or interruption, notices must be delivered by courier.

6. This agreement shall ensure to the benefit of and be binding upon all parties hereto and their respective heirs, executors, administrators, successors and assigns.

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IN WITNESS WHEREOF the parties have executed this Agreement.

Kenstone Hornby LP.
by its authorized signatory:

Signature _____

Name (print clearly) _____

Title _____

Enerpro Systems Corp.
by its authorized signatory:

Signature _____

Name (print clearly) _____

Title _____

Signature _____

Name (print clearly) _____

Title _____

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EXHIBIT "H"

RENTAL DISCLOSURE STATEMENT

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EXHIBIT "K"
Strata Property Act
FORM J
[am. B.C. reg. 312/2009, s.8.]
RENTAL DISCLOSURE STATEMENT
(Section 139)

RE: Strata Plan _____ [the registration number of the strata plan], being a proposed Strata Plan composed of Strata Lots 1 to 164 inclusive of the remainder after subdivision by Air Space Plan of the property currently legally described as: PID: 029-078-555, Lot 1 Block 90 District Lot 541 Group 1 NWD Plan EPP31030

This rental disclosure statement is [Check which ever box is correct and provide any required information.]

[x] the first Rental Disclosure Statement filed in relation to the above-noted strata plan

[ ] a changed Rental Disclosure Statement filed under section 139(4) of the *Strata Property Act*, and the original Rental Disclosure Statement filed in relation to the above-noted strata plan was filed on [dd/mmm/yyyy].

1. The development described above includes 164 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.

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

Description of Strata Lot *[strata lot number as shown on strata plan]*	Date Rental Period Expires *[specify a date – "indefinitely" or timing related to an event is not acceptable]**
Nil	Nil

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

3. In addition to the number of residential strata lots rented out by the owner developer as of the date of this statement, the owner developer reserves the right to rent out a further 164 residential strata lots, as described below until the date set out opposite each strata lot's description.

[Describe all strata lots intended to be rented out by the owner developer.]

Description of Strata Lot *[strata lot number as shown on strata plan]*	Date Rental Period Expires *[specify a date – "indefinitely" or timing related to an event is not acceptable]**
Strata Lots 1 – 164	December 31, 2200

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

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

Date: May 23, 2014.

KENSTONE PROPERTIES LTD.

Per: _____
Authorized Signatory

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EXHIBIT "H"

Strata Property Act
FORM J
[am. B.C. reg. 312/2009, s.8.]
RENTAL DISCLOSURE STATEMENT
(Section 139)

RE: Strata Plan _____ [the registration number of the strata plan], being a proposed Strata Plan composed of Strata Lots 1 to 164 inclusive of the remainder after subdivision by Air Space Plan of the property currently legally described as: PID: 029-078-555, Lot 1 Block 90 District Lot 541 Group 1 NWD Plan EPP31030

This rental disclosure statement is [Check which ever box is correct and provide any required information.]

[x] the first Rental Disclosure Statement filed in relation to the above-noted strata plan

[ ] a changed Rental Disclosure Statement filed under section 139(4) of the *Strata Property Act*, and the original Rental Disclosure Statement filed in relation to the above-noted strata plan was filed on [dd/mmm/yyyy].

1. The development described above includes 164 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.

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

Description of Strata Lot *[strata lot number as shown on strata plan]*	Date Rental Period Expires *[specify a date – "indefinitely" or timing related to an event is not acceptable]**
Nil	Nil

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

3. In addition to the number of residential strata lots rented out by the owner developer as of the date of this statement, the owner developer reserves the right to rent out a further 164 residential strata lots, as described below until the date set out opposite each strata lot's description.

[Describe all strata lots intended to be rented out by the owner developer.]

Description of Strata Lot *[strata lot number as shown on strata plan]*	Date Rental Period Expires *[specify a date – "indefinitely" or timing related to an event is not acceptable]**
Strata Lots 1 – 164	December 31, 2200

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

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

Date: October 16, 2014.

KENSTONE PROPERTIES LTD.

Per: _____
Authorized Signatory

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EXHIBIT "I"

CONTRACT OF PURCHASE AND SALE

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ADDITION

CONTRACT OF PURCHASE AND SALE

"Vendor" **Kenstone Hornby Limited Partnership**
201 – 1926 West Broadway
Vancouver, BC V6J 1Z2

The Purchaser is a Resident of Canada: Yes / No
Social Insurance Number (if Resident of Canada)
/ / / /

"Purchaser" Names(s): _____

Address: _____ Postal Code: _____

Tel 1: _____ Tel 2: _____ Fax: _____ Email: _____

RE: Proposed Strata Lot _____ (Unit No. _____) (the "**Strata Lot**") in the development known as "**Addition**" (the "**Development**") to be constructed on a portion of the lands (the "**Lands**") with a civic address of 1155 Hornby Street, Vancouver, British Columbia and presently legally described as: PID: 029-078-555, Lot 1 Block 90 District Lot 541 Group 1 New Westminster District Plan EPP31030. The Lands will be subdivided so as to create one or more air space parcels (all such air space parcels together with the remainder of the Lands are hereinafter collectively referred to as the "**Project**") and the Development will be located within the remainder of the Lands.

Purchase Price: $_____
The Purchase Price is exclusive of GST, B.C. Transition Tax and other applicable Taxes.

1. Offer. The Purchaser hereby offers to purchase from the Vendor the Strata Lot for the Purchase Price and upon the terms set forth herein subject to the encumbrances (the "**Permitted Encumbrances**") referred to in section 4.3 and 4.4 of the Disclosure Statement (as hereinafter defined). The Purchaser acknowledges that he/she/it is purchasing a strata lot, which is to be constructed or is presently under construction. The Purchaser is also entitled to acquire from the Vendor the exclusive use of ___ locker and _____ parking stall(s) in the Development in the manner described in the Disclosure Statement. The Vendor reserves the right to locate the parking stall(s) in its sole discretion without consultation with the Purchaser. The Purchaser acknowledges and accepts that the parking stall(s) assigned may have limited overhead capacity or may be designated as a small vehicle parking stall.

2. Deposit. The Purchaser will pay deposit monies (collectively, the "**Deposit**") as herein provided, by certified cheque or bank draft payable to Kornfeld LLP (the "**Vendor's Solicitors**") in trust as stakeholder and the Deposit will be held in accordance with the *Real Estate Development Marketing Act* (British Columbia) and the *Real Estate Services Act* (British Columbia). The Purchaser hereby acknowledges that he/she/it has been given the opportunity to seek independent legal advice before signing this Contract with respect to the arrangements for holding the Deposit in this transaction, as set out herein. The Purchaser shall pay the Deposit as follows:

(a) as to 10% of the Purchase Price, being $_____, forthwith upon the Purchaser's execution of this offer. If the Purchaser delivers written notice to the Vendor cancelling this Contract by 5:00 p.m. on the seventh (7th) day following the Contract Date (as defined below), then this instalment of the Deposit shall be returned to the Purchaser and this Contract shall thereafter be null and void;

(b) an additional 5% of the Purchase Price, being $_____, payable within thirty (30) days of the later of (i) following receipt by the Purchaser of an amendment to the Disclosure Statement confirming the issuance of a building permit and an amendment to the Disclosure Statement confirming the particulars of a satisfactory financing commitment for the Development (as hereinafter described), which amendments may be contained in the same amending document (collectively, the "**Amendment**"); and (ii) sixty (60) days from the Contract Date; and

(c) an additional 5% of the Purchase Price, being $_____, payable on the date which is three (3) months after the date on which the sum under Section 2(b), above, is payable.

(d) an additional 5% of the Purchase Price, being $_____, payable on the date which is three (3) months after the date on which the sum under Section 2(c), above, is payable.

3. The Purchase Price includes the following items:

[a]	One Refrigerator	[d]	One Hood Fan	[g]	Window Roller **Shades**
[b]	One Electronic Cooktop	[e]	One Dishwasher	[h]	Integrated Waste and Recycling Container
[c]	One Electric Oven	[f]	One Washer and Dryer	[i]	Heating and Cooling System

Presentation Centre / Display Suite decorator features, fixtures, wall treatments, finishings, fittings, dining light fixtures and furnishings are not included in the Purchase Price.

4. Colour Scheme. The Purchaser selects colour scheme ☐ LIGHT ☐ DARK (check one) for the interior of the Strata Lot.

5. Completion, Possession and Adjustment Dates: See Schedule "A" attached hereto.

6. Acceptance. This offer will be open for acceptance for 3 days from the date of this offer and upon acceptance by the Vendor signing a copy of this offer, there will be a binding contract of sale and purchase (the "**Contract**") in respect of the Strata Lot for the Purchase Price, on the terms and subject to the conditions set out herein.

The Purchaser hereby confirms that he/she/they has/have read this Contract of Purchase and Sale including Schedule A and further confirms NO REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS MADE BY ANY PERSON OR AGENT SHALL BE BINDING UPON THE VENDOR UNLESS EXPRESSLY CONTAINED HEREIN OR UNLESS MANDATED BY STATUTE.

The Disclosure Statement does not form part of this Contract and except to the extent mandated by the ***Real Estate Development Marketing Act*** (the "**Act**") or any other statute of British Columbia, is specifically excluded.

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S.L. No. _____Unit No. _____

THE TERMS AND CONDITIONS ATTACHED HERETO AS SCHEDULE "A" ARE PART OF THIS CONTRACT. READ THEM CAREFULLY BEFORE YOU SIGN.

THE PURCHASER HAS EXECUTED THIS CONTRACT THIS _____ DAY OF _____, 201_____.

WITNESS: _____ PURCHASER(S): _____

Print Name:
(as to all signatures)

_____

The Purchaser's offer to purchase contained herein is accepted by the Vendor this ____ day of _____, 201____ (the "**Contract Date**") and the Nominee, as herein defined, has executed this Contract as registered owner of the Lands.

KENSTONE HORNBY LIMITED PARTNERSHIP, by its General Partner, Kenstone Hornby GP Inc.:

Per:_____
(Authorized Signatory)

Kenstone Properties Ltd.

Per:_____
(Authorized Signatory)

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S.L. No. _____ Unit No. _____

"SCHEDULE A"

1. **Completion Date.** The Purchaser will deliver the balance of the Purchase Price, adjusted as provided for in this Contract, at the Purchaser's expense by way of a solicitor's CERTIFIED TRUST CHEQUE or BANK DRAFT, to the Vendor's Solicitors by NO LATER THAN 2:00 p.m. on the Completion Date (the "**Completion Date**"). The Completion Date will be the later of (i) that date specified in a written notice (the "**Closing Notice**") from the Vendor or the Vendor's Solicitors to the Purchaser or the Purchaser's solicitors/notary (the "**Purchaser's Solicitors**") and (ii) 10 days after delivery of the Closing Notice; provided that on the Completion Date the Strata Lot is ready to be occupied. For the purposes of this section, the Strata Lot will be deemed to be ready to be occupied on the Completion Date if the strata plan for the Development has been registered and the title to the Strata Lot has been created at the Land Title Office, the City of Vancouver has given oral or written permission to occupy the Strata Lot, whether such permission is temporary, conditional or final regardless of whether any other strata lot or common property within the Development or any other part of the Project is ready to be occupied. If the date for closing as determined by the Closing Notice is a Saturday, Sunday, holiday or a day upon which the applicable Land Title Office is not open for business, the Completion Date shall be the immediately following business day. The notice of the Completion Date delivered from the Vendor or the Vendor's Solicitors to the Purchaser or the Purchaser's Solicitors may be based on the Vendor's estimate as to when the Strata Lot will be ready to be occupied. If the Strata Lot is not ready to be occupied on the Completion Date so established or if the Vendor estimates that the Strata Lot will not be ready to be occupied on the Completion Date so established, then the Vendor may delay the Completion Date from time to time as required, by notice of such delay given to the Purchaser or the Purchaser's Solicitors on or before the Completion Date as determined by the Closing Notice. If the Completion Date has not occurred by October 31, 2017 (the "**Outside Date**"), then this Contract will be terminated, the Deposit and interest thereon will be returned to the Purchaser and the parties will be released from all of their obligations hereunder, provided that:

   (a) if the Vendor is delayed from completing construction of the Strata Lot as a result of earthquake, flood or other act of God, fire, explosion or accident, howsoever caused, act of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, supplies, materials or equipment, delay or failure by carriers or contractors, breakage or other casualty, climactic condition, interference of the Purchaser, or any other event of any nature whatsoever beyond the reasonable control of the Vendor, then the Outside Date will be extended for a period equivalent to such period of delay; and

   (b) the Vendor may, at its option, exercisable by notice to the Purchaser, in addition to any extension pursuant to subsection 1(a)) and whether or not any delay described in subsection 1(a) has occurred, elect to extend the Outside Date for a maximum of three consecutive periods of up to 120 days each.

   The Vendor confirms that it currently estimates that the Completion Date will occur on or about March 31, 2017. The Purchaser acknowledges that this date has been provided by the Vendor as a matter of convenience only, is not meant to be legally binding upon the Vendor and that the actual Completion Date will be established in the manner set out above. The Purchaser acknowledges and agrees that notwithstanding that the Completion Date may not occur on the estimated Completion Date provided for above, the Purchaser shall remain fully bound to perform all of the Purchaser's obligations pursuant to this Contract, including without limitation, the Purchaser's obligations to complete the purchase of that Strata Lot on the Completion Date established in the manner set out above and confirms that any advancement or delay in the Completion Date from the estimated Completion Date is not a change in a material fact under the Act.

2. **Conveyance.** The statement of adjustments, freehold transfer for the Strata Lot, certificate as to the GST registered status of the Purchaser and any other document required by the Vendor's Solicitors shall be delivered at the Purchaser's expense to the office of the Vendor's Solicitors by the Purchaser's Solicitors at least 3 full business days prior to the Completion Date. The Vendor will execute and deliver such statement of adjustments, transfer and GST certificate (if required) to the Purchaser's Solicitors prior to the Completion Date on the condition that, forthwith upon the Purchaser's Solicitors obtaining a post registration index search from the applicable Land Title Office indicating that, in the ordinary course of Land Title Office procedure, the Purchaser will become the registered owner of the Strata Lot (subject only to the Permitted Encumbrances and charges for which the Purchaser is responsible), the Purchaser will cause payment of the balance of the Purchase Price due on the Completion Date by way of solicitor's certified trust cheque or bank draft to be made by the Purchaser's Solicitors to the Vendor's Solicitors. The transfer of the Strata Lot will also be subject to the Vendor's financing arranged in connection with the Development or any builders' lien claims provided that the Vendor's Solicitors undertake to clear title to the Strata Lot of all encumbrances related to such financing and such builders' liens claims within a reasonable period of time after receiving the balance of the Purchase Price due on the Completion Date. The Purchaser acknowledges that the Vendor's financing may remain as a charge against the common property of the Development and against the Vendor in the Personal Property Registry until the Vendor has completed the sale of the balance of the strata lots in the Development whereupon the Vendor covenants such financing will be discharged entirely. The Purchaser acknowledges that the Lands, and following registration of the strata subdivision, the Strata Lot will be registered in the name of Kenstone Properties Ltd. (the "**Nominee**") as trustee for the Vendor and the Purchaser agrees to accept the registrable transfer of the Strata Lot from the Nominee as transferor. The Vendor authorizes and directs the Nominee to execute and deliver all documents that may be required to complete the purchase and sale of the Strata Lot and the Nominee hereby agrees to transfer the Strata Lot to the Purchaser in accordance with this Agreement.

   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 applicable 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 solicitor's or

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S.L. No. _____ Unit No. _____

"SCHEDULE A"

notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

3. **Deposit.** The Deposit shall be dealt with by the Vendor's Solicitors as follows:
   (a) The Vendor may wait to forward the initial instalment of the Deposit to the Vendor's Solicitors until the 7-day rescission period following the Contract Date pursuant to the *Real Estate Development Marketing Act* (British Columbia) has passed and the Purchaser has not rescinded the Contract by such time;
   (b) Interest on the Deposit shall accrue to the benefit of the Vendor except as otherwise expressly provided herein;
   (c) If the Purchaser completes the purchase of the Strata Lot on the terms and conditions contained herein, then the Deposit shall be applied to the Purchase Price and the Deposit and any interest accrued thereon shall be paid to the Vendor;
   (d) If the Purchaser fails to complete the purchase of the Strata Lot or the Vendor terminates this Contract in accordance with Section 33 of this Schedule "A", then the Deposit and all accrued interest thereon will be absolutely forfeited to the Vendor; and
   (e) If the Vendor fails to complete the sale of the Strata Lot by reason of a default of the Vendor hereunder, then the Deposit (or that portion of the Deposit paid or due to be paid by the Purchaser under the terms of this Contract) together with all interest thereon shall be paid to the Purchaser as liquidated damages and as the Purchaser's sole remedy and the Purchaser shall have no further claim against the Vendor.

   Notwithstanding the aforementioned, the Purchaser acknowledges and agrees that the Vendor's Solicitors will be permitted to charge and deduct and retain a deposit administration fee from each payment made by the Purchaser comprising the Deposit of not more than $75.00 plus applicable taxes to be paid by the Purchaser, and that any payment made by the Purchaser that is returned for non-sufficient funds will be subject to a service charge of $25.00 in each such instance.

   The payment of any funds to the Vendor pursuant to Sections 3(d) or 8 hereof shall not be deemed to be all inclusive liquidated damages and shall not preclude any further claims or remedies by the Vendor against the Purchaser arising from the Purchaser's failure to complete the purchase of the Strata Lot, all of which claims and remedies against the Purchaser are hereby expressly reserved by the Vendor, including, without limiting the generality of the foregoing, any claim for damages or payment of any part of the Deposit required to be paid by the Purchaser, but not paid as of the date of the termination of the Contract by the Vendor.

   In accordance with Section 19 of the Act, developers may enter into a deposit protection contract with an approved insurer pursuant to which the deposits paid by purchasers of land which is proposed to be subdivided or strata titled may be released to the developer. The Vendor, at its sole option, may enter into a deposit protection contract as permitted by the Act with respect to the Deposit (or any portion thereof) and the Strata Lot and in such case (i) the Deposit (or such portion thereof) shall be released by the Vendor's Solicitors to the Vendor; and (ii) the provisions of Sections 3 and 8 shall be deemed to have been amended accordingly. Notwithstanding the aforementioned provisions, if the Vendor enters into a deposit protection contract as contemplated in this Section 3, the Purchaser acknowledges that no interest will accrue or be earned on the Deposit as of the date such deposit protection contract is entered into.

4. **Possession, Risk and Adjustment**. The Purchaser will assume all taxes, rates, local improvement assessments, water rates and scavenging rates, assessments of the strata corporation of which the Strata Lot forms a part, and all other adjustments both incoming and outgoing of whatever nature in respect of the Strata Lot will be made as of the date the balance of the Purchase Price is due. The Purchaser hereby acknowledges and agrees that there may not be individual municipal property tax notices issued in respect of the Strata Lot prior to the Completion Date and in such case the Purchaser agrees that municipal property taxes will be adjusted on the basis of the unit entitlement of the Strata Lot as a percentage of the aggregate unit entitlements of all strata lots in the Final Strata Plan (as defined in Section 10 below). The Strata Lot is to be at the risk of the Vendor to and including the day preceding the Completion Date, and thereafter at the risk of the Purchaser. So long as the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Strata Lot have been paid in full, the Purchaser may have possession of the Strata Lot on the day following the Completion Date (the "**Possession Date**"). The Purchaser acknowledges that the Vendor may not appear on title as the registered owner of the Strata Lot and agrees, notwithstanding any provisions to the contrary herein or in the *Property Law Act* (or successor statutes), to accept a Form A Transfer of the Strata Lot and other closing documents executed by a party other than the Vendor.

   The Purchaser is responsible for all utility charges as of the Possession Date and must ensure they notify the necessary utility companies to have the utilities transferred into their name on the Possession Date. In the event the Purchaser does not transfer the utilities into their name as of the Possession Date, any charges to the Vendor that should be the Purchaser's responsibility will be paid to the Vendor in full within 5 business days of notification. If said amount is not paid within the 5 business days a $50.00 charge will be applied to the outstanding amount. The Purchaser is responsible for the monthly strata corporation fee and acknowledges that the monthly strata corporation fee described in the Disclosure Statement is only an estimate of such fee.

5. **Vendor's Termination Condition**. If by December 31, 2014 (the "**Vendor's Termination Option Date**"), the Vendor:
   (a) has not entered into binding agreements of purchase and sale with respect to at least 80 Strata Lots in the Development of which the Strata Lot forms part;
   (b) has not obtained a full building permit and/or a satisfactory financing commitment for the Development; or
   (c) is unable to obtain contracts for labour or materials on terms satisfactory to the Vendor for the construction of the Development;

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S.L. No. _____Unit No. _____

"SCHEDULE A"

the Vendor will have the right to cancel this Contract on giving written notice to the Purchaser or the Purchaser's agent, provided such notice is given on or before the date that is two business days after the Vendor's Termination Option Date. If the Vendor exercises this right to terminate the Contract, this Contract will terminate and the Deposit shall be refunded to the Purchaser and neither party will have further obligations to the other. If the Vendor has not given such written notice to cancel this Contract to the Purchaser or Purchaser's Agent, on or before the date that is two business days after the Vendor's Termination Option Date, this Contract shall remain in full force and effect and the Vendor's right to Cancel this Contract shall be deemed to have been waived by the Vendor. This condition is for the sole benefit of the Vendor and may be waived by the Vendor unilaterally.

6. **Builders' 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**") will be paid to the Vendor's Solicitors on the Completion Date. The Lien Holdback will be held in trust for the Purchaser pursuant to the *Strata Property Act* (British Columbia) and *Builders Lien Act* (British Columbia) (or successor statutes) solely in respect of lien claims registered against title to the Strata Lot in the applicable Land Title Office in connection with work done 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 (or as directed by the Vendor), on the earlier of (i) the date on which the time for filing a claim of lien under the *Builders Lien Act* expires; and (ii) the date which is 56 days after the date that the balance of the Purchase Price becomes due as aforesaid, the Lien Holdback plus interest, if any, accrued thereon, less the amount of any builders' lien claim filed against the Strata Lot of which the Purchaser or the Purchaser's Solicitors notify the Vendor's Solicitors in writing by 1:00 p.m. on that day.

7. **Disclosure Statement**. The Purchaser acknowledges that the Purchaser has received a copy of the disclosure statement for the Development dated May 23, 2014, as further amended by the First Amendment dated October 16, 2014 including all amendments thereto, if any, filed up to the Purchaser's date of execution of this Contract (collectively the "**Disclosure Statement**") and has been afforded a reasonable opportunity to read the Disclosure Statement and the execution by the Purchaser of this Contract will constitute a receipt in respect thereof. The Disclosure Statement contains, among other things, provisions explaining the obligations of the owner of the Strata Lot to pay monthly contributions to the common expenses of the Strata Corporation (Strata Fees).

8. **Time of Essence**. Time will be of the essence hereof and unless the Deposit and 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) terminate this Contract by written notice to the Purchaser and, in such event, the Deposit and all accrued interest thereon will be absolutely forfeited to the Vendor without prejudice to the Vendor's other rights and remedies against the Purchaser by reason of the Purchaser's default hereunder and the Vendor's Solicitors are hereby irrevocably authorized and directed by the Purchaser to pay the amount held by them and such interest as may have accrued thereon to the Vendor upon written demand therefore by the Vendor; or

   (b) elect to extend the Completion Date to a date determined by the Vendor, time to remain of the essence hereof, and subject to the Vendor's right in its sole discretion, to grant further extensions to a date certain each time, 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 accruing at the rate of 2% per month, calculated daily and compounded monthly not in advance, 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 cancel this Contract pursuant to subsection 8(a) at any time after extending the Completion Date pursuant to subsection 8(b) if the Purchaser fails to complete on or before such extended date.

9. **Entire Contract/Representations**. The Purchaser acknowledges and agrees that this Contract constitutes the entire agreement between the parties with respect to the sale and purchase of the Strata Lot and supersedes any prior agreements, negotiations or discussions, whether oral or written, of the Vendor and the Purchaser, including, without limitation, arising out of any sales brochures, models, websites, representative view sets, showroom displays, photographs, illustrations or renderings or other marketing materials provided to the Purchaser or made available for his viewing (collectively, the "**Marketing Materials**") and Purchaser further acknowledges and agrees that there are no representations, warranties, conditions or collateral contracts, expressed or implied, statutory or otherwise, or applicable hereto, made by the Vendor, its agents or employees, or any other person on behalf of the Vendor, other than those contained herein and in the Disclosure Statement only to the extent such that the representations, warranties or conditions if any as contained in the Disclosure Statement are mandated by law to form a part hereof. In particular, the Purchaser acknowledges and agrees that the materials, specifications, details, dimensions and floorplans set out in any Marketing Materials viewed by the Purchaser are approximate and subject to change without notice in order to comply with building site conditions and municipal, structural and Vendor and/or architectural requirements and availability of materials, and the Purchaser further acknowledges and agrees that any depiction of any views or vistas contained in any Marketing Materials purporting to represent the view or vista available from the Strata Lot are for general information purposes only and that the actual view or vista available from the Strata Lot upon completion of the construction of the Strata Lot may differ from that depicted in any Marketing Materials.

10. **Construction**. The Purchaser is aware area measurements are approximate and based on architectural drawings and measurements. Final floor plans and surveyed areas may vary. The Strata Lot is as shown on the preliminary strata plan (the "**Preliminary Plan**") forming part of the Disclosure Statement. The Vendor may make alterations to the features and layout of the Strata Lot which are desirable in the discretion of the Vendor. The Vendor reserves the right to alter the common property and the

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S.L. No. _____ Unit No. _____

"SCHEDULE A"

limited common property of the Development at any time and from time to time if, in its sole opinion, such alteration or alterations improve the structural integrity of the Development, its mechanical systems, its ability to withstand water penetration or aesthetics or as may be necessary or desirable for the better use of the said areas and as may be required by any governmental authority. The proposed dimensions, lot lines and location of the strata lots in the Development are set out in the Preliminary Plan. The actual size, dimensions and/or configuration of the Strata Lot, other strata lots, balconies, patios and/or decks and/or common property and limited common property as set forth in the final strata plan (the "**Final Strata Plan**") for the Development may vary from what is depicted on the Preliminary Plan. The areas and dimensions of the strata lots (including the Strata Lot) in the Development set out in the Marketing Materials are approximate and are provided for information purposes only and are not represented as being the actual final areas and dimensions of the strata lots (including the Strata Lot) in the Development. In the event of any discrepancy between the area, size, dimensions, location and/or configuration of the strata lots, balconies, patios and/or decks and/or common property and limited common property in the Preliminary Plan and/or any architectural plans relating to the Development and/or any Marketing Materials and the Final Strata Plan, the Final Strata Plan will prevail.

11. **Inspection**. The Vendor warrants that on the Completion Date the Strata Lot will be registered with a third party home warranty insurance provider as required by the ***Homeowner Protection Act (British Columbia)***. 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 (the "**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 (including the existing kitchen, bathrooms and other installations, equipment, appliances and furnishings) subject only to the Deficiencies. 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 or the Development prior to the Completion Date except for the purpose of this inspection. 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 or reduction in payment of any type in respect of any defects or deficiencies which may exist on the Completion Date. The Purchaser covenants and agrees to complete the purchase of the Strata Lot on the Completion Date on the terms and conditions herein contained notwithstanding that the Deficiencies may not have been conclusively determined by the Vendor's project architect before the Completion Date or that the Deficiencies may be rectified subsequent to the Completion Date.

12. **Strata Lot Area**. The Purchaser acknowledges and agrees with the Vendor that if the area of the Strata Lot varies by more than 5% of the area shown in the Disclosure Statement, the Purchase Price shall be amended to that amount determined by multiplying the Purchase Price by the actual square footage of the Strata Lot as shown on the Final Strata Plan and dividing the product by the square footage shown in the Disclosure Statement. In the event that the actual area of the Strata Lot as shown on the Final Strata Plan varies by 5% or less from the area shown in the Disclosure Statement, there shall be no adjustment to the Purchase Price. The Purchaser acknowledges and agrees that notwithstanding any change in the square footage of the Strata Lot that the Purchaser shall remain obligated to complete the Purchase of the Strata lot in accordance with the terms of this Contract, and the Purchaser will have no claim against the Vendor as a result of a change in area of the Strata Lot other than for the adjustment to the Purchase Price as aforesaid.

13. **Taxes and Costs**. The Purchaser will pay all costs in connection with the sale and purchase of the Strata Lot (including property transfer tax and any federal and provincial sales, goods and services tax ("**GST**"), harmonized sales tax ("**HST**"), the 2% B.C. transition tax (the "**B.C. Transition Tax**"), value added or other tax required to be paid by the Purchaser in connection with the purchase and sale of the Strata Lot and the equipment and appliances included with the Strata Lot (collectively, the "**Taxes**"), legal and administrative costs), other than the costs to be incurred by the Vendor in clearing title to the Strata Lot. Without limiting the generality of the foregoing, the Purchaser agrees that the Purchase Price does not include and is exclusive of any portion of the applicable 5% GST, and 2% B.C. Transition Tax. If and to the extent required under Part IX of the Excise Tax Act (Canada), or any other applicable legislation, the Purchaser will remit to the Vendor on the Completion Date any GST, HST, B.C. Transition Tax or any other applicable value-added or sales tax that may be exigible under any applicable federal or provincial legislation in respect of the transaction contemplated herein, and the Vendor agrees that it will remit such funds or otherwise account for such funds to Canada Revenue Agency ("**CRA**") or such other applicable agency in accordance with its obligations under any applicable federal or provincial legislation. If the Purchaser is eligible for any GST rebate (the "**Rebate**") the Purchaser shall be entitled to claim any such rebate by application to the applicable government department or agency but the Vendor will not be obliged to credit any such rebate on closing. The Purchaser agrees that the Purchase Price does not include and is exclusive of the Rebate.

14. **Assignment.** The Purchaser may not assign his interest in the Strata Lot or in this Contract for a period of 12 months following the Contract Date and thereafter only if the entire Deposit is fully paid, the assignee is the Purchaser's spouse, parent, child, grandparent or grandchild and the Purchaser has obtained the written consent of the Vendor, such consent to be in the Vendor's sole discretion and may be arbitrarily withheld and, unless the Vendor so consents, the Vendor will not be required to convey the Strata Lot to anyone other than the Purchaser named herein. The Vendor may, at its option, charge the Purchaser with an administration fee equal to 1.5% of the greater of (a) the Purchase Price (plus GST, as applicable), or (b) the assignment price paid by the assignee to

BCCONDOS.NET

S.L. No. _____ Unit No. _____

"SCHEDULE A"

the Purchaser (plus GST, as applicable) for the assignment of the Purchaser's interest in the Strata Lot or in this Agreement (the "**Assignment**"), as consideration for agreeing to the Assignment and for any associated legal and administrative costs, except if the assignee is a spouse, parent, child, grandparent or grandchild of the Purchaser, in which case such administration fee shall be equal to five-hundred ($500.00) dollars (plus GST, as applicable). The assignor will not be relieved of his obligations hereunder on an assignment but will continue to remain liable to perform all obligations of the Purchaser under this Contract. The Purchaser will not advertise or solicit offers from the public or use the Multiple Listing Service® (MLS) with respect to the assignment or resale of the Strata Lot by the Purchaser before the Completion Date without the express written consent of the Vendor, which consent may be arbitrarily withheld.

15. **Amendment.** The Vendor shall deliver to the Purchaser an amendment to the Disclosure Statement setting out the particulars of the issued building permit for the Development and the following terms shall apply to this Contract:

    (a) The Purchaser may cancel this Contract for a period of seven days after the receipt of an amendment to the Disclosure Statement which sets out particulars of the issued building permit if the layout or size of the Strata Lot, 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 the particulars of an issued building permit for the Development 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 this Contract 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 this Contract for a period of seven days after receipt of that amendment only if the layout or size of the Strata Lot, 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;

    (d) the amount of the Deposit to be paid by a Purchaser who has not yet received an amendment to the Disclosure Statement setting out the particulars of the issued building permit for the Development is no more than 10% of the Purchase Price; and

    (e) the Deposit paid by the Purchaser, including interest earned thereon if applicable, will be returned promptly to the Purchaser upon notice of cancellation from the Purchaser delivered within the time frames set out in this Section 15 of Schedule "A".

16. **Strata Lot and Unit Numbers**. The Purchaser acknowledges and agrees that the Unit and Strata Lot numbers assigned to the Strata Lot, the number assigned to the floor in the Development on which the Strata Lot is located and the addressed assigned to the Development as of the date hereof are subject to change at the sole discretion of the Vendor.

17. **Successors & Assigns**. This Contract shall enure to the benefit of and be binding upon the parties hereto and their respective successors, permitted assigns, heirs, administrators and executors.

18. **Completion of Construction and Marketing Program**. The Purchaser agrees that the Vendor may continue to carry out construction work on the Development after the completion of the purchase of the Strata Lot by the Purchaser. The Purchaser acknowledges and accepts that such work may cause inconvenience to the use and enjoyment of the Strata Lot. The Purchaser will not impede or interfere with the Vendor's completion of construction of other strata lots, the common property or any other component of the Development. The Purchaser acknowledges that the Vendor may retain strata lots in the Development for use as sales and administrative offices and/or display suites for marketing purposes or otherwise. The Purchaser agrees that for so long as the Vendor is the owner of any strata lots in the Development, the Vendor may carry out marketing, promotional and sales activities within the common property (including parking stalls and recreational facilities) of the Development or strata lots owned or leased by the Vendor, including, without limitation, maintaining display suites, other display areas, parking areas and signage (including signage on the exterior of the Development) and permitting public access to same for the purpose of marketing any unsold strata lots. In addition, the Vendor may conduct tours of the Development from time to time with prospective purchasers and hold events and other activities within the Development in connection with the marketing and sales activities.

19. **Governing Law**. This offer and the Contract which will result from its acceptance shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia and the parties agree to attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.

20. **Tender**. All tender of monies as provided for herein must be in Canadian funds and by way of certified cheque or bank draft drawn on a Canadian chartered bank or credit union.

21. **No Waiver**. No failure or delay on the part of any party in exercising any right under this Contract will operate as a waiver thereof, nor will any single or partial exercise of any right preclude any other or further exercise thereof or the exercise of any other right.

22. **No Merger**. The terms, representations, consents and covenants of this Contract will survive the completion of the transaction contemplated herein and will not be merged in any document delivered pursuant to this Contract.

23. **Addenda**. This Contract may not be altered or amended except by written agreement signed by the parties hereto. Any addendum to this Contract, if signed by the parties, forms part of and is subject to this Contract.

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S.L. No. _____ Unit No. _____

"SCHEDULE A"

24. **Joint and Several Obligations**. 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.

25. **Contractual Rights**. This offer and the Contract which results from its acceptance creates contractual rights only and not any interest in land. The Purchaser will acquire an interest in land upon completion of the purchase and sale contemplated herein.

26. **Personal Information**. The Purchaser and the Vendor hereby consent to the collection, use and disclosure by the agents and salespersons described in the Agency Disclosure Addendum, the real estate boards of which those agents and salespersons are members and, if the Property is listed on a Multiple Listing Service®, the real estate board that operates that Multiple Listing Service®, of personal information about the Purchaser and the Vendor:

    (a) for all purposes consistent with the transaction contemplated herein including:

        i) to complete the transaction contemplated by this Contract;

        ii) to facilitate the completion and management of the Development including the transfer of management of the Development to a property manager;

        iii) to market, sell, provide and inform the Purchaser of products and services of the Vendor and its affiliates and partners, including information about future projects; and

        iv) to disclose such personal information to the Vendor's affiliates, assignees, business partners, bankers, lawyers, accountants , insurers, warranty providers, utility providers, relevant governmental authorities or agencies and other advisors and consultants in furtherance of any of the foregoing purposes;

    (b) if the Property is listed on a Multiple Listing Service®, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service® and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of that real estate board and other real estate boards;

    (c) for enforcing codes of professional conduct and ethics for members of real estate boards; and

    (d) for the purpose (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled Working with A Real Estate Agent.

27. **Notices and Tender**. The Purchaser hereby consents that any notice or amendments to the Disclosure Statement to be given to the Purchaser will be sufficiently given if deposited in any postal receptacle in Canada addressed to the Purchaser at the Purchaser's address or the Purchaser's Solicitors at their offices and sent by regular mail, postage prepaid, or if delivered by hand or if transmitted by facsimile or electronic transmission to the Purchaser's Solicitors at their office or to the Purchaser. Such notice or amendments to the Disclosure Statement will be deemed to have been received if so delivered or transmitted, when delivered or transmitted and if mailed, on the second business day (exclusive of Saturdays, Sundays and statutory holidays) after such mailing. The address, fax number (if any) and email address (if any) for the Purchaser will be as set out herein or such other address, fax number or email the Purchaser has last notified the Vendor in writing. The Purchaser does hereby expressly consent to the delivery by email of any notices and documents including any amendments to the Disclosure Statement. Any documents to be tendered on the Purchaser may be tendered on the Purchaser or the Purchaser's Solicitors. Any notice to be given to the Vendor may be given to the Vendor in the same manner, and will be deemed to have been received, as provided for in the preceding provisions of this section, all other matters remaining the same except as altered where necessary. Any documents or money to be tendered on the Vendor or the Vendor's Solicitors will be tendered by way of certified funds or bank draft and will be delivered at the Purchaser's expense to the Vendor or the Vendor's Solicitors.

28. **Noise.** The Purchaser is hereby advised and acknowledges that as and when other units in or around the Development are being completed and/or moved into, excessive levels of construction noise, vibration, dust and/or debris are possible, and accordingly same may temporarily cause noise and inconvenience to the occupants of the Development. The Purchaser does hereby release and forever discharge the Vendor from any claims, damages, losses or expenses which the Purchaser may suffer or incur by reason of any such vibration, dust, noise or disturbance.

29. **Vendor's Residency**. The Vendor represents and warrants to the Purchaser that it is a resident of Canada within the meaning of the Income Tax Act (Canada).

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S.L. No. _____ Unit No. _____

"SCHEDULE A"

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

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

32. **Execution.** This offer and the Contract which will result from its acceptance and any addendum entered into pursuant to the Contract may be signed and delivered by the parties in counterparts and by facsimile or electronic transmission.

33. **Proceeds of Crime Legislation.** The Vendor may in its sole discretion terminate this Contract by written notice to the Purchaser or the Purchaser's Solicitor if the Vendor has reasonable grounds to suspect that any part of the transaction contemplated by this Contract is related to the commission or attempted commission of a "money laundering offence" or a "terrorist activity financing offence", as defined in the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and *Regulations* under that Act, as amended from time to time. In the event of such termination, the Deposit paid by the Purchaser and any interest accrued thereon will be absolutely forfeited to the Vendor in accordance with subsection 3(d) of this Schedule "A" without prejudice to its other remedies and which amount the Vendor will be entitled to be paid upon written demand therefor by the Vendor.

34. **New Housing Transition Tax and Rebate Act.** In accordance with the *New Housing Transition Tax and Rebate Act*, S.B.C. 2012, c. 31 and *Regulations* 324/2012, the parties acknowledge and agree as follows:

    (a) the value of the consideration for the sale of the Strata Lot under section 13 of the *New Housing Transition Tax and Rebate Act* is the Purchase Price;

    (b) the Purchase Price does not include tax under the *New Housing Transition Tax and Rebate Act* or under Part IX of the *Excise Tax Act (Canada)*; and

    (c) the supplier in respect of the sale of the Strata Lot (i.e. the Vendor) is not a foreign supplier.

NOTICE TO PURCHASER

If (a) both ownership and possession of newly constructed or substantially renovated housing, or an interest in such housing, transfer on or after April 1, 2013 and (b) either ownership or possession of the housing or interest transfers before April 1, 2015, then

    (i) the 7% provincial component of the HST and the BC HST new housing rebate for primary places of residence generally will not apply,

    (ii) the 2% BC transition tax may be payable by the purchaser, and

    (iii) the supplier may be eligible for a BC transition rebate in respect of the housing.

For more information refer to:

http://www.cra-arc.gc.ca/E/pub/gi/notice276/README.html.

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