

# DISCLOSURE STATEMENT

of

## LEDGESTONE DEVELOPMENTS LTD.

(Maple Mountain Road, North Cowichan, BC)

Dated: July 7, 2008

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**DEVELOPER:** LEDGESTONE DEVELOPMENTS LTD.

Address for Service: 151 Fourth Street  
Duncan, BC V9L 5J8

Business Address: Unit F - 951 Canada Avenue  
Duncan, BC V9L 1V2

### REAL ESTATE BROKERAGE

#### ACTING ON BEHALF OF

**DEVELOPER:** None. The Developer intends to use its own employees to market the bare land strata lots. The employees are not licensed under the *Real Estate Services Act* and are not acting on behalf of the purchaser.

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

\_\_\_\_\_ .

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.

## 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.

The rescission notice may be served by delivering or sending by registered mail a signed copy of the notice to:

- (a) the developer at the address shown in the disclosure statement received by the purchaser,
- (b) the developer at the address shown in the purchaser's purchase agreement,
- (c) the developer's brokerage, if any, at the address shown in the disclosure statement received by the purchaser, or
- (d) the developer's brokerage, if any, at the address shown in the purchaser's purchase agreement.

The developer must promptly place purchaser's deposits with a brokerage, lawyer or notary public who must place the deposit 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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## 1 The Developer

- 1.1 The developer is Ledgestone Developments Ltd. (sometimes referred to in this Disclosure Statement as the "**Developer**"), a company incorporated pursuant to the British Columbia *Company Act* on November 3, 2005 under number BC0739586.
- 1.2 The Developer was incorporated specifically for the purpose of developing the strata lots which are the subject of this Disclosure Statement. The Developer does not have assets other than the development property itself.
- 1.3 The registered and records office of the Developer is 151 Fourth Street, Duncan, BC V9L 5J8.
- 1.4 The sole director of the Developer is Bruce Muir.
- 1.5 Background of Developer, Directors, Officers and Principal Holders

For the purpose of this section 1.5 and the following section 1.6, "**Principal Holder**" means any person holding directly or indirectly more than 10% of any class of voting securities of the issuer of those securities.

- (1) Bruce Muir, the sole director, officer and Principal Holder of the Developer, has 25 years of experience in residential construction and real estate development.
- (2) To the best of the Developer's knowledge, none of the Developer, any Principal Holder of the Developer, or any director or officer of the Developer or Principal Holder, within the 10 years before the date of the Developer's declaration attached to this Disclosure Statement, has been subject to any penalties or sanctions imposed by a court or regulatory authority, relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud.
- (3) To the best of the Developer's knowledge, none of the Developer, any Principal Holder of the Developer, or any director or officer of the Developer or Principal Holder, within the 5 years before the date of the Developer's declaration attached to this Disclosure Statement, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.
- (4) To the best of the Developer's knowledge, no director, officer or Principal Holder of the Developer, or any director or officer of the Principal Holder, within the 5 years before the date of the Developer's declaration attached to this Disclosure Statement, has been a director or officer or Principal Holder of any other developer that, while that person was acting in that capacity, that other developer:
  - (a) was subject to any penalties or sanctions imposed by a court or 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 legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

## 1.6 Conflicts of Interest for Developer, Directors, Officers and Principal Holders

Bruce Muir, a director of the Developer, is also a director of Elmworth Construction Ltd., the Developer's contractor for the construction of the Development.

The Developer is not aware of any existing or potential conflicts of interest among the Developer, manager, any director, officer and Principal Holder of the Developer and the manager, any directors and officers of the Principal Holders of the Developer and the manager, and any person providing goods or services to the Developer, manager of holders of the strata lots in connection with the Development (as defined below) which could reasonably be expected to affect the purchaser's purchase decision.

## 2 General Description

### 2.1 General Description of the Development

The development property consists of an approximately 29 hectare site on Maple Mountain Road in the District of North Cowichan, British Columbia.

The Developer will file a strata plan for the development property, subdividing it into 5 bare land strata lots (for individual ownership), ranging in area from approximately 4.05 hectares to 12.2 hectares and common property (for joint ownership by the owners of the strata lots, as tenants in common) (the "Development").

A copy of the proposed strata plan of the development property is attached as Exhibit A to this Disclosure Statement.

The Developer will be marketing all 5 bare land strata lots. The Developer does not currently intend to sell Strata Lot 5 in the Development but reserves the right to do so. The Developer may enter into separate contracts with purchasers for the construction of improvements on the bare land strata lots.

### 2.2 Permitted Use

The development property is zoned, pursuant to the District of North Cowichan Bylaw No. 2950, as Rural Restricted Zone (A3). In addition to single family dwellings, the development property may also be used for agriculture, agriculture storage, assisted living, bed and breakfast, community care facility, greenhouse, home-based business, manufactured home, supportive housing, temporary trailer and two-family dwelling uses, as those terms may be defined in the bylaw. An excerpt from the bylaw is attached as Exhibit B to this Disclosure Statement. Prospective purchasers are advised to consult the District of North Cowichan for a complete list of all permitted and prohibited uses and any prescribed definitions of those uses.

### 2.3 Building Construction

The purchaser is responsible for construction of any improvements on the bare land strata lots. A building permit will be required from the District of North Cowichan. No building scheme exists for the bare land strata lots.

### 2.4 Phasing

The bare land strata lots will not be created in phases. The Developer does anticipate, however, that Strata Lot 5 of the Development may some day be subdivided into 3 bare land strata lots.

## 3 Strata Information

### 3.1 Unit Entitlement

The unit entitlement of each bare land strata lot is a figure which determines (when compared to the total unit entitlement of all bare strata lots) the proportionate ownership by the owner of each strata lot of the common property, common facilities and other assets of the strata corporation and the proportionate share of the strata corporation's expenses for which the owner is responsible.

The Developer will establish, with the approval of the Superintendent of Real Estate, the unit entitlement of Strata Lots 1, 2, 3 and 4 of the development property as one (1) and the unit entitlement of Strata Lot 5 as three (3).

A copy of the Form V, Schedule of Unit Entitlement, that the Developer proposes to file under the *Strata Property Act* when the strata plan is filed in the Land Title Office is attached as Exhibit C to this Disclosure Statement.

### 3.2 Voting Rights

The Developer will set up the voting rights for the bare land strata lots created from the development property, with the approval of the Superintendent of Real Estate, as one (1) vote for each of Strata Lots 1, 2, 3 and 4, and three (3) votes for Strata Lot 5.

A copy of the Form W, Schedule of Voting Rights, that the Developer proposes to file under the *Strata Property Act* when the strata plan is filed in the Land Title Office is attached as Exhibit D to this Disclosure Statement.

### 3.3 Common Property and Facilities

The common property of the Development includes the access road running through the Development and connecting to Maple Mountain Road. There are no common facilities.

### 3.4 Limited Common Property

The bare land strata plan to be filed by the Developer does not contain any limited common property.

### 3.5 Bylaws

The strata corporation's bylaws will be the Schedule of Standard Bylaws contained in the *Strata Property Act*.

### 3.6 Parking

Parking must be provided within the boundaries of each bare land strata lot.

### 3.7 Budget

The owners of the bare land strata lots are responsible for paying the cost of all utilities delivered to those bare land strata lots. The strata corporation pays for the cost of the operation and maintenance of the common property.

The interim budget for the strata corporation for the first twelve months after the deposit of the strata plan for the Development is set out in Exhibit E to this Disclosure Statement. The monthly assessment of each bare land strata lot, is set out as a schedule to Exhibit E. The monthly assessments are payable by the owners of the strata lots.

### 3.8 Utilities and Services

(i) Water - The Development is serviced with water supplied by the District of North Cowichan. The Developer has installed underground water pipes to the boundary of each bare land strata lot. The installation of a water line from the boundary of a bare land strata lot to any improvement on the property and the payment of connection charges are the responsibility of the purchaser.

(ii) Electricity - The Developer has installed above ground electric power lines to the boundary of each bare land strata lot. Electricity is provided by British Columbia Hydro and Power Authority. The installation of power lines from the boundary of a bare land strata lot to any improvement on the property and the payment of connection charges are the responsibility of the purchaser.

(iii) Sewerage - There are no sanitary or storm sewers on the development property. The Developer has performed percolation tests on each of the proposed bare land strata lots in the development property and satisfied the District of North Cowichan and Vancouver Island Health Authority that each bare land strata lot is capable of supporting a septic system to service an improvement on the lot.

The location and installation of a septic system to service any improvement on the property must meet the requirements of the District of North Cowichan and the Vancouver Island Health Authority and are the responsibility of the purchaser.

(iv) Natural Gas - The Development is not serviced with gas.

(v) Fire Protection - Fire protection for the Development is provided by the District of North Cowichan through the Maple Bay Fire Hall of the North Cowichan Fire Department.

- (vi) Telephone - The Developer has installed above ground telephone lines to the boundary of every bare land strata lot. Telephone service is provided by Telus Communications Inc. The installation of telephone lines from the boundary of a bare land strata lot to any improvement on the property and the payment of hook-up charges are the responsibility of the purchaser.
- (vii) Access - Each bare land strata lot will have access to Maple Mountain Road from a common property road with access to Maple Mountain Road provided at a single intersection, which has been completed by the Developer except for paving, which the Developer anticipates will be completed by the end of August, 2008.

### 3.9 Strata Management Contracts

The Developer will manage the strata corporation, with the assistance of an independent contractor bookkeeper, until the owners elect the first strata council. The interim budget includes a fee to be paid to the independent contractor bookkeeper.

### 3.10 Insurance

Upon the filing of the strata plan, the Developer will obtain, in the name of the strata corporation, the insurance coverage required under the *Strata Property Act*, insuring any insurable improvements owned by the strata corporation to their full replacement value against fire and against other perils as are usually the subject of insurance in respect of similar properties, and including comprehensive liability coverage in favour of the owners of the strata corporation.

### 3.11 Rental Disclosure Statement

The Developer does not intend to file with the Superintendent of Real Estate a *Strata Property Act* Form J, Rental Disclosure Statement or to rent any of the bare land strata lots.

## 4 Title and Legal Matters

### 4.1 Legal Description

The development property is in the Municipality of North Cowichan, Province of British Columbia, and legally described as:

Parcel Identifier: 009-625-500

Section 10, Range 6, Comiaken District, except those parts in Plans 765 BL, 25152, 27459, 28551, 36321, 36323 and VIP60156

### 4.2 Ownership

The registered owner of the development property is Ledgestone Developments Ltd., Inc. No. BC0739586 (the Developer).

#### 4.3 Existing Encumbrances and Legal Notations

(i) Legal Notations

- (a) "Hereto is annexed Easement E43355 over part of Lot 2, Plan 27459"

(ii) Encumbrances

- (a) Exceptions and Reservation M76300 in favour of Esquimalt and Nanaimo Railway Company, granting certain rights to the Esquimalt and Nanaimo Railway with respect to the operation of its railroad;
- (b) Right of Way 195745G in favour of British Columbia Hydro and Power Authority;
- (c) Right of Way 366969G in favour of British Columbia Hydro and Power Authority;
- (d) Easement EB58650 appurtenant to Lot A, Plan 36900, granting the owner of property to the south of the development property an easement for access purposes along the southerly boundary of the development property, over what will be the common property of the strata corporation and part of what will be Strata Lot 1;
- (e) Undersurface Rights EG21107 in favour of Her Majesty the Queen in Right of the Province of British Columbia;
- (f) Statutory Right of Way EN96541 in favour of The Corporation of the District of North Cowichan for access purposes;
- (g) Mortgage EX160418 in favour of 586793 B.C. Ltd. The Developer has made arrangements with 586793 B.C. Ltd. for the discharge of this mortgage from titles to the bare land strata lots as the sale proceeds are paid by the purchasers. In no event will payment to 586793 B.C. Ltd. of an amount greater than the net sale proceeds from the sale of a bare land strata lot be required by 586793 B.C. Ltd. as a condition of the discharge of the mortgage from the title of that bare land strata lot.
- (h) Covenant CA334248 in favour of The Corporation of the District of North Cowichan (with priority over Mortgage EX160418 granted by Priority Agreement CA334249), prohibiting the construction, placement or location of a dwelling on any lot in the development property unless and until a water pressure booster pump satisfactory to the District of North Cowichan has been installed on the lot.

#### 4.4 Proposed Encumbrances

- (a) A covenant to the District of North Cowichan restricting the construction of dwellings on the development property in a manner to reduce the wildland fire hazard. The restrictions will include: maintaining a 10 metre fuel-reduced buffer zone around buildings (to be landscaped and maintained to by the owner with the intent of

eliminating the accumulation of combustible debris); the use of Class B fire rating roofing material and installation requirements within the current BC Building Code; the placement of natural gas or propane tanks or wood storage piles only in consultation with the local fire department; and (with respect to proposed Strata Lot 5 only) to instal and maintain a sprinkler system designed to wet down the bluff area on the south side of the bare land strata lot, between the house site and the bluff.

- (b) An access easement along the southerly section of the common property road for the benefit of properties to the south of the development property.
- (c) Such further legal notations, covenants, easements or statutory rights of way in favour of utilities or public authorities as may be required to build and service the Development; and
- (d) One or more mortgages and assignments of rents as may be granted by the Developer from time to time to refinance the existing mortgage registered against the development property.

#### 4.5 Outstanding or Contingent Litigation or Liabilities

There are no outstanding or contingent litigation or liabilities in respect of the development property or against the Developer that may affect the strata corporation or strata lot owners.

#### 4.6 Environmental Matters

The development property is rated extreme for fire danger by the District of North Cowichan's Fire Hazard Assessment Mapping (2006), therefore development will require protective buffering from the wild land fire threat. The Developer is not aware of any other material facts relating to flooding, the condition of the soil and subsoil, or other environmental factors affecting the development property.

### 5 Construction and Warranties

#### 5.1 Construction Dates

The Developer began construction of the Development in April, 2007 and has completed all of the servicing of the bare land strata lots except for the paving of the access road, which the Developer anticipates will be completed by the end of August, 2008.

#### 5.2 Warranties

(i) Construction Warranty

The Developer is not providing any construction or equipment warranties with respect to the Development, either for the bare land strata lots or the common property or common facilities of the strata corporation.

(ii) Equipment Warranties

Any manufacturers' warranties for appliances or equipment, whether located in a bare land strata lot or in or on common property, will be passed on to the purchaser or to

the strata corporation, as the case may be, if and to the extent permitted by such warranties.

## 6 Approvals and Finances

### 6.1 Development Approval

The approving officer for the Municipality of North Cowichan granted the Developer preliminary layout approval for the Development on March 30, 2007.

### 6.2 Construction Financing

The mortgage financing provided by 586793 B.C. Ltd. and the Developer's own resources are sufficient to finance the construction and completion of the Development, including the installation of all utilities and other services associated with the bare land strata lots.

## 7 Miscellaneous

### 7.1 Deposits

All monies received by the Developers as a deposit from a purchaser in relation to a subdivision lot will be held in trust by a real estate brokerage or a lawyer or notary public who must hold the deposit as a trustee in the manner required by the *Real Estate Development Marketing Act*.

### 7.2 Purchase Agreement

- (1) A copy of the Developer's form of purchase agreement is attached as Exhibit F to this Disclosure Statement.
- (2) There are no provisions in the purchase agreement for terminating the purchase agreement.
- (3) The purchase agreement provides (in paragraph 1 of the Addendum, titled, "Completion Date") that the Seller (the Developer) has the right to extend the time for completing the purchase agreement once or twice by giving the Buyer (the purchaser) notice not later than 30 days prior to the original or amended date for completing the purchase and specifying a new date for completing the purchase, which date must be not more than 30 days after the original or amended date for completing the purchase. The purchaser has no right to refuse the extension.
- (4) The purchase agreement provides (in paragraph 3 of the Addendum) a provision that prohibits the Buyer (the purchaser) from assigning the purchase agreement to a new purchaser without the written consent of the Seller (the Developer). The Developer may refuse to allow an assignment or to seek a fee in order to agree to an assignment.
- (5) There are no provisions in the purchase agreement for the purchaser or the Developer to receive interest on the deposit monies.

**7.3 Developer's Commitments**

There are no commitments made by the Developer that will be completed after the sale of the bare land strata lots in the Development.

**7.4 Other Material Facts**

- (a) The Developer, on the strata corporation's behalf, may enter into short-term road maintenance and snow clearing contracts. The Developer does not intend to enter into any other agreements that will grant rights to or impose obligations on the purchasers or the strata corporation.

**Signatures**

**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 upon any false or misleading statement of material fact contained in this Disclosure Statement, if any, and any omission to state a material fact. The developer, its directors and any person who has signed or authorized the filing of this Disclosure Statement are liable to compensate the purchaser for any misrepresentation, subject to any defences available under section 22 of the Act.

**Declaration**

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of July 7, 2008.

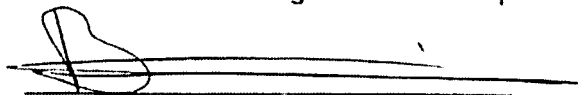
**Ledgestone Developments Ltd.**

by its authorized signatory:



Authorized signatory

**Sole Director of Ledgestone Developments Ltd.**



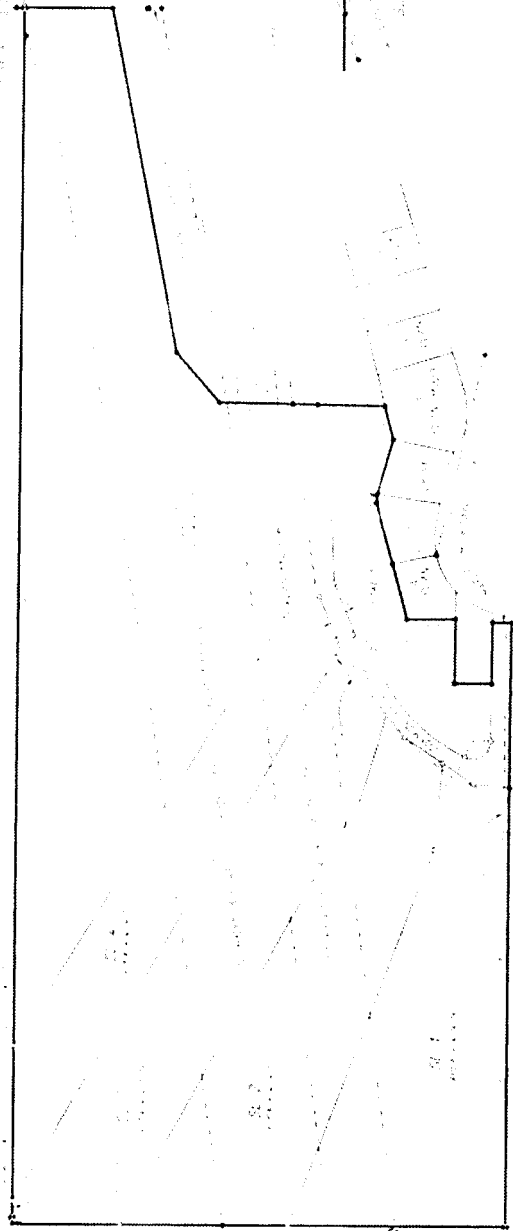
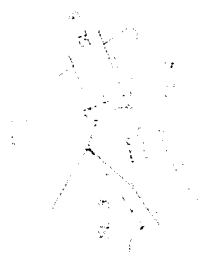
**Bruce Muir**

EXHIBIT A

DRAFT

Map of the Survey  
5/14/22, E.P.M. 01

PAGE 1440 - TRACT 114M 11 LOT 2  
SECTION 16, T4N, R10W, DIST. 10  
1/24/22



# EXHIBIT B

## RURAL RESTRICTED ZONE (A3)

### Permitted Uses

- BL 3392 53. (1) The permitted uses for the A3 zone are as follows:
- Agriculture
  - Agricultural Storage
  - Assisted Living
  - Bed and Breakfast
  - Community Care Facility
  - Greenhouse
  - Home-based Business
  - Manufactured Home
  - Single-Family Dwelling
  - Supportive Housing
  - Temporary Trailer (subject to "Temporary Trailer Permit Bylaw 1976", No. 1685)
  - Two-Family Dwelling

### Minimum Lot Size

- (2) The minimum permitted lot size for the A3 zone is 8,000 m<sup>2</sup> (1.98 acres).

### Minimum Frontage

- (3) The minimum permitted frontage for the A3 zone is 60.0 m (196.85').

### Density

- (4) The maximum permitted density for the A3 zone is as follows:
- (a) The number of residential buildings shall not exceed one.
  - (b) Despite the foregoing, the placement of a temporary trailer may also be permitted subject to "Temporary Trailer Permit Bylaw 1976", No. 1685.

### Maximum Lot Coverage

- (5) The maximum permitted lot coverage of the A3 zone is 30% of the lot area.

### Minimum Setbacks

- (6) The minimum permitted setbacks for the A3 zone are as follows:

(a) Single-Family Dwellings and Two-Family Dwellings

Yard, Front .....	6.0 m (19.68')
Yard, Side .....	3.0 m (9.84')
Yard, Rear .....	8.0 m (26.25')

(b) All Other Principal Buildings

Yard, Front .....	30.0 m (98.42')
Yard, Side .....	15.0 m (49.21')
Yard, Rear .....	30.0 m (98.42')

(c) Accessory Buildings and Structures (Excluding Fences)

Yard, Front .....	8.0 m (26.25')
Yard, Side .....	3.0 m (9.84')
Yard, Rear .....	8.0 m (26.25')

(d) Temporary Trailers

To be sited in accordance with the provisions of "Temporary Trailer Permit Bylaw 1976", No. 1685.

### Maximum Building Height

- (7) (a) The maximum permitted building height for buildings, containing one or more dwelling units, within the A3 zone is 9 m (29.53').
- (b) Despite the foregoing, the heights of other farm buildings are subject to the provisions of the ACNBC Farm Building Code 1995.

### Conditions of Use

- (8) The conditions of use for the A3 zone are as follows:
  - (a) No fences over 1.2 m (4.00') in height are permitted in the required yards, front.
  - (b) No fences over 2.0 m (6.56') in height are permitted in the required yards, side or rear.
  - (c) In no situation shall a fence be greater than 2.0 m (6.56') in height.
  - (d) Bed and breakfast uses may have no more than six sleeping units.
  - (e) Limited farm sale of agricultural products may be sold directly to the public provided that:
    - (i) minimum of 50% of the agricultural products offered for sale are produced on the land;
    - (ii) the covered retail sales area does not exceed 100 m<sup>2</sup> (1076.4 sq. ft.); and
    - (iii) the retail sales are clearly ancillary to the farm use.
  - (f) A manufactured home must:
    - (i) be at least 7.3 m wide;
    - (ii) have a gross floor area exceeding 87 m<sup>2</sup>;
    - (iii) be assembled on a perimeter foundation; and
    - (iv) have a sloping roof.
  - (g) Assisted Living, Supportive Housing, and Community Care Facilities may be permitted provided that
    - (i) the number of residents does not exceed ten, including resident staff,
    - (ii) the use is within a single family dwelling unit only, which for clarity does not include a two-family dwelling,
    - (iii) approval from the Agricultural Land Commission is obtained, where the property is within the Agricultural Land Reserve, and
    - (iv) valid health permits for septic systems or on-site wastewater treatment systems are obtained.

BL 3263

BL 3153

BL 3302

**EXHIBIT C**

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

Re: Strata Plan VIS \_\_\_\_\_ being a strata plan of:  
PID 009-625-500 Section 10, Range 6, Comiakén District, except those parts in Plans  
765 BL., 25152, 27459, 28551, 36321, 36323 and VIP60156

**BARE LAND STRATA PLAN**

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

(a) a whole number that is the same for all of the strata lots in the strata plan as set out in section 246(6)(a) of the *Strata Property Act*.

OR

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

\_\_\_\_\_  
Signature of Superintendent of Real Estate

Strata Lot No.	Sheet No.	Total Area in ha.	Unit Entitlement	%* of Total Unit Entitlement**
1		4.04	1	14.3 %
2		4.04	1	14.3 %
3		4.05	1	14.3 %
4		4.04	1	14.3 %
5		12.3	3	42.8 %
Total number of lots: 5			Total unit entitlement: 7	

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

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

Date: \_\_\_\_\_, 2008

*[month, day, year]*.

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

**EXHIBIT D**

***Strata Property Act***  
**FORM W**  
**SCHEDULE OF VOTING RIGHTS**  
*(sections 245(b), 247, 248, 264)*

Re: Strata Plan VIS \_\_\_\_\_, being a subdivision of

PID 009-625-500                      Section 10, Range 6, Comiaken District, except those parts in Plans  
765 BL, 25152, 27459, 28551, 36321, 36323 and VIP60156

The strata plan is composed of 0 nonresidential strata lots, and 5 residential strata lots.

The number of votes per strata lot is one of the following [*check appropriate box*], as set out in the following table.

(a) the number of votes per residential strata lot, if any, is 1, and the number of votes per nonresidential strata lot is calculated in accordance with section 247(2)(a)(ii) of the *Strata Property Act*.

**OR**

(b) the strata plan is composed entirely of nonresidential strata lots, and the number of votes per strata lot is calculated in accordance with section 247(2)(b) of the *Strata Property Act*.

**OR**

**X** (c) the number of votes per strata lot is approved by the Superintendent of Real Estate in accordance with section 248 of the *Strata Property Act*.

\_\_\_\_\_  
Signature of Superintendent of Real Estate

Strata Lot No.	Type of Strata Lot (Residential or Nonresidential)	Sheet No.	Number of Votes
1	Residential	1	1
2	Residential	1	1
3	Residential	1	1
4	Residential	1	1
5	Residential	1	3
<b>Total number of strata lots: 5</b>			<b>Total number of votes: 7</b>

Date:                                      2008

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

# EXHIBIT E

## Interim Strata Budget

Maple Mountain Rd, North Cowichan

**12 month**

<u>Maintenance</u>	<u>Mth</u>		<u>Year</u>	
Road	\$ 167		\$ 2,000	
Garbage Collection	\$ -		\$ -	
Snow removal	\$ 125		\$ 1,500	
<u>Insurance</u>				
Liability Directors & Officers	\$ 83		\$ 1,000	
<u>Water</u>				
	\$ 83		\$ 1,000	
<u>Accounting &amp; Mgmt</u>	\$ 66		\$ 798	
<b>Sub Total</b>	<b>\$ 525</b>		<b>\$ 6,298</b>	
<u>Contingency Fund - 5</u>	<u>\$ 26</u>		<u>\$ 315</u>	
<b>TOTAL</b>	<b>\$551</b>		<b>\$6,613</b>	

### SCHEDULE OF ALLOCATION OF INTERIM BUDGET

Strata Lot 1	\$79
Strata Lot 2	\$79
Strata Lot 3	\$79
Strata Lot 4	\$79
Strata Lot 5	\$236



VIREB

VANCOUVER ISLAND REAL ESTATE BOARD

AN ASSOCIATION OF REALTORS

EXHIBIT F



BC Real Estate Association



# CONTRACT OF PURCHASE AND SALE

PREPARED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
(BROKERAGE - PLEASE PRINT)

ADDRESS: \_\_\_\_\_ PC: \_\_\_\_\_ PHONE: \_\_\_\_\_

PER: \_\_\_\_\_ MLS# No.: \_\_\_\_\_  
(LICENSEE - PLEASE PRINT)

SELLER: _____	BUYER: _____
SELLER: _____	BUYER: _____
ADDRESS: _____	ADDRESS: _____
PC: _____	PC: _____
PHONE: _____	PHONE: _____
RESIDENT OF CANADA <input type="checkbox"/> NON-RESIDENT OF CANADA <input type="checkbox"/>	OCCUPATION: _____
as defined under the <i>Income Tax Act</i>	

### PROPERTY:

UNIT NO. \_\_\_\_\_ ADDRESS OF PROPERTY \_\_\_\_\_

CITY/TOWN/MUNICIPALITY \_\_\_\_\_ POSTAL CODE \_\_\_\_\_ PID \_\_\_\_\_

LEGAL DESCRIPTION \_\_\_\_\_

The Buyer agrees to purchase the Property from the Seller on the following terms and subject to the following conditions:

- PURCHASE PRICE:** The purchase price of the Property will be \_\_\_\_\_  
\_\_\_\_\_ DOLLARS \$\_\_\_\_\_ (Purchase Price)
- DEPOSIT:** A deposit of \$\_\_\_\_\_ which will form part of the Purchase Price, will be paid on the following terms:

All monies paid pursuant to this section (Deposit) will be delivered in trust to \_\_\_\_\_

\_\_\_\_\_ and held in trust in accordance with the provisions of the *Real Estate Services Act*. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the *Real Estate Services Act* pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.

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INITIALS

PROPERTY ADDRESS \_\_\_\_\_ PAGE 2 of \_\_\_\_\_ PAGES

3. **TERMS AND CONDITIONS:** The purchase and sale of the Property includes the following terms and is subject to the following conditions.

Each condition, if so indicated, is for the sole benefit of the party indicated. Unless each condition is waived or declared fulfilled by written notice given by the benefiting party to the other party on or before the date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

4. **COMPLETION:** The sale will be completed on \_\_\_\_\_, yr \_\_\_\_\_ (Completion Date) at the appropriate Land Title Office.

5. **POSSESSION:** The Buyer will have vacant possession of the Property at \_\_\_\_\_ a.m./p.m. on \_\_\_\_\_, yr \_\_\_\_\_ (Possession Date) OR, subject to the following existing tenancies, if any: \_\_\_\_\_

6. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel, utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of \_\_\_\_\_, yr \_\_\_\_\_ (Adjustment Date).

7. **INCLUDED ITEMS:** The Purchase Price includes any buildings, improvements, fixtures, appurtenances and attachments thereto, and all blinds, awnings, screen doors and windows, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection. **INCLUDING:**

**BUT EXCLUDING:** \_\_\_\_\_

8. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on \_\_\_\_\_, yr \_\_\_\_\_.

9. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies set out in Clause 5, if any, and except as otherwise set out herein.

10. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, cash or Lawyer's/Notary's or real estate brokerage's trust cheque.

11. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.

\_\_\_\_\_  
INITIALS

PROPERTY ADDRESS \_\_\_\_\_

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- 12. **TIME:** Time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be absolutely forfeited to the Seller in accordance with the *Real Estate Services Act*, on account of damages, without prejudice to the Seller's other remedies.
- 13. **BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").
- 14. **CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.
- 15. **COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.
- 16. **RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer.
- 17. **PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.
- 18. **REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and the representations contained in the Property Disclosure Statement if incorporated into and forming part of this Contract, all of which will survive the completion of the sale.
- 19. **PERSONAL INFORMATION:** The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the managing broker(s), associate broker(s) and representative(s) of those Brokerages (collectively the "Licensee(s)") described in Clause 20, the real estate boards of which those Brokerages and Licensees 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 Buyer and the Seller:
  - A. for all purposes consistent with the transaction contemplated herein;
  - 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 purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled *Working With a REALTOR®*.

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INITIALS

PROPERTY ADDRESS \_\_\_\_\_ PAGE 4 of \_\_\_\_\_ PAGES

20 AGENCY DISCLOSURE: The Seller and the Buyer acknowledge having received, read and understood the brochure published by the British Columbia Real Estate Association entitled *Working With a REALTOR®* and acknowledge and confirm as follows:

A. the Seller has an Agency relationship with

\_\_\_\_\_ BROKERAGE and \_\_\_\_\_ LICENSEE

B. the Buyer has an Agency relationship with

\_\_\_\_\_ BROKERAGE and \_\_\_\_\_ LICENSEE

C. the Buyer and the Seller have consented to a limited dual agency relationship with

\_\_\_\_\_ BROKERAGE and \_\_\_\_\_ LICENSEE  
\_\_\_\_\_ LICENSEE

having signed a Limited Dual Agency Agreement dated \_\_\_\_\_

If only (A) has been completed, the Buyer is acknowledging no agency relationship. If only (B) has been completed, the Seller is acknowledging no agency relationship.

21. ACCEPTANCE IRREVOCABLE (Buyer and Seller): The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale is executed under seal. It is agreed and understood that the Seller's acceptance is irrevocable, including without limitation, during the period prior to the date specified for the Buyer to either:

- A. fulfill or waive the terms and conditions herein contained; and/or
B. exercise any option(s) herein contained.

22. THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.

23. OFFER: This offer, or counter-offer, will be open for acceptance until \_\_\_\_\_ o'clock a.m./p.m. on \_\_\_\_\_ yr. \_\_\_\_\_ (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.

X \_\_\_\_\_ WITNESS BUYER \_\_\_\_\_ SEAL \_\_\_\_\_ PRINT NAME

X \_\_\_\_\_ WITNESS BUYER \_\_\_\_\_ SEAL \_\_\_\_\_ PRINT NAME

24. ACCEPTANCE: The Seller (a) hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above, (b) agrees to pay a commission as per the Listing Contract, and (c) authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the cash proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Brokerage, as requested, forthwith after completion.

Seller's acceptance is dated \_\_\_\_\_ yr. \_\_\_\_\_

X \_\_\_\_\_ WITNESS SELLER \_\_\_\_\_ SEAL \_\_\_\_\_ PRINT NAME

X \_\_\_\_\_ WITNESS SELLER \_\_\_\_\_ SEAL \_\_\_\_\_ PRINT NAME

**CONTRACT OF PURCHASE AND SALE**  
**INFORMATION ABOUT THIS CONTRACT OF PURCHASE AND SALE**

**THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS.**

1. **CONTRACT:** This document, when signed by both parties, is a legally binding contract. **READ IT CAREFULLY.** The parties should ensure that everything that is agreed to is in writing.
2. **DEPOSIT(S):** Section 28 of the *Real Estate Services Act* requires that money held by a brokerage in respect of a real estate transaction for which there is an agreement between the parties for the acquisition and disposition of the real estate be held by the brokerage as a stakeholder. The money is held for the real estate transaction and not on behalf of one of the parties. If a party does not remove a subject clause, the brokerage requires the written agreement of both parties in order to release the deposit. If both parties do not sign the agreement to release the deposit, then the parties will have to apply to court for a determination of the deposit issue.
3. **COMPLETION:** (Clause 4) Unless the parties are prepared to actually meet at the Land Title Office and exchange title documents for the Purchase Price, it is, in every case, advisable for the completion of the sale to take place in the following sequence:
  - (a) The Buyer pays the Purchase Price or down payment in trust to the Buyer's Lawyer or Notary (who should advise the Buyer of the exact amount required) several days before the Completion Date, and the Buyer signs the documents.
  - (b) The Buyer's Lawyer or Notary prepares the documents and forwards them for signature to the Seller's Lawyer or Notary who returns the documents to the Buyer's Lawyer or Notary.
  - (c) The Buyer's Lawyer or Notary then attends to the deposit of the signed title documents (and any mortgages) in the appropriate Land Title Office.
  - (d) The Buyer's Lawyer or Notary releases the sale proceeds at the Buyer's Lawyer's or Notary's office.

Since the Seller is entitled to the Seller's proceeds on the Completion Date, and since the sequence described above takes a day or more, it is strongly recommended that the Buyer deposits the money and the signed documents **AT LEAST TWO DAYS** before the Completion Date, or at the request of the Conveyancer, and that the Seller delivers the signed transfer documents no later than the morning of the day before the Completion Date.

While it is possible to have a Saturday Completion Date using the Land Title Office's Electronic Filing System, parties are strongly encouraged **NOT** to schedule a Saturday Completion Date as it will restrict their access to fewer lawyers or notaries who operate on Saturdays; lenders will generally not fund new mortgages on Saturdays; lenders with existing mortgages may not accept payouts on Saturdays; and other offices necessary as part of the closing process may not be open.

4. **POSSESSION:** (Clause 5) The Buyer should make arrangements through the real estate licensees for obtaining possession. The Seller will not generally let the Buyer move in before the Seller has actually received the sale proceeds. Where residential tenants are involved, Buyers and Sellers should consult the *Residential Tenancy Act*.
5. **TITLE:** (Clause 9) It is up to the Buyer to satisfy the Buyer on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the Property and any encumbrances which are staying on title before becoming legally bound. It is up to the Seller to specify in the Contract if there are any encumbrances, other than those listed in Clause 9, which are staying on title before becoming legally bound. If you as the Buyer are taking out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. In certain circumstances, the mortgage company could refuse to advance funds. If you as the Seller are allowing the Buyer to assume your mortgage, you may still be responsible for payment of the mortgage, unless arrangements are made with your mortgage company.
6. **CUSTOMARY COSTS:** (Clause 15) In particular circumstances there may be additional costs, but the following costs are applicable in most circumstances:

Costs to be Borne by the Seller	Costs to be Borne by the Buyer
Lawyer or Notary Fees and Expenses: <ul style="list-style-type: none"><li>- attending to execution of documents</li></ul>	Lawyer or Notary Fees and Expenses: <ul style="list-style-type: none"><li>- appraisal (if applicable),</li><li>- Land Title Registration fees.</li></ul>
Costs of clearing title, including: <ul style="list-style-type: none"><li>- discharge fees charged by encumbrance holders,</li><li>- prepayment penalties</li></ul>	Fire Insurance Premium
Real Estate Commission.	Sales Tax (if applicable)
Goods and Services Tax.	Property Transfer Tax
	Goods and Services Tax
	Survey Certificate (if required)
	Costs of Mortgage, including: <ul style="list-style-type: none"><li>- mortgage company's Lawyer/Notary.</li></ul>

7. **RISK:** (Clause 16) The Buyer should arrange for insurance to be effective on the earlier of the Completion Date or the date the Buyer pays the balance of the funds into trust. The Seller should maintain the Seller's insurance in effect until the later of the date the Seller receives the proceeds of sale, or the date the Seller vacates the property.

8. **FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold residences. If your transaction involves:
  - a house or other building under construction
  - a business
  - other special circumstances (including the acquisition of land situated on a First Nations reserve)additional provisions, not contained in this form, may be needed, and professional advice should be obtained. A Property Disclosure Statement completed by the Seller may be available.

9. **ALTERNATE DISPUTE RESOLUTION:** Parties to this contract may pursue alternate dispute resolution if a dispute arises after completion of the transaction. It is recommended that the parties first mediate the dispute. Failing agreement to mediate, or if the mediation fails, then disputes can be submitted to an arbitration under the *Commercial Arbitration Act*. BCREA member boards can provide guidance on the selection of mediation and arbitration services in your area.



# CONTRACT OF PURCHASE AND SALE ADDENDUM

M.L.S. NO.

DATE

RE ADDRESS:

LEGAL DESCRIPTION: Proposed Strata Lot of a bare land strata plan of Section 10, Range 6, Comaken District, except those parts in Plans 765 BL, 25152, 27459, 28551, 36321, 36323 and VIS60156  
PID#: 009-625-500

FURTHER TO THE CONTRACT OF PURCHASE AND SALE DATED

MADE BETWEEN

AS BUYER, AND

LEDGESTONE DEVELOPMENTS LTD.

AS SELLER AND COVERING

THE ABOVE-MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREE AS FOLLOWS:

1. COMPLETION DATE

The Seller shall have the unilateral right to extend the Completion Date once or twice by giving the Buyer notice not later than 30 days prior to the original or amended Completion Date and specifying a new Completion Date which must be not later than 30 days after the original or amended Completion Date.

2. POSSESSION AND ADJUSTMENT DATE

Both the Possession Date and the Adjustment Date shall be the day immediately following the Completion Date. Possession of the Property will be granted at 9:00 a.m. on the Possession Date.

3. ASSIGNMENT

The Buyer may not assign the Buyer's interest in this Contract of Purchase and Sale or the right to purchase the Property without the written consent of the Seller.

X  
WITNESS

BUYER



PRINT NAME

X  
WITNESS

BUYER



PRINT NAME

X  
WITNESS

Ledgestone Developments Ltd.



PRINT NAME

X  
WITNESS

per:  
SELLER



PRINT NAME