

**DISCLOSURE STATEMENT
REAL ESTATE DEVELOPMENT MARKETING ACT (British Columbia)**

SOOKEPOINT PRIVATE RESIDENCE CLUB
(Phases 2-4)

February 25, 2016

Disclosure Statement regarding an offering for the sale of **one hundred nineteen (119) strata lots**, to be located at 1000 Silver Spray Drive, Sooke, British Columbia, in a multi-phased strata development known as “SookePoint Ocean Cottages and Yacht Suites” (the “Development”).

DEVELOPER

LANDUS DEVELOPMENT GROUP INC. and HOMESHARE EQUITY INC.

Business Address: Suite 203, 5955 Fraser Street, Vancouver, British Columbia V5W 2Z6
Address for Service: 1700 - 1075 West Georgia Street, Vancouver, British Columbia V6E 3C9

**655063 BRITISH COLUMBIA LTD., 655064 BRITISH COLUMBIA LTD.
and 655065 BRITISH COLUMBIA LTD.**

Business Address: 27049 Gloucester Way, Langley, British Columbia V4W 3Y3
Address for Service: 220 – 545 Clyde Avenue, West Vancouver, British Columbia V7T 1C5

NUENTERPRISES LTD. and S.M.S. TRADING LTD.

Business Address: 201-5990 Fraser Street, Vancouver, British Columbia V5W 2Z7
Address for Service: 201-5990 Fraser Street, Vancouver, British Columbia V5W 2Z7

DEVELOPER’S BROKERAGE

The Developer has not retained a third party broker to assist in the marketing and sale of the strata lots described in this Disclosure Statement. The Developer will market some of the strata lots described in this Disclosure Statement using employees who are not licensed under the *Real Estate Services Act* (British Columbia) and who are not acting on behalf of purchasers. However, the Developer reserves the right to appoint real estate agents, from time to time.

This is a Phase Disclosure Statement filed pursuant to the *Real Estate Development Marketing Act*. 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 name of Purchaser) who has confirmed that fact by initialing 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 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 the 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) 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.

**POLICY STATEMENT 5
RIGHT OF RESCISSION**

- (a) The estimated date for the issuance of building permits for any of the phases being marketed under this Disclosure Statement, is 9 months or less from the date this Disclosure Statement is filed with the Superintendent (the "Filing Date").
- (b) The developer may market the proposed Development units under this Disclosure Statement for a period of no more than 9 months from the Filing Date, unless an amendment to the Disclosure Statement that sets out particulars of the issued building permit(s) 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 setting out particulars of the issued building permits; 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 pursuant to this Disclosure Statement before the purchaser's receipt of an amendment to this Disclosure Statement that sets out particulars of the issued building permit(s), must contain the following terms:
- (i) The purchaser may cancel the purchase agreement for a period of seven days after receipt of an amendment to this Disclosure Statement that sets out particulars of the issued building permits, 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 permits;
 - (ii) If an amendment to this 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, then 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(s);
 - (iii) The amount of the deposit to be paid by a purchaser who has not yet received an amendment to this 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.

POLICY STATEMENT 6
RIGHT OF RESCISSION

The estimated date for obtaining a satisfactory financing commitment, as disclosed in this Disclosure Statement, is 9 months or less from the Filing Date.

The Developer may market the proposed Development units under this Disclosure Statement for a period of no more than 9 months from the Filing Date, unless an amendment to this Disclosure Statement that sets out particulars of a satisfactory financing commitment is filed with the Superintendent during that period.

Any purchase agreement used by the Developer, with respect to any Development unit offered pursuant to this Disclosure Statement before the purchaser's receipt of an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment, must contain the following terms:

1. If an amendment to this Disclosure Statement that sets out particulars of a satisfactory financing commitment is not received by the purchaser within 12 months after the initial disclosure statement was filed, then 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;
2. The amount of the deposit to be paid by a purchaser who has not yet received an amendment to this Disclosure Statement that sets out particulars of a satisfactory financing commitment is no more than 10% of the purchase price; and
3. 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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1. THE DEVELOPER

1.1 Incorporation Information

Development of the Property described in this Disclosure Statement is being undertaken by seven companies engaged in a joint venture:

- (a) Landus Development Group Inc. is a British Columbia company in good standing, incorporated on February 14, 2006 under incorporation number BC0748811.
- (b) Homeshare Equity Inc., a British Columbia company in good standing, incorporated on December 30, 1993 under incorporation number BC0461251.
- (c) 655063 British Columbia Ltd., a British Columbia company in good standing, incorporated on September 20, 2002 under incorporation number BC0655063;
- (d) 655064 British Columbia Ltd., a British Columbia company in good standing, incorporated on September 20, 2002 under incorporation number BC0655064; and
- (e) 655065 British Columbia Ltd., a British Columbia company in good standing, incorporated on September 20, 2002 under incorporation number BC0655065.
- (f) Nuenterprises Ltd., a British Columbia company in good standing, incorporated on October 17, 2001 under incorporation number BC635765.
- (g) S.M.S. Trading Ltd., a British Columbia company in good standing, incorporated on October 17, 2001 under incorporation number BC635757.

In this Disclosure Statement, Landus Development Group Inc., Homeshare Equity Inc., 655063 British Columbia Ltd., 655064 British Columbia Ltd., 655065 British Columbia Ltd., Nuenterprises Ltd., and S.M.S. Trading Ltd. are collectively referred to as the “**Developer**”.

1.2 Purpose of Incorporation

- (a) Landus Development Group Inc. was incorporated for the purpose of real estate development, and has assets other than the Property.
- (b) Homeshare Equity Inc. was incorporated for the purpose of real estate development, and has assets other than the Property.
- (c) 655063 British Columbia Ltd. was incorporated for the purpose of real estate investment, and has assets other than the Property.
- (d) 655064 British Columbia Ltd. was incorporated for the purpose of real estate investment, and has assets other than the Property.
- (e) 655065 British Columbia Ltd. was incorporated for the purpose of real estate investment, and has assets other than the Property.

- (f) Nuenterprises Ltd. was incorporated for the purpose of real estate investment, and has assets other than the Property.
- (g) S.M.S. Trading Ltd. was incorporated for the purpose of real estate investment, and has assets other than the Property.

1.3 **Developer's Registered and Records Office**

- (a) The registered and records office of both Landus Development Group Inc. and Homeshare Equity Inc. is located at 1700 - 1075 West Georgia Street, Vancouver BC V6E 3C9.
- (b) The registered and records offices of each of 655063 British Columbia Ltd., 655063 British Columbia Ltd., and 655063 British Columbia Ltd. are located at 27049 Gloucester Way, Langley, British Columbia V4W 3Y3.
- (c) The registered and records offices of each of Nuenterprises Ltd. and S.M.S. Trading Ltd. are located at 201 - 5990 Fraser St., Vancouver BC V5W 2Z7.

1.4 **Names of Directors**

- (a) The sole Director of Landus Development Group Inc. is:
Michael Thornton, President
- (b) The sole Director and Officer of Homeshare Equity Inc. is:
Roxanne Thornton, President / Secretary
- (b) The sole Director and Officer of 655063 British Columbia Ltd. is:
Hamid Bhimji, Director / Principal Operator
- (c) The sole Director and Officer of 655064 British Columbia Ltd. is:
Diane Bhimji, President / Secretary
- (d) The sole Director and Officer of 655065 British Columbia Ltd. is:
Omar Bhimji, President / Secretary
- (e) The sole Director and Officer of Nuenterprises Ltd. is:
Naresh Desai
- (f) The sole Director and Officer of SMS Trading Ltd. is:
Suresh Desai

1.5 **Background for Developer, Directors, Officers and Principal Holders**

In accordance with *Policy Statement 15* issued by the British Columbia Superintendent of Real Estate (the "**Superintendent**") pursuant to the *Real Estate Development Marketing Act* ("**REDMA**"), a "principal holder" is defined to mean any person holding directly or indirectly more than 10% of any class of voting securities of the issuer of those securities.

With respect to Landus Development Group Inc., Homeshare Equity Inc., 655063 British Columbia Ltd., 655064 British Columbia Ltd. and., 655065 British Columbia Ltd., Nuenterprises Ltd. and SMS Trading Ltd. the principal holders are, respectively, Michael

Thornton, Roxanne Thornton, Hamid Bhimji, Diane Bhimji, Omar Bhimji, Naresh Desai and Suresh Desai.

(1) Experience:

Michael Thornton (through Landus Development Group Inc. and otherwise) has been involved in the real estate investment and development business since 1988, has structured more than two-dozen real estate limited partnerships, and developed several strata and fee simple projects in Chilliwack, Langley, Rossland, and Sooke, B.C. Since 1996 Michael Thornton has also been the lead agent in assembling, rezoning, servicing and subdividing the Silver Spray Lands, of which the SookePoint Development is a part.

Roxanne Thornton (through Homeshare Equity Development Inc. and otherwise) has been involved in real estate development and management since 1993. Roxanne managed approximately 280 residential investment properties in B.C. between 1988 and 1996, was involved in the land planning, rezoning and subdivision of the Silver Spray Lands, and has developed, subdivided and sold several unrelated properties in neighbouring East Sooke.

Each of Hamid Bhimji, Diane Bhimji and Omar Bhimji through their respective numbered companies and otherwise, have been involved in the development of real estate in the Lower Mainland of British Columbia, including a commercial development in Abbotsford, British Columbia, a residential subdivision and construction of single family residences and town homes in Maple Ridge, British Columbia, the acquisition of land and construction of residential housing in Langley, British Columbia, and the acquisition and sale of land in Pitt Meadows, British Columbia.

Naresh Desai and Suresh Desai are chartered accountants, and partners in the firm of Desai and Associates. Both have been actively involved in real estate development and residential construction in the Lower Mainland of British Columbia since 2001.

(2) Penalties and Sanctions:

To the best of the Developer's knowledge, within the period of ten (10) years before the date of the declarations attached to this Disclosure Statement, no company comprising the Developer nor any principal holder, director or officer of any such company, 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) Bankruptcy and Insolvency

To the best of the Developer's knowledge, within the period of five (5) years before the date of the declarations attached to this Disclosure Statement, no company comprising the Developer nor any principal holder, director or officer of any such company, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold such parties' assets.

(4) Other Developers

- (a) To the best of the Developer's knowledge, within the period of five (5) years before the date of the declarations attached to this Disclosure Statement, no principal holder, director, or officer of any company comprising the Developer has been a principal holder, director, or officer of any other developer that, while such party was acting in that capacity, 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.
- (b) To the best of the Developer's knowledge, within the period of five (5) years before the date of the declarations attached to this Disclosure Statement, no principal holder, director, or officer of any company comprising the Developer has been a director, officer or principal holder of any other developer that, while such party was acting in that capacity, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

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

The Developer is not aware of any existing or potential conflicts of interest among the Developer, manager, any directors, officers and principal holders of the companies comprising the Developer and manager, any directors and officers of the principal holders, and any person providing goods or services to the Developer, manager or holders of the Strata Lots (described in this Disclosure Statement) in connection with the development which could reasonably be expected to affect the Purchaser's purchase decision.

2. THE DEVELOPMENT**2.1 General Description of the Development***(a) Location of Development*

The Development Property is located at 1000 Silver Spray Drive, in Sooke, British Columbia. The final address of each of the Strata Lots described in this Disclosure Statement will be determined on filing of the requisite Strata Plans.

(b) General Description

The Development Property is located within the Capital Regional District of Greater Victoria, and it includes a cloverleaf-shaped peninsula that juts out into the Strait of Juan de Fuca, immediately to the west of East Sooke Wilderness Park. With approximately 2,850 lineal feet of waterfront, the peninsula appears on international maps as 'Possession Point' and the development is known as 'SookePoint'.

The SookePoint / Possession Point peninsula is subject to vigorous interaction with waves and ocean tides and dramatic changes in sea and weather conditions. There is an abundance of neighbouring sea life, and there are sightings of orcas, humpbacks, gray whales, seals, sea lions, eagles and other coastal marine wildlife.

Due to its unique suitability as an adventure and eco-tourism destination resort, the Municipality of Sooke has granted a special variance permit to allow buildings for 'ocean cottages' and 'yacht suites' to be constructed within five metres horizontally from the natural boundary of the sea. In addition, buildings referenced as 'SW Tip of Canada Pavilion' comprised of a south and a west wing may be sited within one metre horizontally from the sea.

Placement of each building is subject to a report prepared by a professional engineer qualified to provide geotechnical advice, which confirms that the location of the building is safe for the intended use given a geo-hazard with a 2% probability of exceedance in 50 years.

Foundations closest to the sea are anchored on rock with the lowest habitable floor having an elevation above high tide more than double the Tsunami wave potential identified in a recent study for the Capital Regional District.

In stages, the Developer intends to subdivide the Development Property into a number of separately titled parcels, shown and described in the Preliminary Layout Assessment issued by the District of Sooke on August 15, 2013.

It is intended that the strata lots forming the subject of this Disclosure Statement will be constructed on the subdivision lot more particularly shown as "Lot 1" on the proposed subdivision plan annexed at Exhibit 'A' (the "**Proposed Subdivision Plan**").

Although subject to change, it is presently envisioned that the remainder of the lands shown on the Proposed Subdivision Plan may be used for more cottages and buildings similar to those in Lot 1, for marine docks and other marine-based activities, and for such things as a boutique hotel, lodge, restaurant, spa, meeting rooms, residential and commercial strata lots, sports facility, fitness club with swimming pool, and a "resort village" site for mixed uses that may include such things as a general store, coffee shop, bakery, medical clinic, day-care, shops, art gallery, yoga or fitness studio, conference rooms, residential and resort units, plus assorted small businesses and other ancillary uses permitted in accordance with zoning bylaws in effect from time to time. The remainder lands may also include a trail to access the adjoining wilderness park trail, a wastewater treatment facility, vehicle parking, a covered multi-story parkade, playground, tennis court, BBQ area, staff housing, residential and resort units, storage, utilities and other uses permitted in accordance with applicable zoning.

THIS DISCLOSURE STATEMENT RELATES ONLY TO PHASES 2 - 4 OF THE STRATA LOT DEVELOPMENT TO BE CREATED ON THE LAND SHOWN AS LOT 1 ON THE PROPOSED SUBDIVISION PLAN. The Developer does not represent, warrant or guarantee that it will undertake or otherwise complete development of the remainder of the land shown on the Proposed Subdivision Plan, as described above, or otherwise. Prospective purchasers must judge the merits of acquiring a strata lot offered for sale in accordance with this Disclosure Statement without regard to what may or may not be developed on any adjacent lands at some future point.

The Development consists of 119 strata lots (the "**Strata Lots**") in 40 separate buildings, to be constructed in 6 phases. A preliminary plan showing the layout of the Development and the proposed location of the Strata Lots is annexed at Exhibit 'B' (the "**Preliminary Layout**").

The actual dimensions, areas and locations of the Strata Lots as shown on the Preliminary Layout may vary from what is depicted on the marketing drawings and the final registered strata plan. The final strata plans will be registered at the Land Title Office concurrently with completion of each phase of the Development, and will be appended at Exhibit 'C', once completed, by way of a future amendment to this Disclosure Statement.

Registration of the strata plan for Phase 1 of the Development (see Section 2.3 below) will create a Strata Corporation (the "**Strata Corporation**").

The Developer may, at its election, alter the type and number of Strata Lots in the Development (or in any phase of the Development) prior to the filing of a Strata Plan with respect to any one or more specific phases. In addition, the Developer reserves the right to change the number assigned to each location or floor in the Development or the unit numbers assigned to any of the Strata Lots.

38 of 40 buildings will contain 110 residential Strata Lots (the "**Cottages**" and "**Yacht Suites**").

4 of the 40 buildings (comprising 9 non-residential Strata Lots) will be "**Mixed Use Buildings**", intended in part for non-residential use in a manner permitted under the Zoning Bylaw (as defined in Section 2.2 below), which may include but is not limited to one or more of the following - the south and west wings of the SW Tip of Canada Pavilion, the Centre for Whale Research, elevators, fitness facility, lounge, restaurant, banquet and meeting rooms, licensed liquor establishment, grocery store, retail shop, office space, resort reception, staff and rental accommodation, spa, security and laundry facility. However, the Developer may, in the course of completing the Development and for any reason:

- (a) determine that one or more of the Strata Lots within the Mixed Use Buildings are not suited for non-residential use;
- (b) prior to the filing of the Strata Plan for the phase including the Mixed Use Buildings, to convert one or more non-residential Strata Lots to a use not originally intended, including private residence club suites, whether for short or long term rental, or as part of a hotel, lodge or other resort operation; and,
- (c) where necessary, by way of an amended Disclosure Statement, incorporate any non-residential Strata Lot converted to a residential Strata Lot within a residential section of the Strata Corporation.

Construction of the Strata Lots will generally (but not always) follow certain guidelines:

- The majority of the cottages will be behind stone roadside perimeter walls made from rock quarried on site, with pedestrian pathways through Victorian wrought iron-style gates that open under large trellis arbors. To keep the streetscape attractive, arbors may serve more than one building.
- Most Cottages will appear like low, single-story bungalows from the street, although all or almost all will have additional floors that step down closer to the ocean, many of which will contain separate suites. Exterior sides facing

adjacent Cottage windows and decks may be windowless, or use opaque or non-opening windows, to create 'privacy walls'. Landscaping will be encouraged to grow lushly to shroud Cottages with greenery.

- Cottage exteriors will typically feature antique-style synthetic shakes or hardi-plank shingles, finished primarily in a singular muted deep blue-green teal colour. White exposed rafter tails, traditional window shutters, light French windows and dark Craftsman style doors with dentil shelves will often be used for style and contrast.
- Most roofs will have dark shingles and a low 4:12 pitch for minimal wind resistance, and to provide an approximate 4' overhang. There will be a number of flat roofs 'beach-scaped' with rocks and driftwood to better blend into the natural environment from above. Solar panels or small wind turbines which are not easily viewed from the street may be located on the roof.
- Oceanside, large opening glass walls averaging about 84 to 90 inches from floor level are typical, as are over-height glass railings on prow-shaped decks that extend out in the middle, to improve angular views down to the ocean shore and better deflect sea breeze.
- The South and/or West Wing of the SW Tip of Canada Pavilion is the proposed site for restaurants, banquet facilities, meeting rooms, lounge, office, Centre for Whale Research and the initial location of the Ocean Club fitness facilities until such time as that amenity may be relocated.
- PLN01113 Development Permit #2 was issued by the District of Sooke on October 6, 2014 to permit up to 5 buildings at 'Surfside', including a parkade with a rooftop garden viewing deck, to replace 8 of the 95 cottages approved in Development Permit #1 PLN01005. These 'Yacht Suite' buildings may be up to 7 stories above grade, with current design plans having one floor plus the parkade rooftop gardens rise above the street while other floors step down ever closer to the ocean, with flat beach-scaped roofs. Notwithstanding issuance of the new Development Permit, it is possible Surfside may be developed with cottages in accordance with the original Development Permit.

Some of the Strata Lots may be in the vicinity of parking areas, restaurants and other amenities, and as such, noise, vibration, light and odours emanating from such space may be perceptible by the occupants of the Strata Lots. There may also be elevators, stairs and a slide into either or both the south and west wings of the SW Tip of Canada Pavilion, plus oceanfront perimeter lighting below some Strata Lots to provide accent views of waves and surf around the peninsula shoreline.

Alterations to the exterior of a Strata Lot, once constructed, will not be permitted without the written consent of the Developer. The Development is also subject to a 'form and character development permit' and any proposed exterior alterations may also require the approval of both the Strata Council and the District of Sooke.

The SookePoint Ocean Club

1.85% of net sale proceeds realized by the Developer from the initial sale of Strata Lots (after deducting real estate commissions and legal expenses) will be held in escrow by the Developer's solicitors (the "**Escrow**").

Escrow funds may be used to construct either the south or west wing of the SW Tip of Canada Pavilion and to finish space within it for the initial location of the '**SookePoint Ocean Club**', a fitness club intended for residents and guests, and to purchase fitness equipment and lounge furniture. Ocean Club equipment will include one or more: treadmill, elliptical machine, rowing machine, stationary bicycle, free weights, universal or selectorized strength training machine, fitness ball, stretch bands, foam mats and space for activities or other equipment as may be added from time to time.

The Developer reserves the right to relocate the SookePoint Ocean Club fitness facilities at any future date with the proviso that there are no additional costs to Strata Lot Owners other than their regular membership fees as described hereunder.

It is the Developer's intent, if and when constructed, that the fitness facilities will be owned and operated by the Developer or the Developer's successor in title, or through a third party owner / operator and available for use by Strata Lot owners and occupants, and by third parties, some of whom may not reside in the Development.

Prior to the first sale of a Strata Lot by the Developer, the Developer will cause the Strata Corporation to enter into an agreement with the Developer (the "SookePoint Ocean Club Agreement"), by which each registered owner (or director of a registered owner if a corporation) from time to time of a Strata Lot and the immediate family of that owner (or director of that owner, as the case may be) will be entitled to use the SookePoint Ocean Club, following its completion, at a monthly fee (the "SookePoint Ocean Club Fee") of not more than \$50.00 per Strata Lot, plus applicable taxes, in the first year following completion of construction. The annual rate thereafter is to be set by the Developer or the Developer's successor in title. Additional monthly fees will also apply following completion of the construction of a swimming pool and the addition of a hot tub within the Ocean Club.

If the SookePoint Ocean Club Fee in any year is increased by more than three (3.0%) percent (excluding additional fees chargeable following completion of the construction of a swimming pool and the addition of a hot tub within the Ocean Club, the Strata Corporation will be entitled to terminate the SookePoint Ocean Club Agreement on written notice of three months.

When chargeable, SookePoint Ocean Club Fees will be collected by the Strata Corporation as a component of Strata Fees, and remitted to the Developer or the Developer's successor in title. As a condition of access to the SookePoint Ocean Club, Club users will be required, firstly, to abide by rules imposed by the Developer or the Developer's successor in title from time to time and, secondly, to sign or have signed by the SookePoint Ocean Club user's parent or guardian, a release of liability in form approved by the Developer or the Developer's successor in title, from time to time. Short-term tenants and guests of a Strata Lot owner may be charged rates to use the SookePoint Ocean Club, as determined by the Developer or the Developer's successor in title.

In the event construction of the SookePoint Ocean Club has not commenced in the south or west wings of the SW Tip of Canada Pavilion (or in a location that is less than 200 metres distant from the Development) within eighteen months following

completion of the sale of the first Strata Lot to a purchaser acting at arms' length from the Developer, then by the vote of a simple majority of Strata Lot owners cast at the next annual general meeting of the strata corporation, the SookePoint Ocean Club Agreement will be terminated and the Developer will pay to the Strata Corporation, out of the Escrow, an amount equal to that portion of the Escrow capitalized from the sale by the Developer of any Strata Lots in the Development.

Surplus funds in the Escrow following completion of the construction of the SookePoint Ocean Club will be released to the Developer, without restriction.

2.2 Permitted Use

(a) Zoning

That part of the Development Property from which the Development will be created is within Area A of the **Silverspray Comprehensive Development Zone (CD-3)** described in Corporation of the District of Sooke, Bylaw No. 600, Sooke Zoning Bylaw, 2013 (the "Zoning Bylaw"). An excerpt of the Zoning Bylaw as amended to October 15, 2013 and describing Silverspray Comprehensive Development Zone (CD-3) is annexed as Exhibit 'D'.

The full Zoning Bylaw may be obtained from the District of Sooke website, at www.sooke.ca. Further information relating to zoning may be obtained from the District of Sooke, 2205 Otter Point Road, Sooke, British Columbia V9Z 1J2, Telephone 250.642.1634, Facsimile 250.642.0541.

Permitted uses within the CD-3 zone are a "**Destination Resort Complex**", which may include: (a) Boat moorage, rentals and docks accessory to the hotel or lodge use; (b) Gift shop; (c) Health spa; (d) Hotel or Lodge; (e) Licensed liquor establishment; (f) Meeting room; (g) Private utility; (h) Restaurant; (i) Single family residential dwelling; and (j) Tourist accommodation chalets.

Pursuant to Bylaw 600, a "**Lodge**" means a building or buildings that are suitable for tourist, vacation, resort and recreational residence units, including private residence clubs, each unit of which has its own sanitary facilities, including water closet and washbasin; may include a kitchen or kitchenette in individual units; may include a spa, conference centre, restaurant and premises licensed under the *Liquor Control and Licensing Act*.

On October 15, 2013 the District of Sooke adopted Bylaw No. 581 which enacts as follows:

1. This Bylaw is cited as *Zoning Amendment Bylaw (600-7)*
2. Bylaw No. 600, *Sooke Zoning Bylaw, 2013*, as amended, is further amended by adding the following to the end of the definition of "lodge" in **Part 2 – Definitions**:

"Residence units included within a private residence club can be used as permanent or temporary residences, or for temporary accommodation."

The Developer reserves the right, in its absolute discretion, to apply for rezoning of any portion of the Development Property (including Strata Lots within the Development which it may own, from time to time) to permit any other or further residential, commercial, retail, office, recreational or other use the Developer

considers necessary or desirable, notwithstanding that such uses may differ from those, if any, currently permitted in the Zoning Bylaw.

(b) Usage of Lots

The Strata Lots at SookePoint are designed to create a mixed-use resort environment. Owners may reside on premises on a full or part-time basis, and when not in residence, may, subject to restrictions described elsewhere in this Disclosure Statement, use their strata lot for long or short-term vacation rentals.

No Strata Lot may be used in a manner which is not expressly permitted under the Zoning Bylaw. In addition, covenants will be registered against each Strata Lot to ensure that, with the exception of those non-residential strata lots within buildings designated as Mixed Use Buildings, none of the Strata Lots may be used for a commercial purpose except as described in this Disclosure Statement.

Mixed Use Strata Lots and their Limited Common Property may be utilized for such things as meeting rooms, restaurant, banquet facility, slide, spa, elevators, rooftop garden, parkade, boardwalk and the Centre for Whale Research, and these areas may also be used for other purposes including for special events or other business.

The Developer does not intend to prohibit a Strata Lot owner or occupant from operating or managing a home-based business, provided that there is no material negative impact on the Development, no increase in traffic, no use of on-site signage that is visible from the street unless approved by the Developer, and in the sole opinion of the Developer no detrimental competition with entities approved to manage businesses that are important to the economic viability and sustainability of the Development as a destination resort.

Residential Strata Lot owners may individually or through an agent offer units for long-term rental, defined as rental periods to one family or client for their personal use for thirty consecutive days or more.

Residential Strata Lots may not be individually offered for short-term rental, defined as rental periods of less than thirty days, unless it is privately to friends or family of the Strata Lot owner, with written acknowledgement from guests that they are staying in a private unit not presently managed by the SookePoint Ocean Cottage Destination Resort.

Residential Strata Lot owners may offer units for short-term rental through a licensed management company, or other organization specifically approved by the Developer.

Of particular importance to the Developer is that there are not differing standards of interior cleanliness, maintenance, services, rates, advertising, security and resort operations serving the short-term travelling public which could detrimentally affect the reputation and value of the resort as a whole, and adversely impact the perceived value of some or all strata lots.

Furthermore:

- (i) Strata Lot owners may participate in a rental exchange program or resort club network (a "Resort Club") for exchange periods of less than thirty days. The Developer is not selling Resort Club interests, and is not affiliated with and makes no representation or warranty with respect to any Resort Club or the derivation of income from participation in a Resort Club. However, the Developer has received

strong expressions of interest from Resort Club networks, and may, on filing an amended or new disclosure statement, enter into an affiliation that allows owners an option to participate.

- (ii) Strata Lot owners will not be restricted from entering into third party management or marketing agreements for the purpose of offering Strata Lots for long-term vacation rentals to individual clients renting for 30 consecutive days or more.
- (iii) The Developer may, directly or through an affiliated or an arm's length third party company operating out of a Strata Lot or from premises situate on land adjacent to the Development, offer long or short-term vacation rental management and maintenance services to Strata Lot owners. The Developer makes no representation or warranty to a purchaser with respect to the derivation of revenue arising out of the use of a Strata Lot for long or short-term vacation rental purposes.
- (iv) Strata Lot purchasers, including those acquiring Strata Lots for use as a principal residence or vacation home and not for rental, are cautioned that other Strata Lots within the Development may be occupied for resort use or short term rentals, which may result in significant fluctuations in traffic and activity within the Development based on Strata Lot occupancy.
- (v) Residential Strata Lots may also be offered for long-term residential rental, subject to the provisions of the Residential Tenancy Act. Non-residential Strata Lots may be offered for short or long term rental, without restriction.

2.3 Phased Strata Plan

The Development is a multi-phased strata development, involving the six phases, more particularly described in the proposed Phased Strata Plan Declaration (Strata Property Act Form P) annexed at Exhibit 'E' (the "**Form P**").

A strata corporation will be created by the filing of a strata plan in the Land Title Office for Phase 1 of the Development. Upon the filing of a strata plan for each of the remaining phases, the Strata Lots and the common property in each phase will be consolidated with the strata corporation created by the filing of the strata plan for Phase 1 of the Development, in accordance with the provisions of the *Strata Property Act*.

An approved Form P is required for the development of a Phased Strata Plan. The Developer anticipates that the District of Sooke will approve the Form P for the Development, it being understood that Developer may, subject to market conditions, change the order in which each Phase is to be constructed, prior to submitting the final Form P to the District of Sooke for approval.

Each phase of the Development will consist of strata lots, as follows:

<u>Phase</u>	<u>Number of Strata Lots</u>
1	21
2	23
3	24
4	19
5	3
6	29

TOTAL 119

The Developer has elected to proceed with Phase 1. If the Developer elects to proceed with any of the subsequent phases, it will make such election, on or before the following dates:

<u>Phase</u>	<u>Date</u>
2	April 30, 2016
3	July 31, 2016
4	October 31, 2016
5	December 31, 2018
6	December 31, 2019

ONLY THE STRATA LOTS IN PHASE 2-4 ARE BEING OFFERED FOR SALE IN ACCORDANCE WITH THIS DISCLOSURE STATEMENT. The Strata Lots in Phase 1 are being offered for sale in accordance with a separate disclosure statement or amendment to this disclosure statement. The Strata Lots in Phases 5 and 6 will be offered for sale in accordance with an amendment to this disclosure statement, to be filed at a later date.

3. STRATA INFORMATION

3.1 Unit Entitlement

The unit entitlement for each Strata Lot means the number indicated in the schedule of unit entitlement established under Section 246 of the *Strata Property Act* that is used in calculations to determine the strata lot's share of:

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

The unit entitlement for each residential Strata Lot in the Development is equal to a whole number that is the same for each residential Strata Lot, all in accordance with section 246(3)(a)(ii) of the *Strata Property Act*. The unit entitlement for each non-residential Strata Lot in the Development is a number that is the total area, in square metres, of the strata lot, as determined by a British Columbia land surveyor, rounded to the nearest whole number, as set out in section 246 (3) (b) (i) of the *Strata Property Act*. A proposed schedule of unit entitlement (*Strata Property Act Form V*) is annexed at Exhibit 'F' to this Disclosure Statement.

3.2 Voting Rights

A proposed schedule of voting rights (*Strata Property Act Form W*) setting out the number of votes granted to an owner of each Strata Lot at a meeting of the strata corporation is included at Exhibit "G" and will be deposited in Land Title Office concurrently with deposit of the Strata Plan. Each residential Strata Lot will be granted one vote in the strata corporation. Each commercial Strata Lot will have the number of votes calculated in accordance with Section 247(2)(a)(ii) of the *Strata Property Act* and noted in Exhibit "G".

3.3 Common Property and Facilities

The Common Property of the Development will include roads, entryways, walkways, landscaped areas, water and private utility wastewater connections, hydro conduit, drive aisles and off street visitor parking, all of which will be located generally as indicated in the Preliminary Layout. The cost of operating and maintaining the Common Property (including any Limited Common Property, except as noted below) will be shared by the owners of the Strata Lots and included in their monthly assessments.

The Developer, in its sole discretion may (a) construct monitored electric security gates adjacent to the Development, near the entrance to 1000 Silver Spray Drive or further inside the Development, and (b) install security cameras to protect Common Property (including any Limited Common Property) along the street and parking areas (the "Security Facilities"). If constructed, the Strata Corporation will, in accordance with the terms of the instrument described in Section 4.4(i), be obliged to pay to the Developer a proportionate share of the annual operating and maintenance cost for the Security Facilities.

3.4 Limited Common Property

Limited Common Property ("**Limited Common Property**") is an area within the Common Property that is designated for the exclusive use of one or more Strata Lot Owners. With the exception of parking stalls, any additional maintenance expenses arising in respect of Limited Common Property will be borne by the owners enjoying the exclusive use of such Limited Common Property.

On occasion the Developer may designate portions of the Common Property around a building for the exclusive use of an owner of one or more of the Strata Lots. The precise size and location of limited common property will be shown on the Strata Plan to be appended at Exhibit 'C'.

3.5 Bylaws

The Bylaws for the Strata Corporation are set out in Strata Property Act Form Y, a copy of which is annexed as Exhibit 'H' to this Disclosure Statement. There are no restrictions in the bylaws on the age of occupants.

3.6 Parking

Visitor Parking

There will be a minimum of 17 guest parking stalls spread throughout the Development. The precise location of each stall will be determined by the Developer.

Strata Lot Parking

All of the parking stalls in the Development (the "Parking Facility") will be leased by the Developer to SookePoint Parking Inc., a company to be incorporated, pursuant to a lease (the "Parking Lease") granted and dated prior to the filing of the strata plan for Phase 1 and the creation of the Strata Corporation. A copy of the Parking Lease is attached hereto as Exhibit 'I'. Upon the deposit of registration for the strata plan for Phase 1 and in each successive phase of the Development, the Parking Facility will be designated as common property and/or limited common property as shown on the strata plan, subject to the Parking Facility Lease. The Developer will cause SookePoint Parking Inc. to grant a partial

assignment of the Parking Facility Lease pertaining to at least one (1) single car parking stall to each buyer of a Strata Lot. Such assignments will be for such consideration and on such terms as may be established by the Developer from time to time, and may include a reservation of certain rights in favour of non-residential strata lots. The Developer will also cause SookePoint Parking Inc. to assign back to the Strata Corporation those stalls which are to be designated for visitor parking.

3.7 **Furnishings and Equipment**

Appliances and furnishings may be included in specific Strata Lots where negotiated between the Developer and a purchaser in accordance with the Purchase Agreement (described in Section 7.2).

Some furnishings such as bed frames, headboards, wardrobes, bench seats and kitchen islands are intended to remain where installed, so areas behind or underneath these furnishings may not be finished the same as the rest of the room, since these items are not to be moved or removed. Any manufacturer's warranty for appliances, furnishings and equipment, whether located in the Strata Lots or in the Common Property, will be passed on to the purchaser or the Strata Corporation, as the case may be, if and to the extent permitted by such warranty.

3.8 **Budget**

- (a) Expenses prior to first conveyance: The Developer will pay the expenses of the Strata Corporation up to the end of the month in which the first conveyance of a strata lot to a purchaser takes place.
- (b) Interim Budget: An estimated interim budget for a typical full year of operating expenses of the Strata Corporation is attached hereto as Exhibit 'J' (including costs relating to the Security Facilities and the SookePoint Ocean Club amenities from and after the projected completion dates, it being understood that such costs will not be payable unless and until those amenities are completed.) From the period beginning on the first day of the month following the month in which the first conveyance of a strata lot to a purchaser occurs, until the first annual budget of the Strata Corporation takes effect, the Strata Corporation must pay the expenses and all owners (including the Developer as owner) must pay their monthly share of the expenses as set out in the interim budget.
- (c) Monthly Assessments: Based on the estimated interim budget, the estimated monthly strata fees for each Strata Lot for the first year of operation is set out in the schedule of monthly strata fees attached hereto as Exhibit 'K'.
- (d) A contingency reserve fund is a fund for common expenses which usually occur less often than once a year, or that do not usually occur. The Developer will establish a contingency reserve fund at the time of the first conveyance to a purchaser. The amount of the contingency reserve fund established by the Developer will be the lesser of:
 - (i) 5% of the Strata Corporation's interim budget, multiplied by the number of years and partial years since the deposit of the strata plan; and
 - (ii) 25% of the Strata Corporation's interim budget.

This fund will belong to the Strata Corporation and must not be used to pay Strata Corporation expenses.

3.9 Utilities and Services

The Development is contained within the District Municipality of Sooke, part of the Capital Regional District ("CRD"), within Greater Victoria. There is paved road access via East Sooke Road to Silver Spray Drive along to the boundary of the Development. The CRD maintains the water supply. Fire protection is currently provided under contract between Sooke and the East Sooke Volunteer Fire Department.

The following utilities and services will be available:

(a) Access – Access from Silver Spray Drive to the Development will be by way of a series of reciprocal driveway easements over the lots shown on the Proposed Subdivision Plan and part of Strata Plan VIS5699, including without limitation Easement EX13458 (which authorizes the construction, installation, operation, maintenance and repair of a driveway over a portion of Strata Plan VIS5699), and the additional easements described in Section 4.4(b) below. The Strata Corporation will be responsible to pay a proportionate share of the cost to maintain and repair this access road, calculated according to a formula to be established based on the area of the strata lots within the Strata Corporation, and included in the easements. The cost of maintenance and repair is included in the budget at Exhibit 'J'. The proposed configuration of the access road is shown on the Preliminary Layout, and a final copy will be shown on the plan or plans to be appended at Exhibit 'L' in a subsequent amendment to this Disclosure Statement.

(b) Electricity

The Development will be serviced with electricity at the cost of the Developer, by British Columbia Hydro and Power Authority ("**BC Hydro**") and electrical service will be connected to each Strata Lot. Individual Strata Lots will be responsible for their own hook-up and ongoing use charges.

(c) Telephone & High Speed Internet

Telephone and Internet service will be available from at least one of Telus Communications Inc. ("**Telus**") and Shaw Communications Inc. ("**Shaw**"). Future telephone and internet service may also be available from other service providers. The Developer will pay the cost of extending service to a central location on the Common Property. Each Strata Lot will be responsible for the cost of connecting a Strata Lot to the central location, and all ongoing use charges. If and when a group rate is negotiated for telephone, internet or satellite services, it may be financially advantageous for the Strata to pay a combined bill and include the cost in the monthly Strata Fees.

(d) Television

Shaw cable television service is available on the nearby Silver Spray Lands. Telus currently provides high-speed Internet service to the Development, which also enables web-based TV, allowing access to movie channels including Netflix. Shaw, Telus, or others may extend cable TV into the Development before title to the Strata Lots are conveyed. If this does not occur, the Developer will either

approve locations on each Strata Lot for the installation of leased dishes through a service like Shaw Direct or Telus Satellite TV, or install one or more centrally located satellite dishes. If and when a preferred group rate may be negotiated for satellite television service, it may be financially advantageous for the Strata to pay a combined bill and include the cost in the monthly Strata Fees.

(e) Wastewater Treatment

The Development will be serviced with a wastewater treatment facility (the "Wastewater Facility") that meets specifications required by the Ministry of Environment. The Wastewater Facility will be situated in the eastern backlands of what is shown as Lot 2 on the Proposed Subdivision Plan, and will initially be owned and operated by the Developer, a related or unrelated company or individual. Ownership may at any time be transferred to another entity, private utility or to the municipality of Sooke, and the facility may be used to service other lots or lands. Underground pipes for the system will be installed through the Development, and connected to each Strata Lot. The Owners, through the Strata Corporation will be responsible for the payment of their share of the cost of using, operating and maintaining the Wastewater Facility. The Strata Corporation will own and be responsible for the cost of maintaining its own lift stations and other sewer works situate on the common property, connecting to the Wastewater Facility. The estimated total cost for the first year of operation is included in the initial Strata Budget. On an ongoing basis, the Strata Corporation will be responsible for its share of any maintenance, capital cost improvements or reserve funds that may be required by the operating company, local government or the Ministry of Environment, determined on the basis of metered water usage.

(f) Mail, Garbage & Recycling

The Development will have designated areas within the Development or nearby for mail delivery, garbage and recycling.

(g) Propane

The Development is currently not serviced with natural gas. On a case-by-case basis, the installation of propane tanks and gas lines may only be undertaken or approved by the Developer, on common or limited common property. These may be installed only when attractively maintained and screened, and only when hookup and use is in conformance with safety legislation. The cost of propane service shall be paid solely by the individually connected Strata Lots.

(h) Street and Common Property Lighting

Lights may be installed on the face of planter walls, light standards may be placed at various locations around the street, address and parking signs may be illuminated, and trellis arbor, garden and pathway lights may be used for ambiance and visibility, all as determined or approved by the Developer. There may also be oceanfront perimeter lighting below some Strata Lots so residents, visitors and guests can better view the waves and surf around the peninsula shoreline. Wherever practical the Developer will prefer the use of low voltage and indirect lighting, to minimize glare and light pollution.

- (i) Sidewalks – The Developer does not represent that sidewalks or walking trails will be constructed within the Development, but reserves the right to do so where the Developer considers such construction to be appropriate.
- (j) Police Protection – Police protection for the lots is provided by the Royal Canadian Mounted Police and the nearest detachment is situated in Sooke, British Columbia approximately twenty (20) kilometres from the Development.

3.10 **Strata Management Contracts**

The Developer will cause the Strata Corporation created on filing of the Strata Plan to enter into a property management agreement with a qualified strata management company, a copy of which when finalized will be annexed at Exhibit 'M'. The Strata Corporation or the manager on the Strata Corporation's behalf will enter maintenance and servicing contracts and such contracts will deal with the common property and common assets, if any, of the Strata Corporation.

A contract entered into by or on behalf of the Strata Corporation for the provision of strata management services to the Strata Corporation may be cancelled, without liability or penalty, despite any provision of the contract to the contrary:

- (a) by the Strata Corporation on two (2) months' notice if the cancellation is first approved by a resolution passed by a $\frac{3}{4}$ vote at an annual or special general meeting, or
- (b) by the other party to the contract on two (2) months' notice.

3.11 **Insurance**

The Developer has placed the following insurance coverage with respect to the Development:

- (a) a comprehensive builders risk insurance policy of course of construction in the minimum amount of FIVE MILLION (\$5,000,000.00) DOLLARS.
- (b) a comprehensive liability insurance policy in the minimum amount of FIVE MILLION (\$5,000,000.00) DOLLARS.

Under Section 149 of the *Strata Property Act*, the Strata Corporation must maintain full replacement insurance on:

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

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

The above-noted property must be insured against “major perils” which are defined in Regulation 9.1 (2) to the *Strata Property Act* as “fire, lightning, smoke, windstorm, hail, explosion, water escape, strikes, riots or civil commotion, impact by aircraft and vehicles, vandalism and malicious acts. When the Strata Plans for the Development are filed at the Victoria Land Title Office the Developer will obtain the above-described insurance coverage in the name of the Strata Corporation, which must thereafter be maintained by the Strata Corporation.

Under Section 150 of the *Strata Property Act* and Regulation 9.2 thereto, strata corporations must have liability insurance to insure the strata corporation against liability for property damage and bodily injury in an amount not less than \$5,000,000.00. When the Strata Plans of the Development are filed at the Victoria Land Title Office the Developer will obtain that liability insurance on behalf of the Strata Corporation, which must thereafter be maintained by the Strata Corporation.

3.12 **Rental Disclosure Statement**

Under Section 139 of the *Strata Property Act*, a developer must disclose to any purchaser of a residential strata lot an intention to lease residential strata lots in order to ensure that such strata lots may be leased in the future. A Rental Disclosure Statement (Form J) has been filed with the Superintendent of Real Estate, and copies are attached hereto as Exhibit ‘N’.

4. **TITLE AND LEGAL MATTERS**

4.1 **Legal Description**

The current legal description of the Development is **Parcel Identifier 028-633-075, Lot B, Section 78, Sooke District Plan VIP89003**.

Prior to filing the Phase One Strata Plan, the Developer intends to cause the property to be subdivided, thereby creating a new and separate legal title for the Development.

4.2 **Ownership**

Title to the Property is registered in the name of Landus Development Group (2014) Inc., a British Columbia company incorporated on February 10, 2014. Landus Development Group (2014) Inc. holds title to the Property as bare trustee for each company constituting the Developer, as tenants in common, in accordance with a declaration of trust.

The beneficial owners of the Property are:

Landus Development Group Inc., as to 36%;
 Homeshare Equity Inc., as to 9%;
 655063 British Columbia Ltd., as to 15%;
 655064 British Columbia Ltd., as to 15%;
 655065 British Columbia Ltd., as to 15%,
 Nuenterprises Ltd. as to 5%; and
 SMS Trading Ltd., as to 5%.

4.3 Existing Encumbrances and Legal Notations

Copies of all charges can be obtained from the Land Title Office. Prospective Purchasers must conduct their own due diligence with respect to each charge registered against the Strata Lots and the common property.

(a) Legal Notations

Easements and covenants permitting ingress to and egress from, and construction, installation, maintenance and repair of utilities on the lands charged thereby:

- (i) **Easement EN72985** over Lots 4 and 5, Plan VIP69361 (except part in Lot 2, Plan VIP83919);
- (ii) **Easement EN72987** over Lot 4, Plan VIP69361 (except part in Lot 2, Plan VIP83919);
- (iii) **Easement EN72993** over Lots 4, 5 and 6 Plan VIP69361 (except part in Lot 2, Plan VIP83919);
- (iv) **Easement EN72997** over Lot 3, Plan VIP69361 (except part in Lot 2, Plan VIP83919);
- (v) **Easement EN72999** over Lot 3, Plan VIP69361;
- (vi) **Easement ES86453** over part of Lot 2, Plan VIP69361 (except part in Lot 2, Plan VIP83919);
- (vii) **Easement EX13458** over parts of strata lots 1, 2, 5, 6 and the Common Property of Strata Plan VIS5699 and Lot G, Plan VIP77650;
- (viii) **Easement EX27707** over part of strata lots 12, 13, 14 and the Common Property of Strata Plan VIS5699;
- (ix) **Easement EX27708** over part of strata lots 9 and 10 of Strata Plan VIS5699;
- (x) **Easement EX27709** over part of Lots 1, 2 and 3, Plan VIP78154;
- (xi) **Easement EX27710** over part of over part of the Common Property of Strata Plan VIS5699;
- (xii) **Easement EX28607** over part of Lot A, Plan VIP77650;
- (xiii) **Easement EX28608** over part of Lot B, Plan VIP77650;
- (xiv) **Easement EX28609** over part of Lot C, Plan VIP77650;
- (xv) **Easement EX28610** over part of Lot D, Plan VIP77650;
- (xvi) **Easement EX28611** over part of Lot F, Plan VIP77650;

- (xvii) **Easement EX28612** over part of Lot H, Plan VIP77650;
- (xviii) **Easement EX28613** over part of Lot 2, Pan VIP77658;
- (xix) **Easement EX28614** over part of Lot 3, Pan VIP77658
- (xx) **Easement EX28615** over part of Lot 5, Pan VIP77658
- (xxi) **Easement EX28616** over part of the common property of Strata Plan VIS5699;
- (xxii) **Restrictive Covenant FB133435** over part of Lot 4, Pan VIP83919 (see Exhibit 'S' below).

The Development Property may also be affected by permits under Part 26 of the *Local Government Act*, see **EV147798**, **EW48066**, **FB468116**, **FB468606**, **FB472004**, and **FB484217**.

(b) Charges, Liens and Interests

Nature: COVENANT
 Registration Number: EN72977
 Registration Date and Time: 1999-08-10 15:04
 Registered Owner: THE CROWN IN RIGHT OF BRITISH COLUMBIA
 CAPITAL REGIONAL DISTRICT
 Remarks: INTER ALIA AS TO ALL EXCEPT PART
 FORMERLY PART SECTION 78, SOOKE
 DISTRICT
 Description: This covenant prohibits construction unless a
 qualified engineer provides a geotechnical report
 satisfactory to the Approving Officer. A copy is
 attached at Exhibit 'O'.

Nature: EASEMENT
 Registration Number: EN72985
 Registration Date and Time: 1999-08-10 15:06
 Remarks: INTER ALIA APPURTENANT TO LOT 6, PLAN
 VIP69361 AS TO PART FORMERLY LOT 5, PLAN
 VIP69361 CANCELLED AS TO STRATA LOT 2,
 STRATA PLAN VIS5699 BY FB396242, 2011-01-
 20
 Description: This easement permits the installation and
 maintenance of water lines and related works.

Nature: EASEMENT
 Registration Number: EN72993
 Registration Date and Time: 1999-08-10 15:07
 Remarks: INTER ALIA APPURTENANT TO LOT 7, PLAN
 VIP69361 AS TO PARTS FORMERLY LOTS 5
 AND 6, PLAN VIP69361
 Description: This easement permits the installation and
 maintenance of water lines and related works.

Nature: EASEMENT
Registration Number: EN72999
Registration Date and Time: 1999-08-10 15:09
Remarks: APPURTENANT TO LOTS 1, 2, 5, AND 6, PLAN VIP69361 AS TO PART FORMERLY LOT 3, PLAN VIP69361 CANCELLED AS TO STRATA LOT 2, STRATA PLAN VIS5699 BY FB396244, 2011-01-20
Description: This easement permits the installation and maintenance of water lines, purification and desalinization equipment, pipes, pumps and other appurtenances.

Nature: COVENANT
Registration Number: ET71304
Registration Date and Time: 2002-06-26 09:54
Registered Owner: CAPITAL REGIONAL DISTRICT
Remarks: INTER ALIA AS TO PART FORMERLY PART SECTION 78, SOOKE DISTRICT
Description: This covenant (a) restricts subdivision of part of the Lands until a Park Impact Report as defined in that covenant has been submitted to the Capital Regional District and (b) restricts construction of any building until any requirements noted in the Park Impact Report, as it relates to East Sooke Regional Park, have been addressed. A copy is attached at Exhibit 'P'. The Park Impact Report has been satisfactorily completed and approved by the Capital Regional District.

Nature: COVENANT
Registration Number: ET71308
Registration Date and Time: 2002-06-26 09:55
Registered Owner: CAPITAL REGIONAL DISTRICT
Remarks: INTER ALIA MODIFIED BY EV35008
Description: This covenant (a) restricts subdivision of part of the Lands until a Park Impact Report as defined in that covenant has been submitted to the Capital Regional District; (b) restricts construction of any building until any requirements noted in the Park Impact Report, as it relates to East Sooke Regional Park, have been addressed and (c) may restrict construction of any building on a lot, such restrictions relating to the Capital Regional District's management of East Sooke Regional Park. As a result of the modifications set out in EV35008, the restrictions in subparagraph A and B above are no longer in effect. Some of the lots in the Development will border on or otherwise be sufficiently close to East Sooke Regional Park and may, as such, be subject to restrictions described in subparagraph (c) above. A copy is attached at Exhibit 'Q'.

Nature: COVENANT
 Registration Number: ET71312
 Registration Date and Time: 2002-06-26 09:55
 Registered Owner: DISTRICT OF SOOKE
 Remarks: INTER ALIA
 AS TO PART FORMERLY PART SECTION 78,
 SOOKE DISTRICT
 MODIFIED BY FB110638
 MODIFIED BY FB110639
 Description: This covenant contains a number of restrictions with respect to the Development relating to construction of buildings, subdivision and connection to a community water line. A copy is attached at Exhibit 'R'.

Nature: COVENANT
 Registration Number: ET71316
 Registration Date and Time: 2002-06-26 09:56
 Registered Owner: DISTRICT OF SOOKE
 Remarks: INTER ALIA
 MODIFIED BY FB110637
 MODIFIED BY FB110640
 Description: This covenant contains a number of restrictions with respect to the Development relating to construction of buildings, subdivision and connection to a community water line. A copy is attached at Exhibit 'S'.

Nature: STATUTORY RIGHT OF WAY
 Registration Number: EX11676
 Registration Date and Time: 2005-02-04 09:23
 Registered Owner: DISTRICT OF SOOKE
 Remarks: INTER ALIA
 PART ON PLAN VIP78278
 Description: This Statutory Right of Way allows for a public pedestrian walkway over part of the Development.

Nature: STATUTORY RIGHT OF WAY
 Registration Number: EX11678
 Registration Date and Time: 2005-02-04 09:23
 Registered Owner: DISTRICT OF SOOKE
 Remarks: PART ON PLAN VIP78278
 Description: This Statutory Right of Way allows for a public pedestrian walkway over part of the Development.

Nature: STATUTORY RIGHT OF WAY
 Registration Number: EX13468
 Registration Date and Time: 2005-02-07 11:08
 Registered Owner: THE OWNERS, STRATA PLAN VIS5699
 Remarks: INTER ALIA
 AREA 19 ON PLAN VIP78285

Description: This Statutory Right of Way permits the installation and maintenance of a sanitary sewer and storm drainage system over part of the Development Property.

Nature: STATUTORY RIGHT OF WAY
 Registration Number: EX13476
 Registration Date and Time: 2005-02-07 11:09
 Registered Owner: THE OWNERS, STRATA PLAN VIS5699
 Remarks: INTER ALIA
 AREA 19 ON PLAN VIP78285

Description: This Statutory Right of Way permits the installation and maintenance of a sanitary sewer and storm drainage system over part of the Development Property.

Nature: EASEMENT
 Registration Number: EX13478
 Registration Date and Time: 2005-02-07 11:09
 Remarks: INTER ALIA
 AREA 19 ON PLAN VIP78285
 APPURTENANT TO LOT G, PLAN VIP77650

Description: This Statutory Right of Way permits the installation and maintenance of a sanitary sewer and storm drainage system over part of the Development Property.

Nature: EASEMENT
 Registration Number: EX13480
 Registration Date and Time: 2005-02-07 11:10
 Remarks: AREA 21 ON PLAN VIP78285;
 APPURTENANT TO STRATA LOT 2, STRATA
 PLAN VIS5699

Description: This Statutory Right of Way permits the installation and maintenance of driveway.

Nature: STATUTORY RIGHT OF WAY
 Registration Number: EX27725
 Registration Date and Time: 2005-03-15 14:03
 Registered Owner: CAPITAL REGIONAL DISTRICT
 Remarks: INTER ALIA PARTS IN PLAN VIP78526

Description: This Statutory Right of Way permits the installation and maintenance of a waterworks system over part of the Development Property.

Nature: STATUTORY RIGHT OF WAY
 Registration Number: EX27727
 Registration Date and Time: 2005-03-15 14:05
 Registered Owner: TELUS COMMUNICATIONS INC.
 Remarks: INTER ALIA

Description: This is a statutory right of way for the supply of telecommunication services to the Development and adjacent lands.

Nature: EASEMENT
 Registration Number: EX28611
 Registration Date and Time: 2005-03-16 14:33
 Remarks: PART IN PLAN VIP78278; APPURTENANT TO LOTS A, B, C, D & H, PLAN VIP77650, LOTS 2, 3, & 5, PLAN VIP77658 AND THE COMMON PROPERTY OF STRATA PLAN VIS5699
 Description: This is an easement permitting the installation and maintenance of sanitary sewer pipes, pumps and other appurtenances, including electrical conduits and wires.

Nature: EASEMENT
 Registration Number: EX28612
 Registration Date and Time: 2005-03-16 14:33
 Remarks: PART IN PLAN VIP78278; APPURTENANT LOTS A, B, C, D & F, PLAN VIP77650, LOTS 2, 3 & 5, PLAN VIP77658 AND THE COMMON PROPERTY OF STRATA PLAN VIS5699
 Description: This is an easement permitting the installation and maintenance of sanitary sewer pipes, pumps and other appurtenances, including electrical conduits and wires.

Nature: EASEMENT
 Registration Number: FA144954
 Registration Date and Time: 2006-12-12 15:03
 Remarks: PART IN PLAN VIP82298
 APPURTENANT TO LOT G, PLAN VIP77650
 Description: This is an easement permitting the installation and maintenance of sanitary sewer pipes, pumps and other appurtenances, including electrical conduits and wires.

Nature: RESTRICTIVE COVENANT
 Registration Number: FB133435
 Registration Date and Time: 2008-01-02 14:27
 Remarks: PART IN PLAN VIP84332;
 APPURTENANT TO LOT 3, PLAN VIP83919
 Description: This restrictive covenant restricts building height on parts of the Development to preserve the view from the Lands. A copy is attached at Exhibit 'T'.

Nature: STATUTORY RIGHT OF WAY
 Registration Number: FB385400
 Registration Date and Time: 2010-11-18 11:06
 Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
 Description: This is a statutory right of way for the supply of hydro services to the Development and adjacent lands.

Nature: STATUTORY RIGHT OF WAY
 Registration Number: FB385401

Registration Date and Time: 2010-11-18 11:06
 Registered Owner: TELUS COMMUNICATIONS INC.
 Description: This is a statutory right of way for the supply of telecommunication services to the Development and adjacent lands.

Nature: COVENANT
 Registration Number: CA3902164
 Registration Date and Time: 2014-08-14 12:40
 Registered Owner: DISTRICT OF SOOKE
 Description: This is a covenant in favour of the District of Sooke preventing construction within 15 metres of the natural boundary of the sea without first obtaining and complying with report of a geotechnical engineer.

Nature: MORTGAGE
 Registration Number: CA4030696
 Registration Date and Time: 2014-10-21 10:49
 Registered Owner: ROYAL BANK OF CANADA
 Description: This charge will be discharged from title to each Strata Lot prior to or concurrently with the transfer of such Strata Lot to a purchaser.

4.4 Proposed Encumbrances

The following additional encumbrances may be registered by the Developer against title to the Strata Lots and/or the Common Property (other than the financial charges, which are prohibited from being registered against the Common Property):

- (a) a Building Scheme, charging the residential Strata Lots only, in substantially the form annexed at Exhibit 'U';
- (b) a restrictive covenant, in favour of a strata lot owned by the Developer, to prevent the use of a residential strata lot for commercial purposes;
- (c) an Option to Purchase each Strata Lot, more particularly described in Section 7.3;
- (d) any and all such rights of way, easements, restrictive covenants, dedications and other rights or restrictions required by the District, BC Hydro, Telus, Shaw, Terasen or any other applicable governmental authority or public or private utility or service corporation (including any required by the Developer for operation of the Wastewater Facility) deemed necessary or advisable by the Developer in connection with the Development;
- (e) such reciprocal easements as may be required to provide access, parking and servicing and storm drainage corridors to the Development and lots adjacent to the Development, and to allocate to the Development, where the benefit of such easement is to be shared with adjacent properties, and the cost of maintenance and repair of such facilities will be apportioned and payable in a manner which considers projected use of roadways and services;

- (f) such covenants, restrictive covenants, statutory rights of way and other charges over the Common Property and the Strata Lots that may be required by the District or the Developer for servicing, geotechnical and other development requirements, including without limitation a covenant over the common property, in favour of a strata lot owned by the Developer, preventing alteration to any vegetation, landscaping or improvements common property without the consent of the Developer;
- (g) such reciprocal easements over the remainder of the Lands that may be required by the Developer for servicing and maintenance of works as they are installed for subsequent phases of the Development and surrounding lands;
- (h) such easements over the remainder of the Lands that may be required by the Developer for emergency, fire and general access purposes during the development of subsequent phases of the Development;
- (i) such easement or easements over adjacent and remainder lands owned and controlled by the Developer in favour of the Strata Lots necessary in the opinion of the Developer to implement amenities to be enjoyed by the Strata Lots in common with other developments to be created on such lands;
- (j) such reciprocal easements as may be required to provide vehicular, golf cart, bicycle and pedestrian access through the street-side common property of the Development to and from adjacent properties;
- (k) additional financing by granting a mortgage (the "**Construction Mortgage**") to a lender (the "**Construction Lender**") for the purpose of providing construction financing (the "**Construction Loan**") for the Development, to be discharged from title to each Strata Lot prior to or concurrently with the transfer of such Strata Lot to a purchaser;
- (l) Such other legal notations, covenants, easements or statutory rights of way as may be required by any utility, service corporation, local government or other public authority to service the lots and the common property or which in the opinion of the Developer will benefit the lots charged therewith.

4.5 **Outstanding or Contingent Litigation or Liabilities**

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

4.6 **Environmental Matters**

The Developer is not aware of any dangers or any requirements imposed by the District or other governmental authority connected with the Development in respect of flooding or drainage hazards. The Developer is not aware of any dangers connected with the Development in respect of any poor or unstable soil conditions.

5. CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

Construction of the Phase 1 Lots commenced on April 30, 2014. The estimated date range for completion of construction of the Phase 1 Lots is September 30, 2016 to December 31, 2016.

The estimated date range for commencement of construction and for completion of construction of the Lots in Phase 2 to Phase 6 is as follows:

Phase	Commencement of Construction	Completion of Construction
2	May 30, 2016 – August 31, 2016	May 30, 2017 – August 31, 2017
3	June 30, 2016 – September 30, 2016	June 30, 2017 – Sept. 30, 2017
4	September 30, 2016 – December 31, 2016	September 30, 2017 – December 31, 2017
5	January 31, 2017 – April 30, 2017	January 31, 2018 – April 30, 2018
6	March 31, 2018 – June 30, 2018	March 31, 2019 – June 30, 2019

5.2 Warranties

Landus Development Group Inc. or one or more additional builders engaged by the Developer and registered under the *Homeowner Protection Act* of British Columbia, for the purpose of building the Strata Lots, or otherwise undertake construction directly, following registration under the *Homeowner Protection Act* of British Columbia. The Developer will obtain third party warranty coverage prior to the commencement of construction, and will with the sale of each Strata Lot provide to a purchaser a Home Warranty Certificate. This warranty will include three parts, one covering all workmanship and materials in the construction of the Development for two (2) years, the second covering water penetration for five (5) years and the third covering major structural components for ten (10) years as more particularly described in the warranty. The limited warranty is offered pursuant to the requirements of the *Homeowner Protection Act*.

The plans and specifications for the Development, including those submitted for building permit purposes, are often altered during construction to meet changes in site conditions, available building products, changes to building codes, changes requested by purchasers and industry conditions. Any changes are to be made in accordance with the applicable building code. For these reasons, the Development is warranted by the Developer to be constructed in general conformance with the plans and specifications approved for the issuance of the building permits, but is not warranted to be in specific or exact conformance with those plans and specifications.

Any manufacturers' warranties for appliances or equipment, whether located in Strata Lots or in common property, will be passed on to the purchasers 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 does not include any previously occupied buildings.

6. APPROVALS AND FINANCES

6.1 Development Approval

The District Municipality of Sooke approved the form, character and approximate location for the Strata Lots that are the subject of this Disclosure Statement by issuing Development Permit PLN01005 on April 22, 2013, Development Variance Permit PLN01005 on May 13, 2013, and Development Permit PLN01113 on October 6, 2014.

Building Permits have been issued for all twenty-one units in Phase 1 of the Development under numbers BP004706, BP005005, BP005051, BP005052, BP005054, BP005289, BP005361, BP006068, BP006069, and BP006070.

The Developer expects to receive building permits for all of the units in Phases 2-4 within nine months from the Filing Date. Marketing of the Development is therefore undertaken in accordance with Policy Statement 5 under the *Real Estate Development Marketing Act*. The Developer must comply with those terms and conditions set out on page (iii) of this Disclosure Statement under the heading **RIGHT OF RESCISSION PURSUANT TO POLICY STATEMENT NUMBER 5**.

An amendment to this Disclosure Statement setting out particulars of the issued building permits for Phases 2 – 6 of the Development will be filed with the Superintendent of Real Estate when issued and a copy of the amendment will be delivered to each purchaser.

6.2 Construction Financing

Mortgage CA4030696 (the “**Financial Charge**”) in favour of the Royal Bank of Canada described in sub-paragraph 4.3(b) provides financing with respect to construction of Strata Lots in Phase 1. Upon the filing of the Strata Plan for Phase 1 of the Development, the Financial Charge or such other replacement charges and security as the Royal Bank of Canada or other lender may require from time to time, will be registered against the title to each Strata Lot. The Developers will make arrangements with the Royal Bank of Canada and any other lender for the discharge of the Financial Charge from each Strata Lot as sale proceeds are paid by a purchaser. In no event will an amount greater than the net sale proceeds for each Strata Lot be required by the Royal Bank of Canada as a condition for the discharge of the Financial Charges against such Strata Lot.

The Developer expects to obtain satisfactory financing for the construction of the Lots in Phases 2 – 4 of the Development within 9 months Filing Date. Marketing of Phases 2 – 4 the Development is therefore undertaken in accordance with Policy Statement 6 under the *Real Estate Development Marketing Act*. The Developer must comply with those terms and conditions set out on page 4 of this Disclosure Statement under the heading **RIGHT OF RESCISSION PURSUANT TO POLICY STATEMENT NUMBER 6**.

An amendment to this Disclosure Statement setting out particulars of a satisfactory financing commitment for the Development will be filed with the Superintendent of Real Estate when a satisfactory financing commitment is obtained and a copy of the amendment will be delivered to each purchaser.

THE DEVELOPER RESERVES THE RIGHT TO NOT PROCEED WITH THE DEVELOPMENT IF IT DOES NOT SECURE SATISFACTORY FINANCING.

7. MISCELLANEOUS

7.1 Deposits

All monies received from purchasers of Strata Lots will be held in trust in the manner required by the Real Estate Development Marketing Act of British Columbia by the Developer's lawyers. Interest on the deposits will accrue interest in the manner described in paragraph 1.2 of the Purchase Agreement (as defined in Section 7.2 below).

7.2 Purchase Agreement.

The Developer will offer the Strata Lots for sale upon the terms and conditions of the Purchase and Sale Agreement and the addendums attached to this Disclosure Statement as Exhibit 'V' together with such other addendums thereto which may be agreed upon by the Developer and a purchaser (the "**Purchase Agreement**"). In connection with the Purchase Agreement the following should be noted:

(a) Termination:

The Purchaser may only cancel the Purchase Agreement in the manner provided in paragraph 2.2 and 4.1:

- (i) If the Occupancy Permit has not been issued or the Strata Plan has not been deposited in the Land Title Office by the Cancellation Option Date specified in paragraph 2.2 of the Contract, the Purchaser may cancel the Purchase Agreement within 30 days on notice to the Vendor.
- (ii) The Purchaser may cancel the Contract where entitled to do so in accordance with Section 21 of the *Real Estate Development Marketing Act*.
- (iii) The Purchaser may cancel the Contract if it has not received from the Vendor, within twelve (12) months from the date the original Disclosure Statement was filed with the British Columbia Superintendent of Real Estate, a Disclosure Statement amendment setting out the particulars of a building permit issued by the District of Sooke for the Development, unless prior to delivering a notice of cancellation the Purchaser has received the Disclosure Statement amendment from the Vendor.
- (iv) The Purchaser may cancel the Contract within seven (7) days following receipt of a Disclosure Statement setting out particulars of the building permit issued by the District of Sooke, if the layout or size of the Strata Lot, the construction of a major common facility or the general layout of the Development is materially changed by the issuance of the building permit.
- (v) The Purchaser may cancel the Contract if it has not received from the Vendor, within twelve (12) months from the date the original Disclosure Statement was filed with the British Columbia Superintendent of Real Estate, a Disclosure Statement amendment setting out particulars of a satisfactory financing commitment, unless prior to delivering a notice of cancellation the Purchaser has received the Disclosure Statement amendment from the Vendor.
- (vi) The Vendor may, at its option, cancel the Purchase Agreement if:

- (A) a building permit has not been issued by the date specified in paragraph 2.4(a) of the Purchase Agreement;
- (B) construction has not commenced by the date specified in paragraph 2.4(b) of the Purchase Agreement;
- (C) if the Final Strata Plan is not deposited in the Land Title Office by the Cancellation Option Date specified in paragraph 2.2 of the Agreement;
- (D) if the Vendor redesigns the Development in such a manner that the layout, location, design and/or estimated area of the Strata Lot is, in the Developer's sole opinion, significantly different than is indicated or described in the Disclosure Statement, the Vendor will have the right to cancel the Agreement by giving 10 Business Days' written notice to the Purchaser or the Purchaser's Solicitor;
- (E) if the Vendor does not obtain a satisfactory financing commitment on or before 31 December 2016 (this condition applies only to sales of Strata Lots in Phase 2-4).

(b) Extensions:

Provision is made in paragraph 2.1 the Purchase Agreement to allow the Developer to unilaterally extend the Cancellation Option Date, for any reason, by as much as one hundred twenty (120) days and in the case of delays beyond the Developer's control by the length of such delays.

No provision is made to permit the Purchaser to extend the completion date.

(c) Assignments:

Section 6 of the Purchase Agreement set out the conditions for assigning the Purchase Agreement:

- (i) The Purchaser may not assign its interest in the Strata Lot without the consent of the Vendor, which consent shall not be unreasonably withheld.
- (ii) The Vendor will charge an administration fee equal to \$750 plus tax as consideration for agreeing to an assignment, except that there will be a fixed charge of \$500 plus tax if the assignee is the Purchaser's spouse, parent, child, grandparent or grandchild, which charges may be waived at the discretion of the Vendor.
- (iii) Following any assignment, the assignor will not be relieved of its obligations under the Purchase Agreement.
- (iv) The Purchaser may not advertise or solicit offers from the public with respect to the resale of the Strata Lot by the Purchaser before the Completion Date without the express written consent of the Vendor, which consent may be arbitrarily withheld.

(d) Interest on Deposits:

Interest will accrue on Deposits in the manner described in Section 1.2 of the Purchase Agreement.

7.3 **Other Material Facts**

Option to Purchase – At the time of sale of a Strata Lot, the Developer may by separate agreement with a purchaser acquire an option to repurchase that Strata Lot subject to terms and conditions to be negotiated as between the Developer and that purchaser, with the intention that the Developer in reacquiring the Strata Lot may use the same for any purpose permitted in accordance with Silverspray Comprehensive Development Zone (CD-3) including without limitation for short term or long term rental accommodation or for use in conjunction with the operation of any hotel, lodge or resort to be constructed on lands adjacent to the Development. **Nothing in this Disclosure Statement will require a Developer to purchase an option or otherwise to exercise the same once purchased, and nothing in this Disclosure Statement will obligate a purchaser to grant an option to the Developer except on terms that are mutually agreed as between the parties.**

DEEMED RELIANCE


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

DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of 25 February 2016.

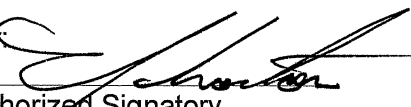
LANDUS DEVELOPMENT GROUP INC.

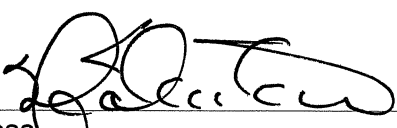
Per: 
Authorized Signatory

SIGNED in the presence of:)
)
)
Witness)


MICHAEL THORNTON, DIRECTOR OF
LANDUS DEVELOPMENT GROUP INC.

HOMESHARE EQUITY INC.

Per: 
Authorized Signatory

SIGNED in the presence of:)
)
)
Witness)


ROXANNE THORNTON, DIRECTOR OF
HOMESHARE EQUITY INC.

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 25 February 2016.

655063 BRITISH COLUMBIA LTD.

Per: K Bhimji
Authorized Signatory

SIGNED in the presence of:)
)
)
)
H M Embury)
Witness HELEN EMBURY)

K Bhimji
KANEEZ BHIMJI, DIRECTOR OF
655063 BRITISH COLUMBIA LTD.

655064 BRITISH COLUMBIA LTD.

Per: D Bhimji
Authorized Signatory

SIGNED in the presence of:)
)
)
)
H M Embury)
Witness HELEN EMBURY)

D Bhimji
DIANE BHIMJI, DIRECTOR OF
655064 BRITISH COLUMBIA LTD.

655065 BRITISH COLUMBIA LTD.


Per: O Bhimji
Authorized Signatory

SIGNED in the presence of:)
)
)
)
H M Embury)
Witness HELEN EMBURY)

O Bhimji
OMAR BHIMJI, DIRECTOR OF
655065 BRITISH COLUMBIA LTD.

NUENTERPRISES LTD.

Per:


Authorized Signatory

SIGNED in the presence of:


Witness

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)
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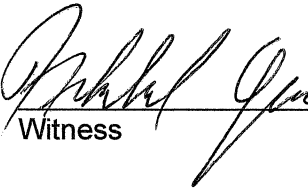

NARESH DESAI, DIRECTOR OF
NUENTERPRISES LTD.

S.M.S. TRADING LTD.

Per:


Authorized Signatory

SIGNED in the presence of:


Witness

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)
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)
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)
)
)


SURESH DESAI, DIRECTOR OF
S.M.S. TRADING LTD.

SOLICITOR'S CERTIFICATE

IN THE MATTER OF the *Real Estate Development Marketing Act* and the Disclosure Statement of:

**Landus Development Group Inc.
Homeshare Equity Inc.
655063 British Columbia Ltd.
655064 British Columbia Ltd.
655065 British Columbia Ltd.
Nuenterprises Ltd.
SMS Trading Ltd.**

For part of the property described as:

**Parcel Identifier 028-633-075, Lot B, Section 78,
Sooke District, Plan VIP89003**

I, **RAJIV K. GANDHI**, Barrister and Solicitor, a member of the Law Society of British Columbia in good standing, having read the above described Disclosure Statement dated the 25th day of February 2016 made any required investigations in public offices, and reviewed same with the Developer therein named, and that the facts contained in Sections 4.1 to 4.4 of the Disclosure Statement are correct.

DATED at Victoria, in the Province of British Columbia, this 25th day of February 2016.

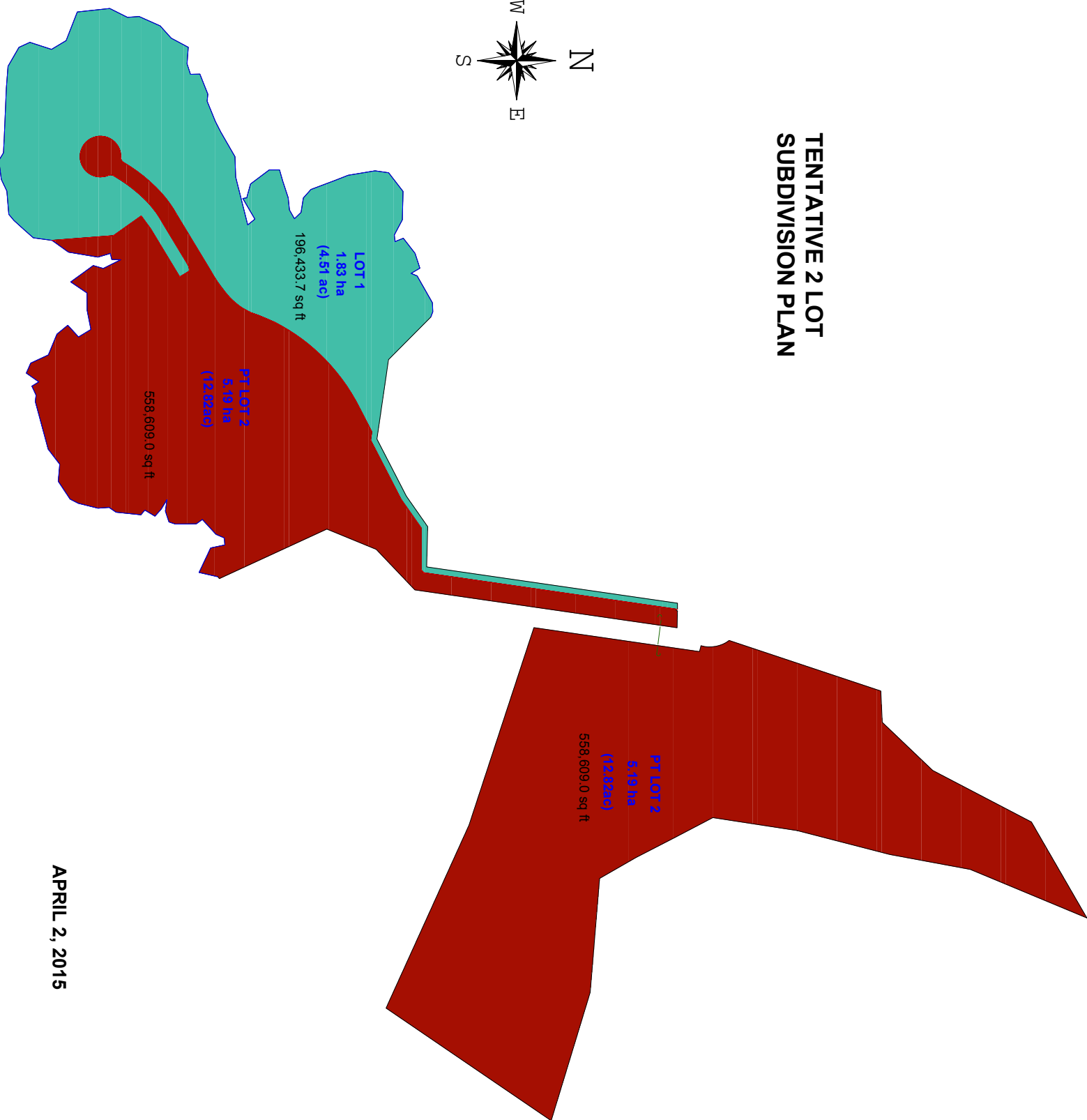
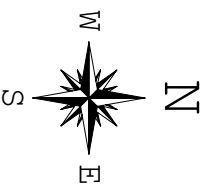


Rajiv K. Gandhi, Barrister & Solicitor
Cox, Taylor – Barristers & Solicitors
Third Floor, Burnes House
26 Bastion Square
Victoria, British Columbia V8W 1H9

Exhibit A

PROPOSED SUBDIVISION PLAN

TENTATIVE 2 LOT SUBDIVISION PLAN



APRIL 2, 2015

**TENTATIVE
SUBDIVISION**

LANDUS DEVELOPMENT
GROUP INC.

LOT B, SECTION 78,
SOOKE DISTRICT,
PLAN VIP89003

ADDRESS:
PROJECT SURVEYOR: DRC/RRH
DRAWN BY: DRC DATE: JUNE 20/13
OUR FILE: 27873 REV: April 02/15

**J E ANDERSON
& ASSOCIATES**
SURVEYORS - ENGINEERS

4212 GLANFORD AVE, VICTORIA, B.C. V8Z 4B7
TEL: 250-727-2214 FAX: 250-727-3395
E.MAIL: info@jeanderson.com
VICTORIA - NANAIMO - PARKSVILLE

Z:_Survey\1927873\27873.dwg (2 lot sub)

Scale 1:1000



Subject to changes, legal notations, and interests shown on Title No. FB421380 (P.L.D. 028-633-075)

For discussion purposes only
Lot areas are subject to final survey
Waiver for 10% frontage required
Lands subject to Development Permit Area #2

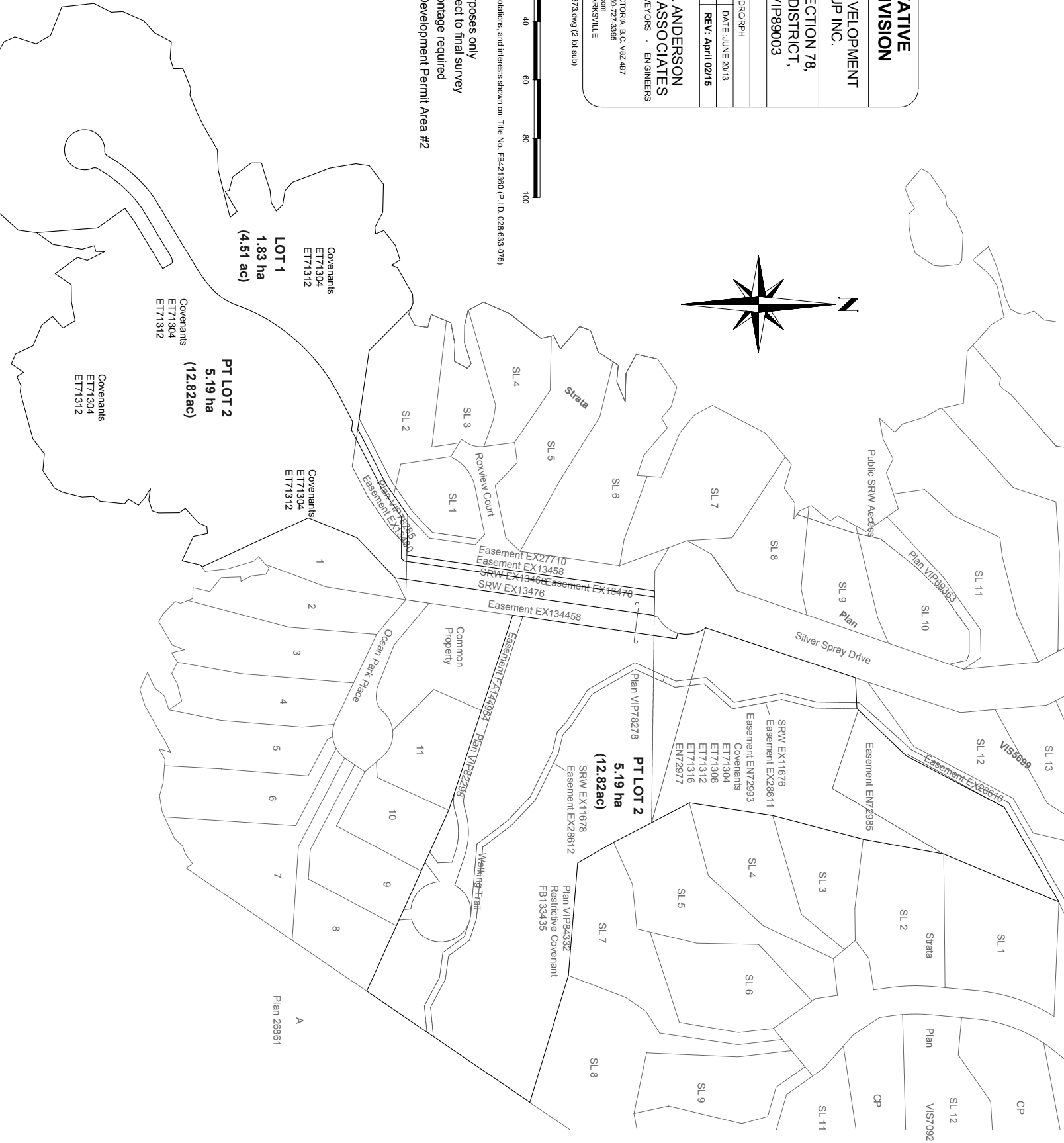
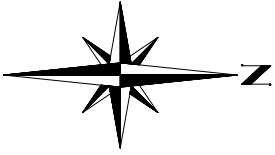


Exhibit B

PRELIMINARY LAYOUT

PHASED STRATA PLAN OF LOT 1, SECTION 78, SOOKE DISTRICT, PLAN EPP _____

STRATA PLAN EPS _____ PHASE ONE TO SIX

BCGS 92B.032



The intended plot size of this plan is 560mm in width by 864mm in height, D size, when plotted at a scale of 1:400.

Lot shapes and sizes are subject to a final survey

LEGEND

Found Placed

- Standard Iron Post
- GNSS traverse hub

All distances are in metres and decimals thereof

Grid bearings are derived from differential carrier phase GNSS observations and are referred to the central meridian of UTM Zone 10. To obtain local astronomic bearings referred to the meridian through _____ subtract _____

The UTM coordinates and estimated horizontal positional accuracy achieved are derived from GNSS dual frequency baseline ties to active control point ALBH

This plan shows horizontal ground-level distances, unless otherwise specified. To compute grid distances, multiply ground-level distances by the average combined factor of _____. The average combined factor has been determined based on an ellipsoidal elevation of _____ metres

This plan lies within the District of Sooke Area and the Capital Regional District

Unless otherwise noted, all building corners deflect by multiples of 90° from the given reference bearing

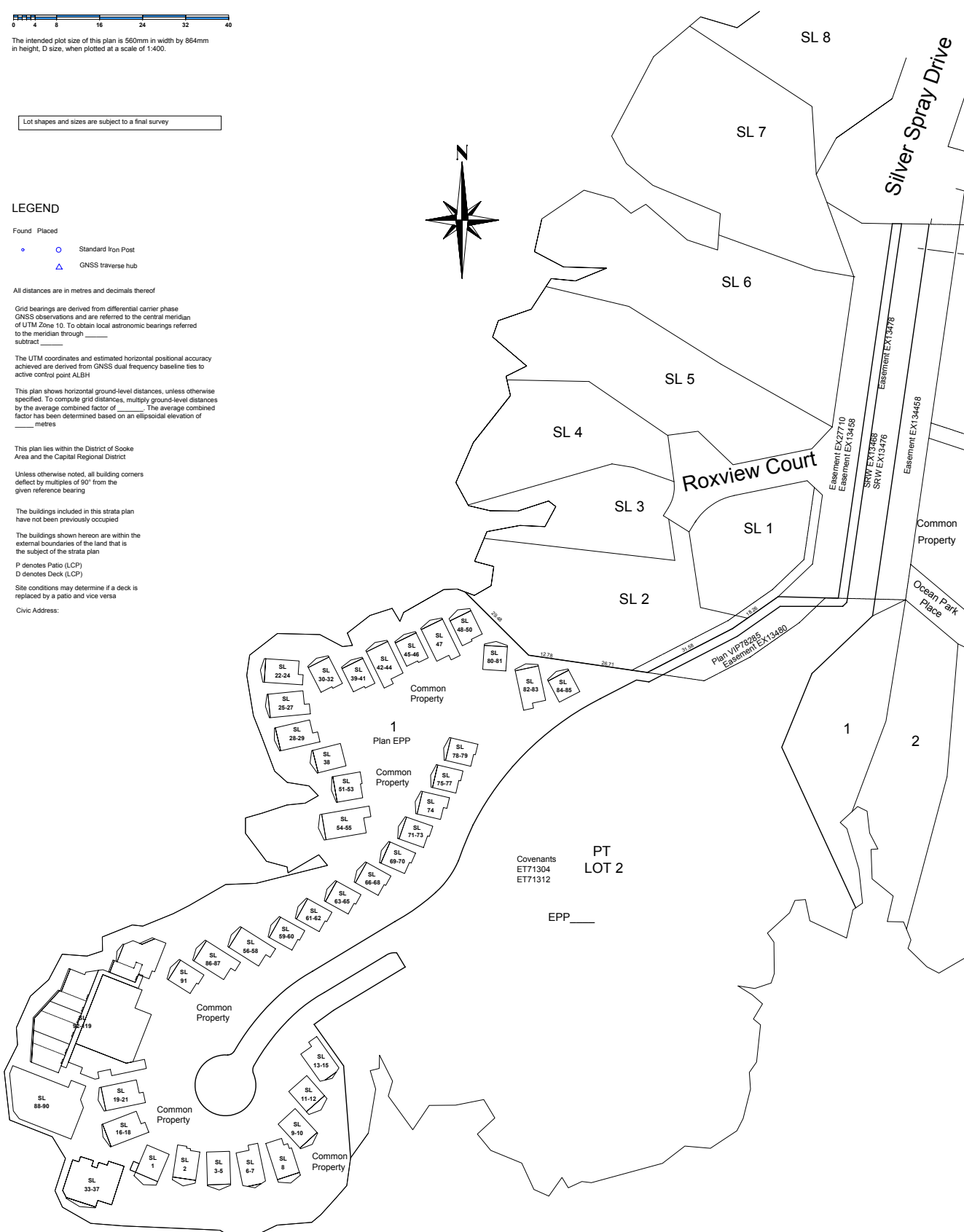
The buildings included in this strata plan have not been previously occupied

The buildings shown hereon are within the external boundaries of the land that is the subject of the strata plan

P denotes Patio (LCP)
D denotes Deck (LCP)

Site conditions may determine if a deck is replaced by a patio and vice versa

Civic Address:



J.E. ANDERSON & ASSOCIATES
 B.C. Land Surveyors - Consulting Engineers
 Victoria - Nanaimo - Parksville, B.C.
 File: 27873
 Z:Surveying\28029\28029 Disclosure.dwg

Ryan P. Hourston, BCLS 887
 February 25, 2016

This Plan is Phase ___ of a ___ phase strata plan under section 224 of the Strata Property Act lying within the jurisdiction of the Approving Officer for the District of Sooke



The intended plot size of this plan is 560mm in width by 864mm in height, D size, when plotted at a scale of 1:400.

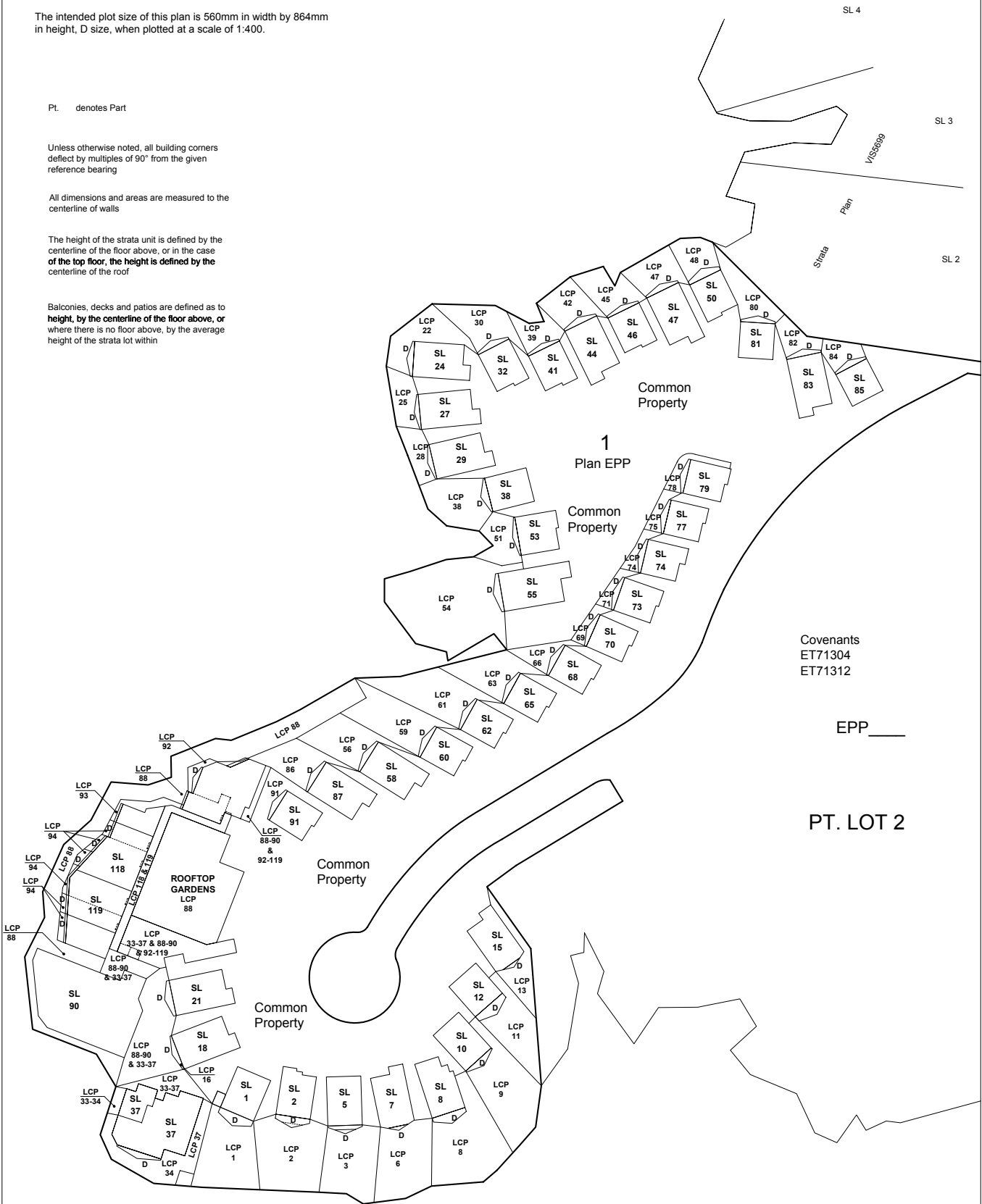
Pt. denotes Part

Unless otherwise noted, all building corners deflect by multiples of 90° from the given reference bearing

All dimensions and areas are measured to the centerline of walls

The height of the strata unit is defined by the centerline of the floor above, or in the case of the top floor, the height is defined by the centerline of the roof

Balconies, decks and patios are defined as to height, by the centerline of the floor above, or where there is no floor above, by the average height of the strata lot within



Covenants
ET71304
ET71312

EPP _____

PT. LOT 2

LOWER LEVEL 1

STRATA PLAN EPS _____ PHASE ONE TO SIX



The intended plot size of this plan is 560mm in width by 864mm in height, D size, when plotted at a scale of 1:400.

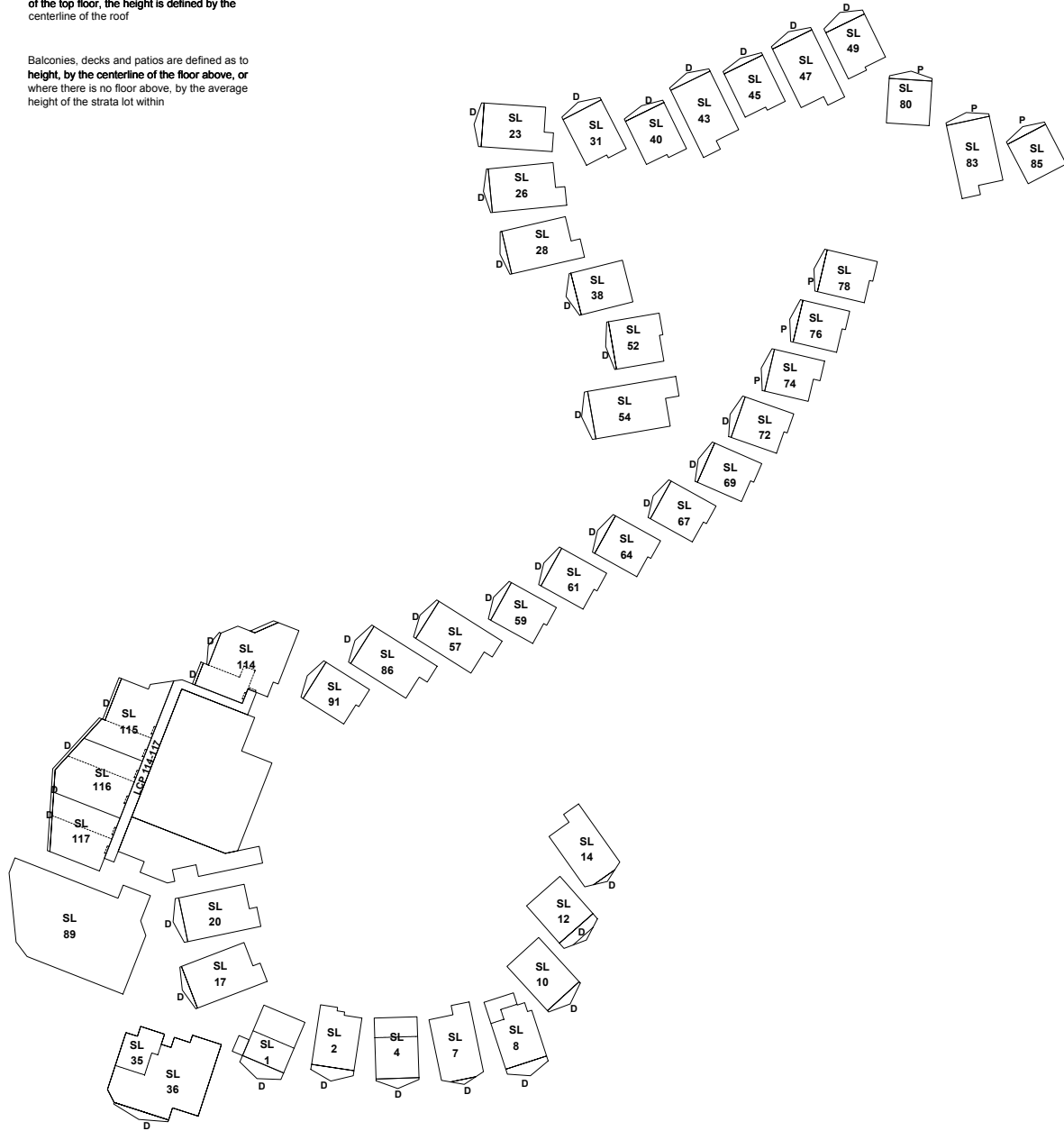
Pt. denotes Part

Unless otherwise noted, all building corners deflect by multiples of 90° from the given reference bearing

All dimensions and areas are measured to the centerline of walls

The height of the strata unit is defined by the centerline of the floor above, or in the case of the top floor, the height is defined by the centerline of the roof

Balconies, decks and patios are defined as to height, by the centerline of the floor above, or where there is no floor above, by the average height of the strata lot within





The intended plot size of this plan is 560mm in width by 864mm in height, D size, when plotted at a scale of 1:400.

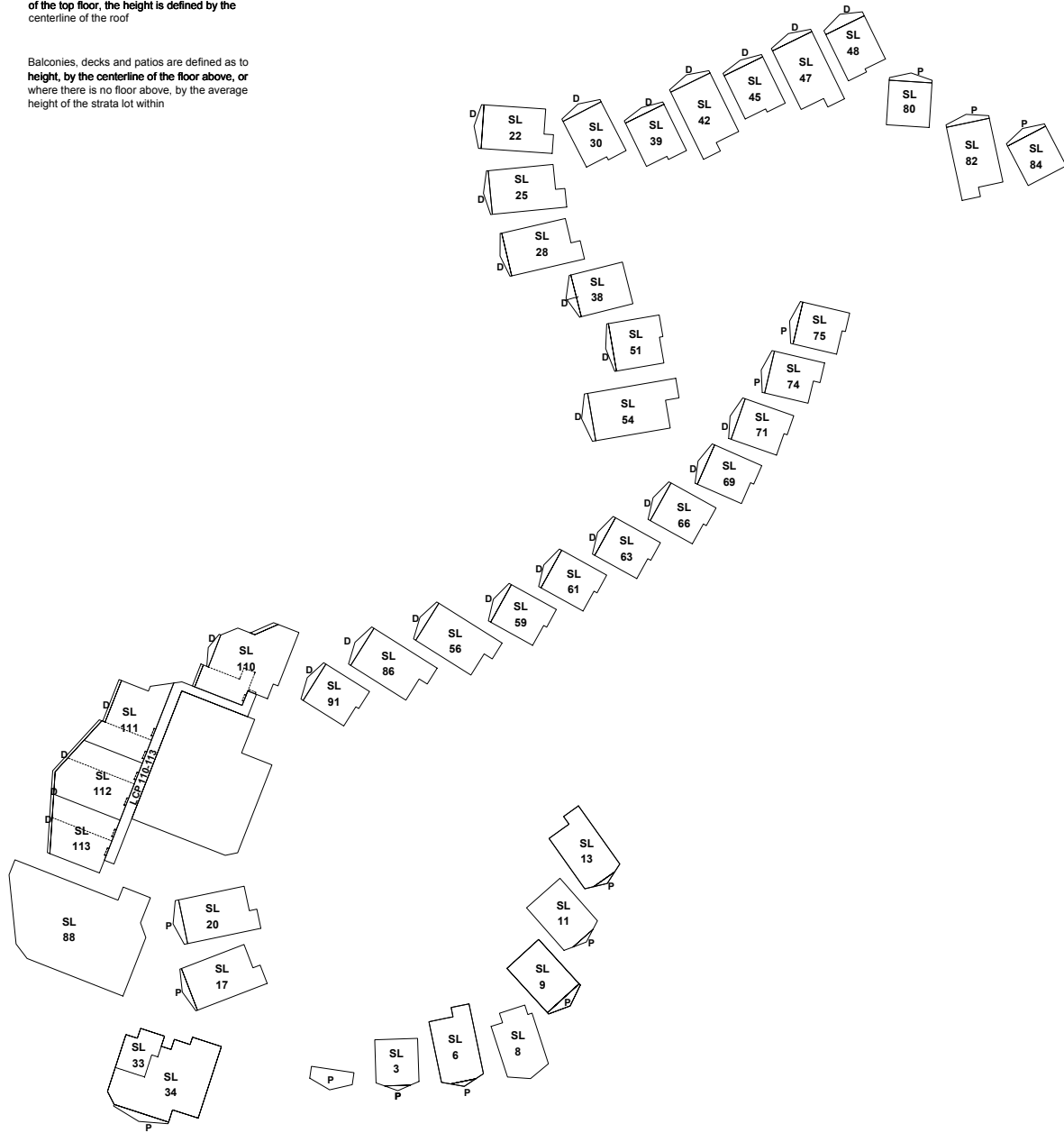
Pt. denotes Part

Unless otherwise noted, all building corners deflect by multiples of 90° from the given reference bearing

All dimensions and areas are measured to the centerline of walls

The height of the strata unit is defined by the centerline of the floor above, or in the case of the top floor, the height is defined by the centerline of the roof

Balconies, decks and patios are defined as to height, by the centerline of the floor above, or where there is no floor above, by the average height of the strata lot within



LOWER LEVEL 3

STRATA PLAN EPS _____ PHASE ONE TO SIX



The intended plot size of this plan is 560mm in width by 864mm in height, D size, when plotted at a scale of 1:400.

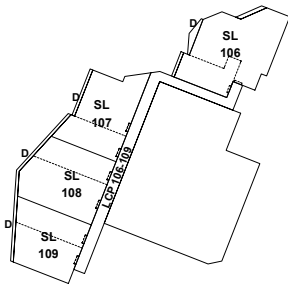
Pt. denotes Part

Unless otherwise noted, all building corners deflect by multiples of 90° from the given reference bearing

All dimensions and areas are measured to the centerline of walls

The height of the strata unit is defined by the centerline of the floor above, or in the case of the top floor, the height is defined by the centerline of the roof

Balconies, decks and patios are defined as to height, by the centerline of the floor above, or where there is no floor above, by the average height of the strata lot within



LOWER LEVEL 4

DISCLOSURE STATEMENT

STRATA PLAN EPS _____ PHASE ONE TO SIX



The intended plot size of this plan is 560mm in width by 864mm in height, D size, when plotted at a scale of 1:400.

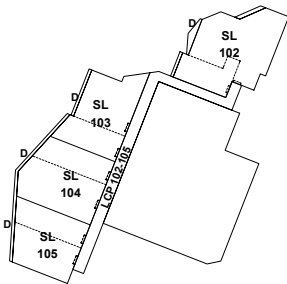
Pt. denotes Part

Unless otherwise noted, all building corners deflect by multiples of 90° from the given reference bearing

All dimensions and areas are measured to the centerline of walls

The height of the strata unit is defined by the centerline of the floor above, or in the case of the top floor, the height is defined by the centerline of the roof

Balconies, decks and patios are defined as to height, by the centerline of the floor above, or where there is no floor above, by the average height of the strata lot within



LOWER LEVEL 5

STRATA PLAN EPS _____ PHASE ONE TO SIX



The intended plot size of this plan is 560mm in width by 864mm in height, D size, when plotted at a scale of 1:400.

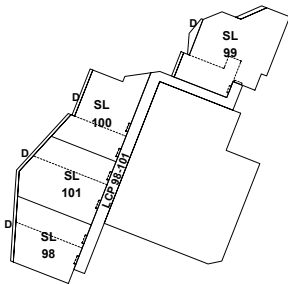
Pt. denotes Part

Unless otherwise noted, all building corners deflect by multiples of 90° from the given reference bearing

All dimensions and areas are measured to the centerline of walls

The height of the strata unit is defined by the centerline of the floor above, or in the case of the top floor, the height is defined by the centerline of the roof

Balconies, decks and patios are defined as to height, by the centerline of the floor above, or where there is no floor above, by the average height of the strata lot within



LOWER LEVEL 6

DISCLOSURE STATEMENT

STRATA PLAN EPS _____ PHASE ONE TO SIX



The intended plot size of this plan is 560mm in width by 864mm in height, D size, when plotted at a scale of 1:400.

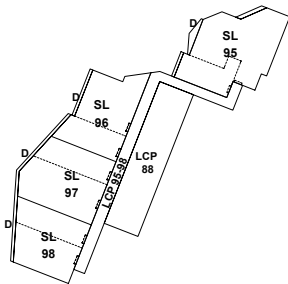
Pt. denotes Part

Unless otherwise noted, all building corners deflect by multiples of 90° from the given reference bearing

All dimensions and areas are measured to the centerline of walls

The height of the strata unit is defined by the centerline of the floor above, or in the case of the top floor, the height is defined by the centerline of the roof

Balconies, decks and patios are defined as to height, by the centerline of the floor above, or where there is no floor above, by the average height of the strata lot within



LOWER LEVEL 7

STRATA PLAN EPS _____ PHASE ONE TO SIX



The intended plot size of this plan is 560mm in width by 864mm in height, D size, when plotted at a scale of 1:400.

Pt. denotes Part

Unless otherwise noted, all building corners deflect by multiples of 90° from the given reference bearing

All dimensions and areas are measured to the centerline of walls

The height of the strata unit is defined by the centerline of the floor above, or in the case of the top floor, the height is defined by the centerline of the roof

Balconies, decks and patios are defined as to height, by the centerline of the floor above, or where there is no floor above, by the average height of the strata lot within

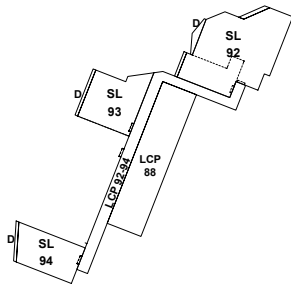


Exhibit C

FINAL STRATA PLAN

**TO FOLLOW IN A SUBSEQUENT
DISCLOSURE STATEMENT AMENDMENT**

Exhibit D

ZONING BYLAW EXCERPT

Silverspray CD Zone

CD3

803.1 Purpose: This zone provides for:

- a) A destination resort complex with hotel or lodge buildings, 15 tourist accommodation chalets, a restaurant and accessory facilities
- b) A total of 127 single family residential dwellings
- c) A nine-hole golf course with accessory facilities
- d) A 115 berth marina with accessory facilities
- e) Private utilities
- f) Employee housing

803.2 Permitted Uses:

Area A (Destination resort complex):

- a) Boat moorage, rentals and docks accessory to the hotel or lodge use
- b) Gift shop
- c) Health spa
- d) Hotel or lodge
- e) Licensed liquor establishment
- f) Meeting room
- g) Private utility
- h) Restaurant
- i) Single family residential dwelling
- j) Tourist accommodation chalets

Area B:

- a) Home-based business
- b) Linear trail or pathway system and park
- c) Nine-hole golf course with 40 parking spaces
- d) One project management suite
- e) Private utility
- f) Single family residential dwelling
- g) Storage yard, screened

Schedule 803 – Silverspray CD Zone (CD3)

Area C:

- a) Club house use accessory to the golf course (as permitted in Area B), including a pro shop, coffee shop, licensed establishment, golf cart and pull cart storage, washrooms, locker room, child care facilities, storage of golf course maintenance products and equipment and accessory uses
- b) Linear trail or pathway system and park
- c) Marina
- d) Parking lots accessory to the golf course (as permitted in Area B) and accessory to the marina use permitted in this area
- e) Private utility
- f) Uses accessory to the marina use including office, tackle shop, coffee bar, shower, change room and washroom facilities, and caretaker suite

803.3 Minimum lot size for subdivision purposes:

- a) Area A – 1,000 m²
- b) Area B – 1,000 m²
- c) Area C – 1 ha

803.4 Minimum Lot Dimensions (Area B):

- a) Frontage – 6 m
- b) Lot width – 20 m

803.5 Maximum Height:

- a) Principal Buildings:
 - i) Single family residential dwellings – 13 m
 - ii) Single family residential dwellings constructed to the west of East Sooke Road and to the south of the driveway to the marina situated facing Sooke Village – 10 m
 - iii) Commercial buildings in Area A – 20 m
 - iv) Commercial buildings in Area C – 13 m
 - v) Tourist accommodation chalets – 13 m
- b) Accessory Buildings – 7 m

803.6 Maximum Density and Dimensions:

- a) No more than 15 tourist accommodation chalets each having a maximum floor area of 250 m², and a maximum of two kitchens
- b) Single family residential dwelling units:
 - i) Within Area A, the maximum number is 2
 - ii) Within Area B, the maximum number is 125
- c) Marina (Area C) may include up to 115 berths for 115 boats

Schedule 803 – Silverspray CD Zone (CD3)

- d) The maximum number of lots that can be created by subdivision in Area A is 20 lots, including bare land strata lots, but not including any other strata lots within the hotel or lodge or tourist accommodation chalet that may be created pursuant to the *Strata Property Act*
- e) The maximum size of buildings permitted must not exceed:
 - i) A floor area ratio of 0.5 for residential buildings; or
 - ii) A floor area ratio of 0.8 for commercial buildings in Area A; and
 - iii) A maximum floor area of 500 m² in Area C

803.7 Minimum Setbacks:

- a) Lot line along the natural boundary of the sea or a watercourse – 15 m
- b) Agricultural Land Reserve Lot Line – 16 m
- c) East Sooke Regional Park Lot Line – 10 m
- d) From a principal building – 3 m
- e) From an accessory building – 1 m

803.8 Special Use Regulations:

- a) Tourist accommodation chalets must not be occupied by a person for more than six months in any calendar year;
- b) No accessory buildings or structures are permitted within that part of Area B to the west of East Sooke Road and to the south of the driveway to the marina as shown shaded on the map attached as Figure 1 to this CD zone.

803.9 Special Restrictions (Area B):

- a) No building or septic tank facility shall be located or constructed in Area B within the watershed of watercourses flowing into East Sooke Regional Park unless drainage is directed away from East Sooke Regional Park;
- b) Buildings along the beach on the south side of Area C must not exceed 18 m in width

803.10 Special Restrictions (Area C):

- a) All accessory uses to the marina use in Area C shall be located within one building or structure;
- b) Area C must not be used for outdoor work on boats or equipment other than minor incidental repairs.

803.11 *Schedule 803 – Silverspray CD Zone (CD3)*

Conditions of Use:

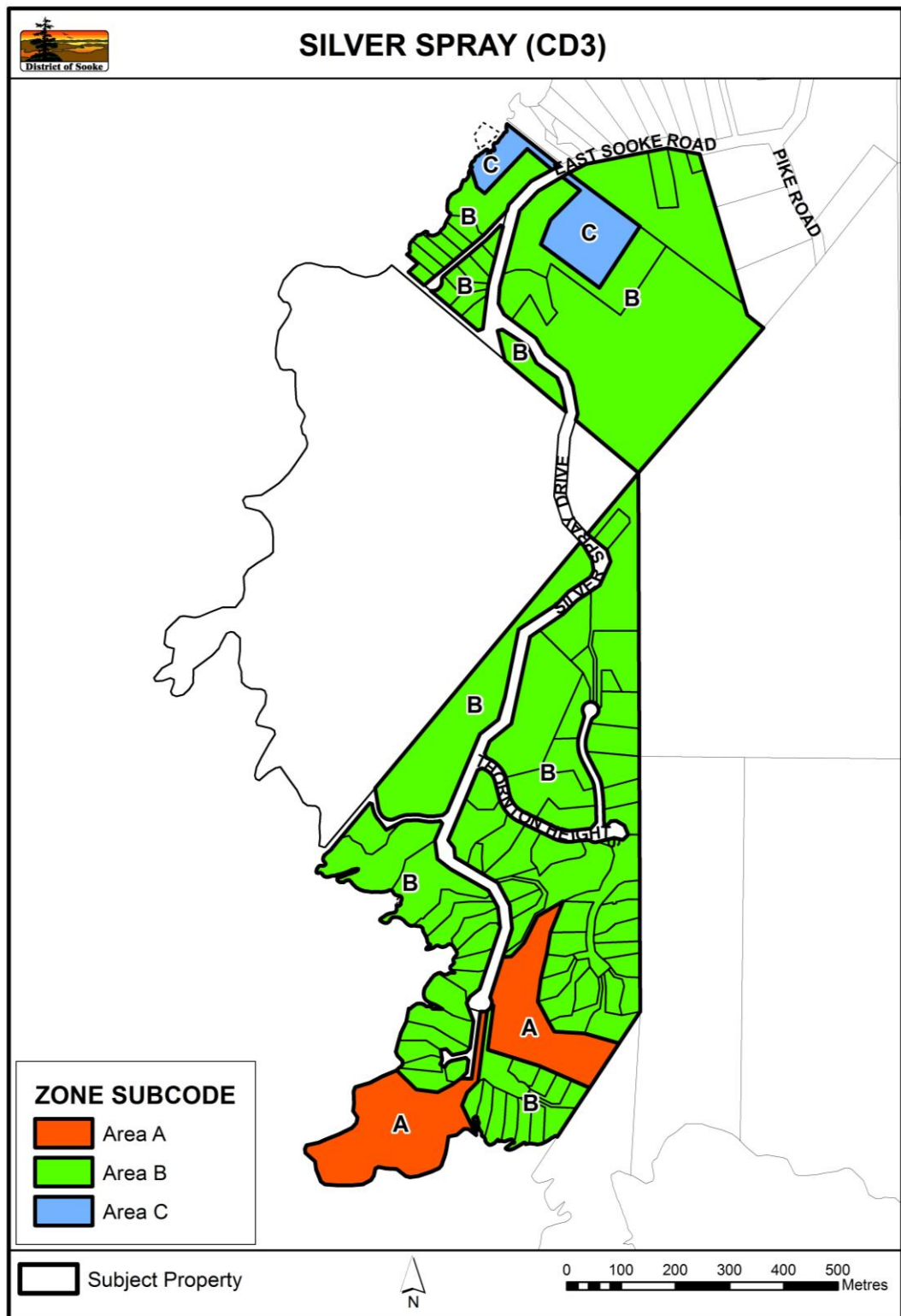
- a) The owner of land being subdivided must provide for each lot within the subdivision a water distribution system constructed in accordance with the standards established by the Board of the Capital Regional District, and connected to a community water system operated by the Capital Regional District.

- b) Landscaping and screening:
 - i) The golf course use must be screened from adjacent residential uses outside the CD3 zone by a continuous planting of vegetation having a minimum width of 6 m;
 - ii) The landscape buffer required (above) must include retention and maintenance of native trees and natural under-storey vegetation
 - iii) Outdoor storage, refuse disposal containers and above ground structures for services and utilities must be screened by a continuous planting of vegetation having a minimum width of 1.5 m
 - iv) All required landscape screens must be maintained by adequate irrigation and replacement of dead or seriously distressed plants or trees.

- c) Fencing:
 - i) Fence means free-standing structures used to screen around all or part of a lot or site and includes retaining walls, but does not include hedges and similar landscaping
 - ii) Maximum fence height in the CD3 zone shall be 3 m from average grade, subject to conformance with a registered building scheme.

803.12 **Subject Property Map:** The official map for this CD zone is kept by the Corporate Officer, and forms part of this bylaw. The enclosed map is provided for information purposes only.

Schedule 803 – Silverspray CD Zone (CD3)



LOADING SPACE means a space for loading or unloading of a motor vehicle but specifically excludes maneuvering aisles and other areas providing access to the space;

LODGE means a building or buildings that are suitable for tourist, vacation, resort and recreational residence units, including private residence clubs, each unit of which has its own sanitary facilities, including water closet and washbasin; may include a kitchen or kitchenette in individual units; may include a spa, conference centre, restaurant and premises licensed under the *Liquor Control and Licensing Act*. Residence units included within a private residence club can be used as permanent or temporary residences, or for temporary accommodation; (amended by Bylaw No. 481 adopted October 15, 2013)

LOT means any lot, block, or other area in an approved plan of subdivision in which real property is held or into which real property is subdivided, and includes a strata lot created under the *Bare Land Strata Regulations* pursuant to the *Strata Property Act*, but specifically excludes any other strata lot created pursuant to the *Strata Property Act*;

LOT, CORNER means a lot at the intersection or junction of two or more highways;

LOT COVERAGE means the combined ground floor areas of all buildings and structures on a lot, expressed as a percentage of the lot area; or the area of a portion of the lot in the case of a lot located in more than one zone; excludes free-draining decks and porches;

LOT LINE means a line which marks the boundary of a lot or parcel;

LOT LINE, FLANKING means a lot boundary abutting a highway, other than a front lot line or a lane lot line;

LOT LINE, FRONT means the lot line abutting a highway, other than a lane, provided that where a lot is a corner lot, the front lot line is the shortest lot line abutting a highway. In the case of a manufactured home park, the front lot line shall be the lot line abutting the private road providing access;

LOT LINE, FRONT – PANHANDLE LOT means a lot line adjoining and approximately perpendicular to the access strip but excludes any lot line in the access strip;

LOT LINE, LANE means a lot line abutting a lane;

LOT LINE, REAR means the lot line or lines opposite to and most distant from the front line or, in the case of a triangular shaped lot, a line 3 m (9.8 ft) in length entirely within the lot, parallel to and at a maximum distance from the front lot line;

LOT LINE, SIDE means a lot line other than a front, rear or flanking lot line;

LOT WIDTH means the length of a straight line perpendicular to a straight line connecting the mid-point of the front and rear lot line and at a distance measured from the front lot line, equal to the minimum width requirement of the zone in which the parcel is located.

Exhibit E

STRATA PROPERTY ACT FORM P

Strata Property Act
(Section 221 and 222)

Form P

PHASED STRATA PLAN DECLARATION

LANDUS DEVELOPMENT GROUP (2014) INC. (the “Developer”) declares:

1. That it intends to create a strata plan by way of phased development of part of the following lands:

PARCEL IDENTIFIER 028-633-075
LOT B, SECTION 78, SOOKE DISTRICT PLAN VIP89003

2. That the plan of development is as follows:
 - (a) **PHASES** - There are six (6) phases. Each phase consist of strata lots and associated common property, as follows:

Phase 1 – twenty-one (21) strata lots;
Phase 2 – twenty-three (23) strata lots;
Phase 3 – twenty-four (24) strata lots;
Phase 4 – nineteen (19) strata lots;
Phase 5 – three (3) strata lots;
Phase 6 – twenty-nine (29) strata lots;
 - (b) **PLAN** - Annexed at Schedule 1 to this declaration is a sketch plan showing:
 - (i) all the land to be included in the phased strata plan;
 - (ii) the present parcel boundaries;
 - (iii) the approximate boundaries of each phase;
 - (iv) the approximate location of the common property.

- (c) **CONSTRUCTION** - The estimated date of commencement of construction and completion of construction for each phase is as follows:

Phase	Commencement	Completion
1	April 30, 2014	September 30, 2016
2	April 30, 2016	April 30, 2017
3	July 31, 2016	August 31, 2017
4	October 31, 2016	December 31, 2017
5	December 31, 2016	December 31, 2017
6	April 30, 2017	April 30, 2018

- (d) **UNIT ENTITLEMENT** - The unit entitlement for each residential Strata Lot in the Development is a number that is approved by the superintendent and that in the superintendent's opinion allocates a fair portion of the common expenses to the owner of the Strata Lot as set out in section 246(3)(a)(iii) of the Strata Property Act. The unit entitlement for each mixed use Strata Lot in the Development is a number that is approved by the superintendent and that in the superintendent's opinion allocates a fair portion of the common expenses to the owner of the Strata Lot as set out in section 246(3)(b)(iii) of the Strata Property Act. The total unit entitlement of the completed development is summarized as follows:

Phase	Unit Entitlement
1	2,380
2	2,407
3	2,346
4	1,819
5	1,135
6	4,052

Total	14,139

- (e) **DESCRIPTION** - 110 residential strata lots and 9 non-residential strata lots will be created in this development, with common property. Strata Lots 1 to 119 will be located in 40 buildings constructed within this developments. All units save and except Strata Lots 35, 36, 84, 85, 88, 89, 90, 94 and 98 are exclusively for residential purposes.

3. The Developer has elected to proceed with Phase 1. The Developer will elect whether or not to proceed with the remaining phase on or before the following dates:

Phase 2	December 31, 2016
Phase 3	June 30, 2017
Phase 4	December 31, 2017
Phase 5	December 31, 2018
Phase 6	December 31, 2019

DATED the _____ day of _____.

(on behalf of the Developer)

APPROVED AS TO PHASING BY THE APPROVING OFFICER as of _____

Signature of Approving Officer

SKETCH PLAN TO ACCOMPANY FORM P FOR A SIX PHASE BUILDING STRATA DEVELOPMENT OF LOT 1, SECTION 78, SOOKE DISTRICT, PLAN EPP _____

PURSUANT TO SECTION 221 AND 222 OF THE STRATA PROPERTY ACT
BCGS 92B.032



The intended plot size of this plan is 560mm in width by 864mm in height. D size, when plotted at a scale of 1:400.

Lot shapes and sizes are subject to a final survey

All distances shown are in metres

CP denotes Common Property
LCP denotes Limited Common property for the exclusive use of
SL denotes Strata Lot

Phase	Strata Lots
1	1 to 21
2	22 to 44
3	45 to 68
4	69 to 87
5	88 to 90
6	91 to 119

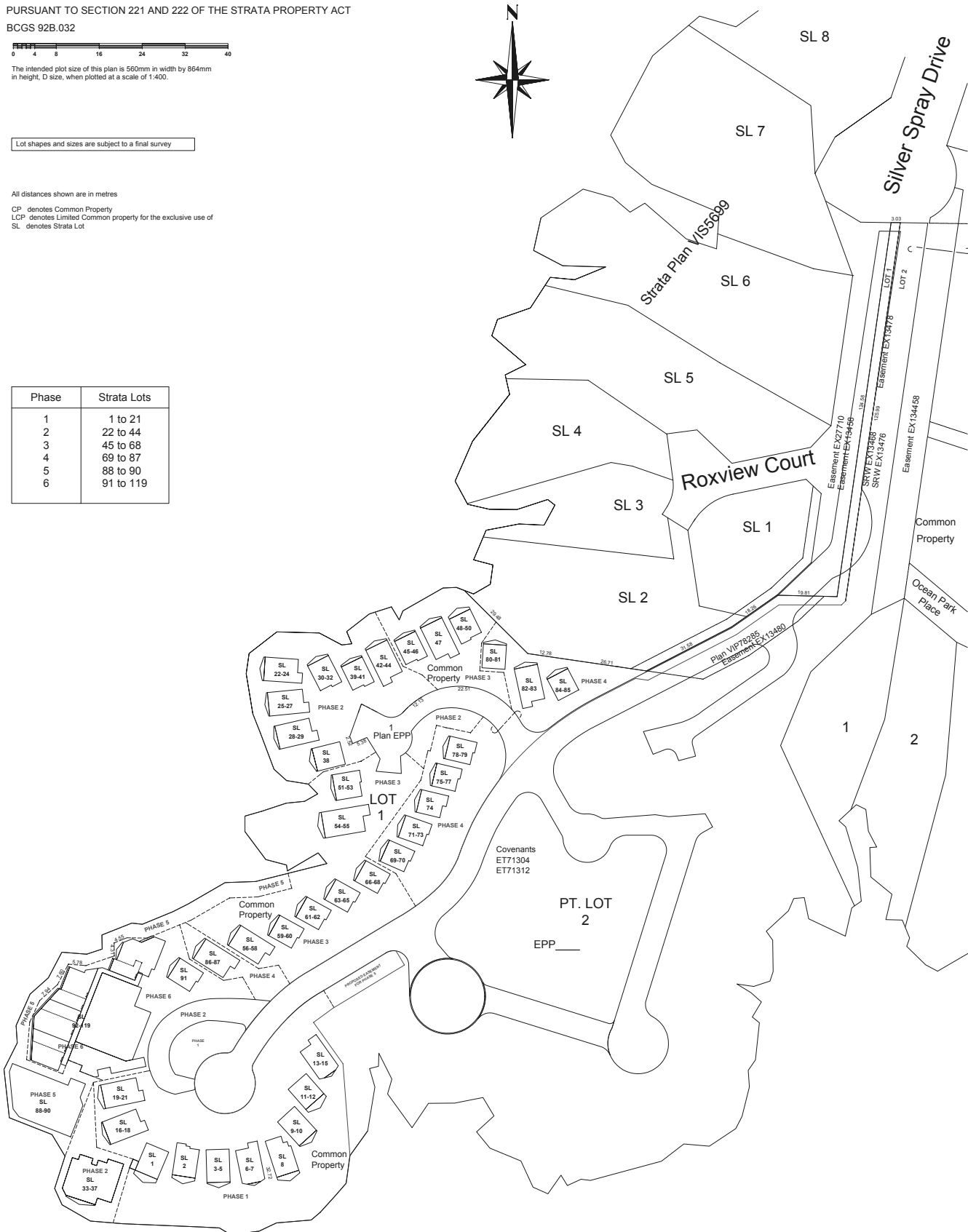


Exhibit F

STRATA PROPERTY ACT FORM V

Strata Property Act
FORM V

SCHEDULE OF UNIT ENTITLEMENT

(Schedule 245(a), 246, 264)

Re: Strata Plan EPS _____, being a strata plan of

PID 028-633-075, Lot B, Section 78, Sooke District, Plan VIP89003

STRATA PLAN CONSISTING OF BOTH RESIDENTIAL AND NON-RESIDENTIAL STRATA LOTS

The unit entitlement for each **residential** strata lot is, as set out on the following table:

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

Residential Strata Lot #	Sheet	Habitable Area (square meters)	Unit Entitlement	% of Residential Strata Lots	% of All Strata Lots
1	2,3	113.3	112	0.909%	0.791%
2	2,3,4	163.8	112	0.909%	0.791%
3	4	61.0	112	0.909%	0.791%
4	3	85.1	112	0.909%	0.791%
5	2	79.9	112	0.909%	0.791%
6	4	91.4	112	0.909%	0.791%
7	2,3	182.8	112	0.909%	0.791%
8	2,3,4	282.2	112	0.909%	0.791%
9	4	80.5	112	0.909%	0.791%
10	2,3	159.8	112	0.909%	0.791%
11	4	82.7	112	0.909%	0.791%
12	2,3	135.3	112	0.909%	0.791%
13	4	92.0	112	0.909%	0.791%
14	3	91.4	112	0.909%	0.791%
15	2	91.4	112	0.909%	0.791%
16	4	98.1	112	0.909%	0.791%
17	3	98.1	112	0.909%	0.791%

18	2	97.6	112	0.909%	0.791%
19	4	98.1	112	0.909%	0.791%
20	3	98.1	112	0.909%	0.791%
21	2	97.6	112	0.909%	0.791%
22	4	92.9	112	0.909%	0.791%
23	3	92.9	112	0.909%	0.791%
24	2	92.9	112	0.909%	0.791%
25	4	94.2	112	0.909%	0.791%
26	3	94.2	112	0.909%	0.791%
27	2	94.2	112	0.909%	0.791%
28	3,4	188.4	112	0.909%	0.791%
29	2	94.2	112	0.909%	0.791%
30	4	66.1	112	0.909%	0.791%
31	3	66.1	112	0.909%	0.791%
32	2	66.6	112	0.909%	0.791%
33	4	65.0	112	0.909%	0.791%
34	4	161.7	112	0.909%	0.791%
37	2	226.7	112	0.909%	0.791%
38	2,3,4	216.0	112	0.909%	0.791%
39	4	66.1	112	0.909%	0.791%
40	3	66.1	112	0.909%	0.791%
41	2	66.6	112	0.909%	0.791%
42	4	80.7	112	0.909%	0.791%
43	3	94.2	112	0.909%	0.791%
44	2	94.2	112	0.909%	0.791%
45	3,4	132.1	112	0.909%	0.791%
46	2	66.6	112	0.909%	0.791%
47	2,3,4	282.6	112	0.909%	0.791%
48	4	66.1	112	0.909%	0.791%
49	3	66.1	112	0.909%	0.791%
50	2	66.3	112	0.909%	0.791%
51	4	74.4	112	0.909%	0.791%
52	3	74.4	112	0.909%	0.791%
53	2	74.4	112	0.909%	0.791%
54	3,4	254.0	112	0.909%	0.791%
55	2	112.4	112	0.909%	0.791%
56	4	94.2	112	0.909%	0.791%
57	3	94.2	112	0.909%	0.791%
58	2	94.2	112	0.909%	0.791%
59	3,4	132.1	112	0.909%	0.791%

60	2	66.3	112	0.909%	0.791%
61	3,4	132.1	112	0.909%	0.791%
62	2	66.3	112	0.909%	0.791%
63	4	66.1	112	0.909%	0.791%
64	3	66.1	112	0.909%	0.791%
65	2	66.3	112	0.909%	0.791%
66	4	66.1	112	0.909%	0.791%
67	3	66.1	112	0.909%	0.791%
68	2	66.6	112	0.909%	0.791%
69	3,4	132.1	112	0.909%	0.791%
70	2	66.6	112	0.909%	0.791%
71	4	66.1	112	0.909%	0.791%
72	3	66.1	112	0.909%	0.791%
73	2	66.6	112	0.909%	0.791%
74	2,3,4	191.3	112	0.909%	0.791%
75	4	59.4	112	0.909%	0.791%
76	3	59.4	112	0.909%	0.791%
77	2	59.4	112	0.909%	0.791%
78	3	66.1	112	0.909%	0.791%
79	2	66.6	112	0.909%	0.791%
80	3,4	120.0	112	0.909%	0.791%
81	2	60.0	112	0.909%	0.791%
82	4	94.2	112	0.909%	0.791%
83	2,3	188.4	112	0.909%	0.791%
86	3,4	188.4	112	0.909%	0.791%
87	2	94.2	112	0.909%	0.791%
91	2,3,4	199.6	112	0.909%	0.791%
92	9	162.8	112	0.909%	0.791%
93	9	38.8	112	0.909%	0.791%
95	8	162.8	112	0.909%	0.791%
96	8	131.6	112	0.909%	0.791%
97	8	145.5	112	0.909%	0.791%
99	7	162.8	112	0.909%	0.791%
100	7	131.6	112	0.909%	0.791%
101	7	145.5	112	0.909%	0.791%
104	6	145.5	112	0.909%	0.791%
105	6	117.3	112	0.909%	0.791%
106	5	162.8	112	0.909%	0.791%
107	5	131.6	112	0.909%	0.791%
109	5	117.3	112	0.909%	0.791%

110	4	162.8	112	0.909%	0.791%
111	4	131.6	112	0.909%	0.791%
112	4	145.5	112	0.909%	0.791%
113	4	117.3	112	0.909%	0.791%
114	3	119.8	112	0.909%	0.791%
115	3	131.6	112	0.909%	0.791%
116	3	145.5	112	0.909%	0.791%
117	3	117.3	112	0.909%	0.791%
118	2	138.1	112	0.909%	0.791%
119	2	146.0	112	0.909%	0.791%

*Expression of a percentage is for informational purposes only

Total number
of residential
strata lots: 110

Total unit entitlement
of residential strata lots:
12,302

The unit entitlement for each **non-residential** strata lot is, as set out on the following table:

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

Non residential Strata Lot #	Sheet	Habitable Area (square meters)	Unit Entitlement	% of Non Residential Strata Lots	% of All Strata Lots
35	3	65.0	65	3.538%	0.460%
36	3	161.7	162	8.801%	1.144%
84	4	57.5	58	3.130%	0.407%
85	2,3	116.1	116	6.319%	0.821%
88	4	378.3	378	20.591%	2.676%
89	3	378.3	378	20.591%	2.676%
90	2	378.3	378	20.591%	2.676%
94	9	67.3	67	3.663%	0.476%
98	7,8	234.7	235	12.775%	1.660%

*Expression of a percentage is for informational purposes only

Total number
of non-residential
strata lots: 9

Total unit entitlement of
Non-Residential strata lots:
1,837

Date:

Exhibit G

STRATA PROPERTY ACT FORM W

Strata Property Act

FORM W

SCHEDULE OF VOTING RIGHTS

(sections 245(b), 247, 248, 264)

Re: Strata Plan EPS _____, being a strata plan of

Parcel Identifier 028-633-075, Lot 2, Section 78, Sooke District, Plan EPP _____

The strata plan is composed of 9 non-residential strata lots, and 110 residential strata lots.

The number of votes per strata lot is as follows, as set out in the following table.

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

Strata Lot No.	Type of Strata Lot (Residential or Non Residential)	Sheet No.	Number of Votes	Total Votes (After Each Phase)
1	Residential	2,3	1	
2	Residential	2,3,4	1	
3	Residential	4	1	
4	Residential	3	1	
5	Residential	2	1	
6	Residential	4	1	
7	Residential	2,3	1	
8	Residential	2,3,4	1	
9	Residential	4	1	
10	Residential	2,3	1	
11	Residential	4	1	
12	Residential	2,3	1	
13	Residential	4	1	
14	Residential	3	1	
15	Residential	2	1	
16	Residential	4	1	
17	Residential	4	1	

18	Residential	2	1	
19	Residential	4	1	
20	Residential	3	1	
21	Residential	2	1	
Phase 1 Total			24	24.0

22	Residential	4	1	
23	Residential	3	1	
24	Residential	2	1	
25	Residential	4	1	
26	Residential	3	1	
27	Residential	2	1	
28	Residential	3,4	1	
29	Residential	2	1	
30	Residential	4	1	
31	Residential	3	1	
32	Residential	2	1	
33	Residential	4	1	
34	Residential	4	1	
35	Non Residential	3	1	
36	Non Residential	3	1.1	
37	Residential	2	1	
38	Residential	2,3,4	1	
39	Residential	4	1	
40	Residential	3	1	
41	Residential	2	1	
42	Residential	4	1	
43	Residential	3	1	
44	Residential	2	1	
Phase 2 Total			23.1	44.1

45	Residential	3,4	1	
46	Residential	2	1	
47	Residential	2,3,4	1	
48	Residential	4	1	
49	Residential	3	1	
50	Residential	2	1	
51	Residential	4	1	
52	Residential	3	1	
53	Residential	2	1	
54	Residential	3,4	1	
55	Residential	2	1	

56	Residential	4	1	
57	Residential	3	1	
58	Residential	2	1	
59	Residential	3,4	1	
60	Residential	2	1	
61	Residential	3,4	1	
62	Residential	2	1	
63	Residential	4	1	
64	Residential	3	1	
65	Residential	2	1	
66	Residential	4	1	
67	Residential	3	1	
68	Residential	2	1	
Phase 3 Total			24	68.1

69	Residential	3,4	1	
70	Residential	2	1	
71	Residential	4	1	
72	Residential	4	1	
73	Residential	2	1	
74	Residential	2,3,4	1	
75	Residential	4	1	
76	Residential	3	1	
77	Residential	2	1	
78	Residential	3	1	
79	Residential	2	1	
80	Residential	3,4	1	
81	Residential	2	1	
82	Residential	4	1	
83	Residential	2,3	1	
84	Non Residential	4	1	
85	Non Residential	2,3	1	
86	Residential	3,4	1	
87	Residential	2	1	
Phase 4 Total			19	87.1

88	Non Residential	4	2.7	
89	Non Residential	3	2.7	
90	Non Residential	2	2.7	
Phase 5 Total			8	95.2

91	Residential	2,3,4	1	
92	Residential	9	1	
93	Residential	9	1	
94	Non Residential	9	1	
95	Residential	8	1	
96	Residential	8	1	
97	Residential	8	1	
98	Non Residential	7,8	1.7	
99	Residential	7	1	
100	Residential	7	1	
101	Residential	7	1	
102	Residential	6	1	
103	Residential	6	1	
104	Residential	6	1	
105	Residential	6	1	
106	Residential	5	1	
107	Residential	5	1	
108	Residential	5	1	
109	Residential	5	1	
110	Residential	4	1	
111	Residential	4	1	
112	Residential	4	1	
113	Residential	4	1	
114	Residential	3	1	
115	Residential	3	1	
116	Residential	3	1	
117	Residential	3	1	
118	Residential	2	1	
119	Residential	2	1	
Phase 6 Total			29.7	124.9

Dated the _____ day of _____

Signature of Owner Developer

Exhibit H

STRATA PROPERTY ACT FORM Y – BYLAWS

Form Y

OWNER DEVELOPER’S NOTICE OF DIFFERENT BYLAWS

Re: Strata Plan _____, being a strata plan of:

Parcel Identifier 028-633-075, Lot B, Section 78, Sooke District Plan VIP89003

The Standard Bylaws to the *Strata Property Act* are hereby deleted and, in accordance with Section 120 of the *Strata Property Act*, replaced with the following:

I. DEFINITIONS

1.1 In these bylaws (the “**Bylaws**”):

- (a) “**Cottages**” means a residential section of the Owners, Strata Plan EPS _____, consisting of all strata lots in Strata Plan EPS _____ other than the Mixed Use Units.
- (b) “**Mixed Use Units**”, means a mixed residential and non-residential section of the Owners, Strata Plan EPS _____, consisting of Strata Lots 35, 36, 84, 85, 88, 89, 90, 94, 98, inclusive.
- (e) “**Strata Fees**”, with respect to a strata lot, means strata fees due and payable to the Strata Corporation in accordance with a budget approved, from time to time, by the Strata Corporation; and
 - (ii) to the Owner’s Section, in accordance with a budget approved, from time to time, by the Owner’s Section.

II. DUTIES OF ALL STRATA LOT OWNERS, TENANTS AND OCCUPANTS

INFORM STRATA CORPORATION

- 2.1 (1) An Owner must, at all times, and within two (2) weeks of acquiring title to a strata lot, inform the Strata Corporation of the Owner's name, strata lot number and, if any, mailing address outside the strata plan of the Strata Corporation.
- (2) Prior to a tenant occupying a strata lot, the Owner must cause the tenant to inform the Strata Corporation of his or her name and to complete and deliver to the strata council or the property manager of the Strata Corporation, as the case may be, a *Notice of Tenant Responsibility*.

COMPLIANCE

- 2.2 (1) Every Owner, including without limitation the Owner's tenants, employees and visitors and any other occupant of a strata lot must comply strictly with these Bylaws and with any rules adopted, from time to time, either by the Strata Corporation or the Owner's Section.
- (2) An Owner, tenant or occupant must not do, or omit to do, whether deliberately or accidentally, any act which would result in a claim being made on the insurance policy of either the Strata Corporation or a separate section.

STRATA FEES

- 2.3 (1) An Owner must pay his or her Strata Fees to the Strata Corporation on or before the first day of the month in respect of which the Strata Fees are or will become due and payable.
- (2) An Owner must pay his or her share of any special levy imposed in accordance with these Bylaws by the Strata Corporation, the Owner's Section or both.
- (3) In addition to any fine which may be levied against an Owner for the non-payment of his or her Strata Fees or share of any special levy, the Owner must pay interest at the rate of 12.0% per annum to the Strata Corporation on any late payment, such interest to be compounded and calculated annually, commencing from the date the payment was otherwise payable to the Strata Corporation and ending on the date payment (including interest) is received by the Strata Corporation.
- (4) On or before the first day of the first month following passage of the annual budget for the Strata Corporation, each Owner must deliver to the property manager of the Strata Corporation twelve post-dated cheques or a signed automatic debit authorization, each for an amount equal to the Strata Fees payable by that Owner to the Strata Corporation for the ensuing twelve month period. Each post-dated cheque must be dated for the first day of the following twelve months, starting with the month immediately after passage of the annual budget.
- (5) The Strata Corporation may charge an Owner a service fee of \$25.00 together with such banking charges as the Strata Corporation may have to pay from time to time for any dishonoured cheque, late payment or refused automatic debit of that Owner.
- (6) An Owner who owes money to the Strata Corporation or to the Owner's Section may not vote at an annual general meeting or special general meeting, except on matters requiring a unanimous vote.

USE OF PROPERTY

- 2.4 (1) No Owner, tenant, occupant, employee or visitor may use a strata lot, the common property, limited common property or common assets in a way that:
- (a) causes a nuisance, disturbance or hazard to another person,

- (b) causes unreasonable or repetitive noise,
 - (c) unreasonably interferes with the rights of another person to use and enjoy the common property, limited common property common assets or another strata lot,
 - (d) is illegal or injurious to the reputation of the Strata Corporation, or
 - (e) is contrary to a purpose for which the strata lot, common property, or limited common property is intended as shown expressly or by necessary implication on or by the strata plan or other filings filed in Land Title Office, from time to time.
- (2) An Owner, tenant, occupant, employee or visitor must not cause damage, other than reasonable wear and tear, to the common property, limited common property, common assets or those parts of a strata lot which the Strata Corporation must repair and maintain under these Bylaws or insure in accordance with the Act.
 - (3) When the purpose for which a strata lot is intended to be used is shown expressly or by necessary implication on or by the registered strata plan of the Strata Corporation, an Owner shall not use his strata lot for any other purpose, or permit it to be so used.

REPAIR AND MAINTENANCE OF PROPERTY

- 2.5 (1) An Owner must repair and maintain the Owner's strata lot, except for repair and maintenance that is the responsibility of the Strata Corporation or the Owner's Section, under these Bylaws.
- (2) An Owner who has the use of limited common property must repair and maintain it, except for repair and maintenance that is the responsibility of the Strata Corporation or the Owner's Section, under these Bylaws.

OBTAIN APPROVAL BEFORE ALTERING A STRATA LOT

- 2.6 (1) An Owner must obtain the written approval of the Strata Corporation before making an alteration to a strata lot that involves any of the following:
 - (a) the structure of a building in the Strata Corporation;
 - (b) the exterior of a building in the Strata Corporation;
 - (c) any chimney, stair, balcony, patio or other thing attached to the exterior of a building in the Strata Corporation;
 - (d) any door, window or skylight on the exterior of a building in the Strata Corporation, or that fronts on the common property including but not limited to adding a security device to the entrance door to a strata lot;
 - (e) any fence, railing or similar structure that encloses a patio, balcony or yard;
 - (f) common property located within the boundaries of a strata lot;

- (g) any part of the strata lot which the Strata Corporation must insure under the Act including, without limitation, fixtures installed by the owner developer as part of the original construction of a strata lot.
- (2) The Strata Corporation must not unreasonably withhold its approval under subsection (1), but may require as a condition of its approval that the Owner agree, in writing:
 - (a) to take responsibility for any current and future expenses relating to the alteration; and
 - (b) to remove the alteration and restore the common property, if required by the Strata Corporation, prior to moving out of the strata lot.
 - (3) No Owner, guest, invitee or employee of an Owner or tenant, tenant of an Owner, or an occupant of an Owner's strata lot may alter or attempt to alter any Owner's strata lot in the Strata Corporation in any manner which in the opinion of the strata council may alter the exterior appearance of a building in the Strata Corporation.

OBTAIN APPROVAL BEFORE ALTERING COMMON PROPERTY

- 2.7 (1) An Owner must obtain the written approval of the Strata Corporation before making an alteration to common property, including limited common property, or common assets of the Strata Corporation.
- (2) The Strata Corporation may require as a condition of its approval that the Owner agrees, in writing:
 - (a) to take responsibility for any current and future expenses relating to the alteration;
 - (b) to provide, at the request of the Strata Corporation, evidence of appropriate Insurance coverage relating to the alteration; and
 - (c) to remove the alteration and restore the common property, if required by Strata Corporation, as a condition of approval for the alteration.

PERMIT ENTRY TO STRATA LOT

- 2.8 (1) An Owner, tenant, occupant or visitor must allow a person authorized by the strata council or the property manager of the Strata Corporation as the case may be to enter the strata lot
 - (a) in an emergency, without notice, to ensure safety or prevent loss or damage; and
 - (b) at a reasonable time, on 48 hours written notice:
 - (i) to inspect, repair or maintain common property, limited common property, common assets and any portions of a strata lot that are the

responsibility of the Strata Corporation to repair and maintain under these Bylaws or insure under the Act; and

(ii) to ensure compliance with the Act and the Bylaws.

- (2) The notice referred to in subsection (1)(b) must include the date and approximate time of entry; and the reason for entry.
- (3) In exercising its right under this Bylaw, the strata council or the property manager, as the case may be, will not unreasonably interfere with the operation of any occupant of a non-residential strata lot.

PETS

- 2.9
- (1) An Owner, tenant or occupant that keeps a pet in any strata lot in the Strata Corporation must comply with these Bylaws and any rules enacted by the strata council on behalf of the Strata Corporation with respect to the keeping of pets.
 - (2) Subject to subsection 2.9(8) an Owner, tenant or occupant of a residential strata lot in the Strata Corporation must not keep any pets in a residential strata lot other than the following:
 - (a) a reasonable number of fish or other small aquarium animals;
 - (b) up to 2 caged birds;
 - (c) not more than three dogs or cats;
 - (d) a guide animal, as defined in the *Guide Animal Act*.
 - (3) An Owner, tenant or occupant must keep his or her pet in his or her strata lot.
 - (4) An Owner, tenant or occupant must ensure that when any pet is on the common property or limited common property of the strata' corporation, that pet is leashed or otherwise secured and under the control of the Owner, tenant or occupant.
 - (5) If the pet of any Owner, tenant or occupant of a residential strata lot in the Strata Corporation defecates on the common property or on the limited common property of the Strata Corporation, that pet Owner must immediately and completely remove all of that pet's waste from the common property or the limited common property.
 - (6) Each pet Owner is responsible for any damage caused by his or her pet to common property or limited common property of the Strata Corporation including any and all costs for cleaning, repairing or replacing damaged common property or damaged limited common property of the Strata Corporation.
 - (7) The Strata Corporation may:
 - (a) amend, rescind and enforce from time to time such rules it considers necessary or desirable for any Owner, tenant or occupant to keep or not keep any species of a pet in a residential strata lot in the Strata Corporation, and

- (b) require an Owner, tenant or occupant to remove his or her pet from the Strata Corporation if in the opinion of the strata council such pet is a nuisance or a danger to any other Owner, tenant or occupant in the Strata Corporation.
- (8) No Owner shall keep on any Strata Lot a dog of the following breeds, without the express consent of the Strata Council, such consent not to be unreasonably denied:
- (a) Pit Bull;
 - (b) Rottweiler.

PROHIBITION ON SMOKING

- 2.10 (a) No person shall smoke tobacco, or any controlled substance within the meaning of the Controlled Drug and Substances Act (Canada):
- (i) on any deck or patio constituting the limited common property of a residential strata lot which is directly or indirectly facing the ocean;
 - (ii) on any common property other than limited common property which is within 15 metres of the ocean.
- (b) Notwithstanding Section 2.10(a), nothing in these bylaws are intended to prevent a person from smoking tobacco:
- (i) inside a strata lot;
 - (ii) under any covered area within 2 metres of the entry door of a strata lot;
 - (iii) in a location in any area designated for parking, or on any street or sidewalk, at least 3 metres from the deck, patio or porch of any strata lot.

III. DIVISION AND ADMINISTRATION OF SECTIONS

- 3.1 The Strata Corporation will consist of two sections - the Cottages and the Mixed Use Units.
- 3.2 The Cottages will elect an executive in the manner provided in these Bylaws. The Mixed Use Units will elect an executive in the manner provided in these Bylaws.
- 3.3 The Cottages and the Mixed Use Units will each have the same powers and duties as the Strata Corporation with respect to matters relating only to that section, including the power to:
- (a) enter into contracts in the name of that section;
 - (b) acquire and dispose of land-and other property in the name that section,
 - (c) make rules governing the use, safety and condition of any limited common property designated for the exclusive use of that section; and
 - (d) enforce Bylaws and rules as against a member of that section.

- 3.4 (1) The Cottages and the Mixed Use Units will each be entitled but not obligated to establish a separate operating fund and contingency reserve fund for common expenses of the section, including expenses relating to any limited common property designated for the exclusive use of that section.
- (2) The executive of each section will prepare an annual budget of section expenses, if any, to be included as part of the annual budget prepared by the Strata Corporation for approval at annual general meetings.
- (3) Strata fees payable by the Owners will include the fees owing to the Strata Corporation and the fees owing to the Owner's separate section.
- (4) Upon receipt each month of Strata Fees from the Owners, the Strata Corporation will deposit into separate accounts that portion of such fees which is applicable to the Strata Corporation operating fund, the Strata Corporation contingency reserve fund, the operating fund of the applicable section and the contingency reserve fund of the applicable section.
- (5) Only authorized signatories for each of the Cottages and the Mixed Use Units will be entitled to withdraw funds from the operating fund and the contingency reserve fund for their respective sections.
- (6) Special levies approved by the Cottages will be payable by the Owners in that section to the Strata Corporation, which will pay such special levy into the operating fund or the contingency reserve fund of such section, as requested by such section. Special levies approved by the Mixed Use Units will be payable by the Owner in that section.
- (7) At the request of a separate section; the Strata Corporation will register a lien against an Owner's strata lot if section fees have not been paid to the Strata Corporation as part of such Owner's Strata Fees or if a special levy approved by that Owner's Section has not been paid by such Owner.

IV. REPAIR, MAINTENANCE AND INSURANCE

- 4.1 The Strata Corporation must repair and maintain all of the following:
- (a) common assets of the Strata Corporation;
 - (b) common property that has not been designated as limited common property;
 - (c) limited common property (except for repair and maintenance that is the responsibility of a separate section), restricted to the structure of a building; and
 - (d) a strata lot in a strata plan, restricted to the structure of a building.
- 4.2 Subject to these Bylaws, the Cottages and the Mixed Use Units must each repair and maintain all of the limited common property appurtenant to each such section, provided, however, that the duty to repair and maintain the structure of any building in the Strata Corporation will at all times remain with the Strata Corporation.

4.3 The Cottages and the Mixed Use Units may each obtain insurance:

- (a) against perils that are not insured by the entire Strata Corporation; or
- (b) for amounts that are in excess of amounts that are insured by the Strata Corporation,

and each section has the same insurable interest as the Strata Corporation has in property contained within that section.

V. COMMON EXPENSES

STRATA FEES

5.1 The strata lot Owners' contributions to the common expenses of the Strata Corporation shall be levied in accordance with this bylaw.

SECTION FEES

5.2 The contribution by any Owner of a strata lot within a separate section to the expenses common to that separate section shall be levied in accordance with this bylaw.

APPORTIONMENT OF COMMON EXPENSES

5.3 Common expenses shall be apportioned between the Cottages and the Mixed Use Units and to individual strata lots in the following manner:

- (a) common expenses attributable to either separate section shall be allocated to that separate section and, subject to bylaw 6.5, shall be borne by the Owners of the strata lots within that separate section in the proportion that the unit entitlement of such strata lot bears to the aggregate unit entitlement of all strata lots within that separate section;
- (b) common expenses not attributable to a separate section, shall be for the account of the Strata Corporation and shall be allocated to all strata lots and shall be borne by the Owners in proportion to the unit entitlement of their strata lot or as otherwise set out in the current budget of the Strata Corporation; and
- (c) common expenses attributable to any one strata lot shall be allocated to such strata lot.

ALLOCATION BETWEEN SECTIONS

5.4 Without limiting the generality of bylaw 5.3 and unless otherwise determined by the executives of each of the Cottages and the Mixed Use Units, acting reasonably, the following common expenses shall be allocated between the separate sections as follows:

- (a) expenses relating to areas designated as limited common property for parking shall be allocated by the Strata Corporation to all Owners, according to unit entitlement;

- (b) expenses relating to areas designated as limited common property for the benefit of a section (other than as parking) will be for the account of the Owners of strata lots in each respective section;
- (b) the cost of maintaining the exterior of a building (including, without limiting, all exterior doors, windows and skylights) shall be allocated by the Strata Corporation according to unit entitlement;
- (c) the cost to maintain the roof and the structure of a building, including to repair and replace the same, shall be allocated by the Strata Corporation according to unit entitlement;
- (d) the cost of Strata Corporation insurance must be allocated by the Strata Corporation according to unit entitlement;
- (e) the cost to maintain outdoor common property including the cost to repair and replace landscaping from time to time must be allocated by the Strata Corporation according to unit entitlement;
- (f) the cost of any other service or facility delivered to the Strata Corporation from time to time and not otherwise allocated in these Bylaws must be allocated by the Strata Corporation according to unit entitlement.

EXPENSES ATTRIBUTABLE TO LIMITED COMMON PROPERTY

- 5.5 Where the strata plan includes limited common property, expenses attributable to the limited common property which would not have been expended if the area had not been designated as limited common property shall be borne equally by the Owners of the strata lots entitled to use the limited common property.

APPORTIONMENT WITHIN A SECTION

- 5.6 Common expenses attributable to the strata lots in a separate section shall be apportioned by the executive of that separate section in the following manner:
- (a) Common expenses shall be allocated to all strata lots in the separate section and shall be borne by the Owners in that section in the proportion that the unit entitlement of each such strata lot bears to the aggregate unit entitlement of all strata lots in that section or as otherwise set out in the current budget of that separate section. If a strata lot shall require a utility or other service not supplied to all lots the cost shall not be a common expense and if this utility is not separately metered or billed so as to measure the use thereof by the strata lot the cost of such utility shall be apportioned and charged to the strata lot by the executive of the separate section, on such reasonable basis as it shall determine.
 - (b) The cost to each Owner of a strata lot of the electrical power supplied to it may be separately metered for that strata lot, or if separate meters are not used, the cost of electrical power shall be apportioned and charged to each strata lot by the executive of the separate section, on such reasonable basis as it shall determine.

VI. STRATA COUNCIL

COMPOSITION

- 6.1 (1) The strata council will have 7 members, at least 3 of which must represent the Mixed Use Section.
- (2) A quorum of the strata council is 5 members.
- (3) Council members must be present in person at a council meeting to be counted in establishing quorum.

TERM

- 6.2 (1) The term of office of a member ends at the end of the annual general meeting at which a new council is elected.
- (2) A person whose term as member is ending is eligible for re-election.

REPLACING MEMBERS

- 6.3 (1) If a member resigns or is unwilling or unable to act for a period of 2 or more months, the remaining members may appoint a replacement member for the remainder of the term.
- (2) A replacement member may be appointed from any person eligible to sit on the council.
- (3) The council may appoint a member under this section even if the absence of the member being replaced leaves the council without a quorum.
- (4) If all the members resign or are unwilling or unable to act for a period of 2 or more months, persons holding at least one quarter of the Strata Corporation's votes may hold a special general meeting to elect a new council by complying with the provisions of the Act, the regulations and the Bylaws respecting the calling and holding of meetings.

REMOVING MEMBERS

- 6.4 (1) Strata Corporation may, by a resolution passed by a majority vote at an annual or special general meeting, remove one or more members.
- (2) After removing a member, the Strata Corporation must hold an election at the same annual or special general meeting to replace the member for the remainder of the term.
- (3) No person may stand for council or continue to be on council with respect to a strata lot if the Strata Corporation is entitled to register a lien against that strata lot under the Act.

OFFICERS

- 6.5 (1) At the first meeting held after each annual general meeting of the Strata Corporation, the council must elect, from among its members, a president, vice-president, secretary and treasurer.
- (2) A person may hold more than one office at a time, other than the offices of president and vice president.
- (3) The vice president has the powers and duties of the president while the president is absent or is unwilling or unable to act; or for the remainder of the president's term if the president ceases to hold office.
- (4) If an officer other than the president is unwilling or unable to act for a period of 2 or more months, the remaining council members may appoint a replacement officer from among themselves for the remainder of the term.

COUNCIL MEETINGS

- 6.6 (1) Any council member may call a council meeting by giving the other council members at least one week's notice of the meeting, specifying the reason for calling the meeting.
- (2) A council meeting may be held on less than one week's notice if
- (a) all members consent in advance of the meeting, or
 - (b) the meeting is required to deal with an emergency situation, and members are unavailable to provide consent after reasonable attempts to contact them.
- (3) At the option of the council, meetings may be held by electronic means, so long as all council members and other participants can communicate with each other. If a council meeting is held by electronic means, council members are deemed to be present in person.
- (4) Owners may not attend council meetings as observers unless council, in its sole discretion, agrees to permit members to attend.

REQUISITION OF COUNCIL HEARING

- 6.7 (1) By application in writing, stating the reason for the request, an Owner or tenant may request a hearing at a council meeting.
- (2) If a hearing is requested under subsection (1), the strata council must hold a meeting to hear the applicant within one month of the request.
- (3) If the purpose of the hearing is to seek a decision of the council, the strata council give the applicant a written decision in one week of the hearing.

VOTING AT COUNCIL MEETINGS

- 6.8 (1) At council meetings, decisions must be made by a majority of members present in person at the meeting.
- (2) if there is a tie vote at a council meeting, the president may break the tie by casting a second, deciding vote.
- (3) The results of all votes at a council meeting must be recorded in the strata council meeting minutes.

MINUTES

- 6.9 The council must inform Owners of the minutes of all council meetings within 2 weeks of the meeting, whether or not the minutes have been approved.

DELEGATION OF COUNCIL'S POWERS AND DUTIES

- 6.10 (1) Subject to subsections (2) to (4), the council may delegate some or all of its powers and duties to one or more council members or persons who are not members of the council.
- (2) The council may delegate its spending powers or duties, but only by a resolution that delegates the authority to make an expenditure of a specific amount for a specific purpose or otherwise delegates the general authority to make expenditures in accordance with subsection (3).
- (3) Delegation of a general authority to make expenditures must set a maximum amount that may be spent, and indicate the purposes for which and the conditions under which the money may be spent.
- (4) The executive may not delegate its powers to determine:
- (a) whether a person has contravened a bylaw or rule,
 - (b) whether a person should be fined, and the amount of the fine, or
 - (c) whether a person should be denied access to a recreational facility.
- 6.11 (1) A person may not spend the Strata Corporation's money unless the person has been delegated the power to do so in accordance with these Bylaws.
- (2) Despite subsection (1), a council member may spend the Strata Corporation's money to repair or replace common property or common assets if the repair or replacement is immediately required to ensure safety or prevent significant loss or damage.
- (3) Despite subsections (1) and (2), the strata council by majority resolution may spend up to \$10,000 in any fiscal year for any proposed expenditure not otherwise put forward for approval in a budget or at an annual or special general meeting of the Strata Corporation.

LIABILITY OF COUNCIL MEMBERS

- 6.12 (1) A council member who acts honestly and in good faith is not personally liable because of anything done or omitted in the exercise or intended exercise of any power or the performance or intended performance of any duty of the council.
- (2) Subsection (1) does not affect a council member's liability, as an Owner, for a judgment against the Strata Corporation.

CONSENT

- 6.13 (1) Any consent, approval or permission given under these Bylaws by the strata council or the executive if a separate section, as the case maybe, shall be revocable at any time, upon reasonable notice.
- (2) Notwithstanding any provision of the Act, the Strata Corporation may proceed under the *Small Claims Act (British Columbia)* against an Owner or other person to collect money owing to the Strata Corporation, including money owing as a fine, without requiring authorization by a resolution passed by a 3/4 vote.

VII COTTAGES EXECUTIVE

COTTAGES EXECUTIVE

- 7.1 (1) The executive of the Cottages must have 4 members.
- (2) Members of the Cottages are eligible for election to the strata council of the Strata Corporation.
- (3) A quorum of the executive of the Cottages is 3 members.
- (4) Executive members must be present in person at a meeting to be counted in establishing quorum.

TERMS

- 7.2 (1) The term of office of a member of the executive ends at the end of the annual general meeting at which the new executive is elected.
- (2) A person whose term as member of the executive is ending is eligible for re-election.

REPLACING EXECUTIVE MEMBERS

- 7.3 (1) If a member of the executive resigns or is unwilling or unable to act for a period of 2 months or more months, the remaining members of the executive may appoint a replacement member for the remainder of the term.
- (2) A replacement member maybe appointed from any person eligible to sit on the executive.

- (3) The executive may appoint a member under this section even if the absence of the member being replaced leaves the executive without a quorum.
- (4) If all the members of the executive resign or are unwilling or unable to act for a period of two or more months, persons holding at least one quarter the votes in the Cottages may hold a meeting to elect a new executive by complying with the provisions of the Act, the regulations and the Bylaws respecting the calling and holding of meetings.

REMOVING EXECUTIVE MEMBERS

- 7.4
- (1) The Cottages may, by a resolution passed by a majority vote at a meeting of the Cottages, remove one or more members from the executive.
 - (2) After removing a member from the executive, the Cottages must hold an election at the same meeting to replace the member for the remainder of the term.
 - (3) No person may stand for the executive or continue to be on the executive with respect to a strata lot if the Strata Corporation is entitled to register a lien against that strata lot.

EXECUTIVE OFFICERS

- 7.5
- (1) At the first meeting of the executive held after each annual general meeting of the Cottages, the executive must elect, from among its members, a president, a vice president, a secretary and a treasurer.
 - (2) A person may hold more than one office at a time, other than the offices of president and vice president.

EXECUTIVE MEETINGS

- 7.6
- (1) Any member of the executive may call an executive meeting by giving the other executive members at least one week's notice of the meeting; specifying the reason for calling the meeting.
 - (2) An executive meeting may be held on less than one week's notice if
 - (a) all executive members consent in advance of the meeting, or
 - (b) the meeting is required to deal with an emergency situation, and all executive member are unavailable to provide consent after reasonable attempts to contact them.
 - (3) At the option of the executive, executive meetings may be held by electronic means, so long as all executive members and other participants can communicate with each other. If an executive meeting is held by electronic means, executive members are to be deemed to be present in person.
 - (4) Owners may attend any executive meetings as observers.

REQUISITION OF EXECUTIVE HEARING

- 7.7 (1) By application in writing, stating the reason for the request, an Owner or tenant may request a hearing at an executive meeting.
- (2) If a hearing is requested under subsection (1), the executive must hold a meeting to hear the applicant within one month of the request.
- (3) If the purpose of the hearing is to seek a decision of the executive, the executive must give the applicant a written decision within one week of the hearing.

VOTING

- 7.8 (1) Decisions at executive meetings must be made by a majority of executive members present in person at the meeting.
- (2) If there is a tie vote at an executive meeting, the president may break the tie by casting a second, deciding vote.
- (3) The results of all votes at an executive meeting must be recorded in the executive meeting minutes.

MINUTES

- 7.9 The executive must inform Owners and the strata council of the minutes of all executive meetings within 2 weeks of the meeting, whether or not the minutes have been approved.

DELEGATION

- 7.10 (1) Subject to subsections (2) to (4), the executive may delegate some or all of its powers and duties to one or more executive members or persons who are not members of the executive.
- (2) The executive may delegate its spending powers or duties, but only by a resolution that delegates the authority to make an expenditure of a specific amount for a specific purpose or otherwise delegates the general authority to make expenditures in accordance with subsection (3).
- (3) Delegation of a general authority to make expenditures must set a maximum amount that may be spent, and indicate the purposes for which and the conditions under which the money may be spent.
- (4) The executive may not delegate its powers to determine:
- (a) whether a person has contravened a bylaw or rule,
 - (b) whether a person should be fined, and the amount of the fine, or
 - (c) whether a person should be denied access to a recreational facility.
- 7.11 (1) A person may not spend the Cottages money unless the person has been delegated the power to do so in accordance with these Bylaws.

- (2) Despite subsection (1), an executive member may spend the Cottages' money to repair or replace common property which has been designated for the use of the Cottages if the repair or replacement is immediately required to ensure safety or prevent significant loss or damage.

LIMITATION ON LIABILITY

- 7.12 (1) An executive member who acts honestly and in good faith is not personally liable because of anything done or omitted in the exercise or intended exercise of any power or the performance or intended performance of any duty of the executive
- (2) Subsection (1) does not affect an executive member's liability, as an Owner, for a judgment against the Strata Corporation or the Cottages.

CONSENT

- 7.13 (1) Any consent, approval or permission given under these Bylaws by the strata executive or the executive of a separate section, as the case may be, shall be revocable at any time upon reasonable notice.
- (2) Notwithstanding any provision of the Act, the Cottages may proceed under the *Small Claims Act* against an Owner or other person to collect money owing to the Cottages, including money owing as a fine, without requiring authorization by a resolution passed by a 3/4 vote.

VIII BYLAWS APPLICABLE TO COTTAGES

USE OF PROPERTY

- 8.1 The Owner of a Cottage must not:
- (a) use, or permit any occupant of his or her strata lot to use the said strata lot for any purpose which creates undue traffic or noise in or about the strata lot, common property, or limited common property between the hours of 10:00 pm and 8:00 am or that encourages loitering by persons in or about the strata lot or common property;
 - (b) make, cause or produce or permit any occupant of his or her strata lot or any permitted pet, guest, employee, agent or invitee of the Owner or occupant to make, cause or produce, undue noise, smell, vibration or glare in or about any strata lot, common property, or limited common property or to do anything which will interfere unreasonably with any other Owner or occupant;
 - (c) use, or permit any occupant of his or her strata lot or a guest, employee, agent or invitee of the Owner or occupant to use, any musical instrument, amplifier, sound reproduction equipment or other device within or about any strata lot or the common property or any limited common property such that it causes a disturbance or interferes with the quiet enjoyment of any other Owner or occupant;

- (d) obstruct or use, or permit any occupant of his or her strata lot or a guest, employee, agent or invitee of the Owner or occupant to obstruct or use, the sidewalks, walkways, passages and driveways of the common property or limited common property for any purpose other than ingress or egress from the strata lots;
- (e) leave, or permit any occupant of his or her strata lot or any guest, employee, agent or invitee of the Owner or occupant to leave, on the common property or any limited common property, any shopping cart or any other item designated from time to time by the council;
- (f) use, or permit any occupant of his or her strata lot or any guest, employee, agent or invitee of the Owner or occupant to use, a barbecue, hibachi or other like cooking device on a balcony, deck, patio, common property or limited common property save and except those areas specifically identified in writing by the Strata Council;
- (g) shake, or permit any occupant of his or her strata lot or any guest, employee, agent or invitee of the Owner or occupant to shake, any mops or dusters of any kind, nor
- (h) throw, or permit any occupant of his or her strata lot or any guest, employee, agent or invitee of the Owner or occupant to throw any refuse out of the windows or doors or from the balcony of a strata lot;
- (i) do, or permit any occupant his or her strata lot or any guest, employee, agent or invitee of the Owner or occupant to do, anything that will increase the risk of fire or the rate of insurance on the building or any part thereof;
- (j) permit a condition to exist within his or her strata lot which will result in the waste or excessive consumption of the building's domestic water supply or heated water;
- (k) allow his or her strata lot to become unsanitary or a source of odor;
- (l) feed, or permit any occupant of his or her strata lot or a guest, employee, agent or invitee of the Owner or occupant to feed pigeons, gulls or other birds, squirrels, rodents or other animals from the strata lot or anywhere on or in close proximity to the common property or any limited common property, but this shall not apply to a pet permitted to be kept in his or her strata lot pursuant to these Bylaws;
- (m) install, or permit any occupant of his or her strata lot or any guest, employee, agent or invitee of the Owner or occupant to install, any window coverings, visible from the exterior of his or her strata lot which are different in colour from those of the original building specifications or those approved by the Strata Corporation;
- (n) hang or display, or permit any occupant of his or her strata lot or any guest, employee, agent or invitee of the Owner or occupant to hang or display, any laundry, washing, clothing, bedding or other articles from windows, balconies or other parts of the building so that they are visible from the outside of the building;
- (o) use or install, or permit any occupant of his or her strata lot or any guest, employee, agent or invitee of the Owner or occupant use or install, in or about the strata lot any shades, awnings, window or balcony guards, ventilators, supplementary heating or air

conditioning devices, or hard surface flooring, except those installations approved in writing by the council;

- (p) without the written consent of the Strata Council, erect on or fasten to, or permit any occupant of his or her strata lot or any guest, employee, agent or invitee of the Owner or occupant to erect on or fasten to the strata lot, the common property or any limited common property any television or radio antenna, dish or similar structure or appurtenance thereto;
- (q) without the written consent of the Strata Council, place, or permit any occupant of his or her strata lot or any guest, employee, agent or invitee of the Owner or occupant to place, any signs, billboards, notices or other advertising matter of any kind on, or visible from, the exterior of a strata lot;
- (r) place, or permit any occupant of his or her strata lot or any guest, employee, agent or invitee of the Owner or occupant to place, any indoor-outdoor carpeting on any deck, patio or balcony, or place any items on any deck, patio or the balcony except free-standing, self-contained planter boxes, summer furniture and accessories;
- (s) install, or permit any occupant of his or her strata lot or a guest, employee, agent or invitee of the Owner or occupant to install, any hanging plant, basket or other hanging item from a balcony or patio;
- (t) give, or permit any occupant of his or her strata lot or a guest, employee, agent or invitee of the Owner or occupant to give any key, combination to any locking device, security card or other means of access to the building, common property or common areas of the Strata Corporation to any person other than an employee, contractor, occupant or guest of the strata lot permitted by these Bylaws;
- (u) have, install or use a motorized hot tub, Jacuzzi, spa or whirlpool within or on the balcony, deck or patio of his or her strata lot, common property, or limited common property in the Strata Corporation, or permit any occupant of his or strata lot or any guest, employee, agent or invitee of the Owner or occupant to have, install or use a motorized hot tub, Jacuzzi, spa or whirlpool on the balcony, deck, patio, common property or limited common property in the Strata Corporation. An exception may be made in a building that contains a Mixed Use Section or in an area for use by Owners and members of the Ocean Club. There may also be an exception made to allow a motorized hot tub, Jacuzzi, spa or whirlpool on the lowest level of a building owned by one Owner, or on their limited common property, provided that it is adequately screened off from view, locked off, and creates no noticeable noise or odours for neighbours from motors or equipment. All such locations and screening must first be pre-approved by the developer in writing, subject in all cases to the owner or a representative of the owner being present and assuming full financial responsibility to pay for any and all related building and proper hot tub maintenance costs and potential health liabilities;
- (v) keep, store or accumulate any debris, scrap metal, car parts, refuse or waste material on any portion of a strata lot, the common property or any limited common property;

- (w) except as expressly permitted by the Strata Corporation, use any part of the common property or any limited common property for the purposes of repairing or otherwise parking or storing a motor vehicle (including without limitation recreational vehicles or trailers);
- (x) with the exception of designated or pre-approved areas, use any part of the common property or any limited common property for the purposes of overnight parking a motor vehicle having a length exceeding 20 feet or a height exceeding eight feet;
- (y) use any part of the common property or any limited common property for the purposes of driving a motor vehicle which has a loud exhaust noise that causes or has the potential to cause unreasonable disturbance or unreasonably interferes with the quiet enjoyment of any other Owner, tenant or occupant;
- (z) alter or renovate his or her strata lot or install any device or material within or about his strata lot or the common property, including limited common property, such that such alteration, renovation or installation or use thereof causes or has the potential to cause unreasonable disturbance or unreasonably interferes with the quiet enjoyment of any other Owner, tenant or occupant; or
- (aa) alter or remove any carpeting or other floor covering or soundproofing material from the floors or ceiling of his or her strata lot, or otherwise undertaking any work in the ceiling without first obtaining the prior written approval of the strata council, which consent may be unreasonably withheld. This includes cutting holes in ceiling drywall for pot lights, ceiling speakers or any other fixtures when there is a suite above that does not belong to the same Owner.

USE OF LIMITED COMMON PROPERTY

- 8.2 Owners of residential strata lots which do not have enclosed balconies shall not place planters or other such items or equipment within any part of the limited common property designated on the strata plan exclusively for the use of such Owner unless, in the opinion of the strata council, such planters, items or equipment are in keeping with the balance of the development in terms of design, quality, proportion and colour. Any such planters, items or equipment will be maintained in good and tidy condition on an ongoing basis and the responsibility for such maintenance will be solely for the account of the Owner of the strata lot entitled to use of the limited common property on which they are placed. Under no circumstances will an Owner, tenant or occupant install a hook, hanger, bracket or other device to the exterior of the building which could potentially cause a breach of the integrity of the building envelope.

COMMON PROPERTY

- 8.3 No Owner shall operate or permit to be operated, on the common property, a motor vehicle travelling in excess of twenty kilometres per hours.

STORAGE

- 8.4 (1) Any Owner, tenant, occupant of any strata lot or guest, employee, agent or invitee of any Owner or occupant that leaves any item anywhere on or in the common property or on any limited common property does so at his own risk, subject to any claim that may

properly be made under any insurance policy maintained by the Strata Corporation by anyone that is an insured under that policy.

MOVING

- 8.5 (1) The Strata Corporation may regulate the times and manner in which any moves into or out of residential strata lots requiring the use of a moving truck or elevators may be made and require that such moves be coordinated with the property manager of the Strata Corporation at least 7 days in advance of such moves, or such lesser period as the strata council may, in its sole discretion, permit, provided that if an Owner carries out, or permits any tenant or occupant, or any guest, employee, agent or invitee of the Owner of his tenant or an occupant of the strata lot, any move into or out of his or her strata lot otherwise than in accordance with such prior arrangements made with the property manager of the Strata Corporation, the Owner will be subject to a fine of \$50.00, such fine to be paid on or before the due date of the next monthly assessment payable by such Owner.
- (2) An Owner of a residential strata lot must notify the Strata Corporation in advance of the date and time that the Owner or an occupant of his or her strata lot will be moving into or out of the strata lot.
- (3) An Owner shall advise the strata council in writing of the time and date that any tenant intends to move in or out of the strata lot, at least seven (7) days in advance and shall make arrangements with the manager of the building to coordinate any such move in accordance with bylaw 7.5.

SELLING OF STRATA LOTS

- 8.6 (1) An Owner of a residential strata lot, when selling his or her strata lot, will not permit "For Sale" signs to be placed on or about the common property or limited common property.
- (2) An Owner of a residential strata lot, when selling his or her strata not, will not hold or permit to be held, any public open house except in the manner prescribed by the strata council. One open house for agents will be allowed per listing. Unless the strata council otherwise prescribes, all showings must be by appointment only.

IX BYLAW ENFORCEMENT

- 9.1 (1) The Strata Corporation, and each separate Section with respect to any bylaw or rule that relates solely to such Section, may fine an Owner or tenant a maximum of:
- (a) \$200.00 for each contravention of a bylaw; and
 - (b) \$50.00 for each contravention of a rule.
- (2) Each Owner is responsible for payment, without invoice, of any money (other than Strata Fees, but including special levies) owing to the Strata Corporation or its separate section, as the case maybe, as provided for in the Act or these Bylaws and if the Owner fails to pay any money so owing within 15 days after the date such money becomes due, the Owner will, after having been given written notice of the default and been provided

with a reasonable opportunity to answer the complaint (including a hearing if requested), be assessed and pay a fine, and if such default continues for a further 7 days, an additional fine will be levied against and paid by the Owner every further 7 days such default continues, an additional fine will be levied against and paid by the Owner.

- (3) Additional assessments, fines authorized by these Bylaws, banking charges, filing costs, legal expenses on a solicitor and own client basis, interest charges and any other expenses incurred by either the Strata Corporation or a separate section, as the case may be, to enforce these Bylaws, as they may be amended from time to time, or any rule or regulation which may be established from time-to-time by the-strata council or a section executive pursuant to the Act or these Bylaws, shall become part of the assessment of the Owner responsible and shall become due and payable on the first day of the month next following, except that any amount owing in respect of a fine or the cost of remedying the contravention of a bylaw will be calculated as a separate component of such assessment and the Strata Corporation may not register a lien against such separate component.
- (4) Any costs or expenses incurred by the Strata Corporation as a result of an infraction or violation of the Bylaws or any rules or regulations established under them, including but not limited to the full cost in repairing any damage to the plumbing, electrical or other systems of a building or other part of the common property or limited common property in the Strata Corporation caused by the Owner, his or her tenant, occupant, visitor or agent, shall be charged to that Owner and shall be payable on or before the first day of the month next following the date on which the costs or expenses are incurred.
- (5) Where any claim has been made against the insurance policy of the Strata Corporation as a result of a violation of any of the Bylaws or any rule or regulation which maybe established from time to time by the strata council pursuant to the Act or the Bylaws, caused by any Owner, his or her tenant, occupant, visitor or agent, a sum equal to the amount of the deductible charged by the insurer of the Strata Corporation as a result of the claim shall be payable by the Owner of the strata lot and shall become due and payable on the first day of the month next following.

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

X ANNUAL AND SPECIAL GENERAL MEETINGS

CHAIR

- 10.1 (1) Annual and special general meetings must be chaired by the president of the strata council or his or her nominee.
- (2) If the president of the strata council is unwilling or unable to act, the meeting must be chaired by the vice president of the strata council or his or her nominee.
- (3) If neither the president nor the vice president of the strata council chairs the meeting, a chair must be elected by the eligible voters present in person or by proxy from among those persons who are present at the meeting.

PARTICIPATION

- 10.2 (1) Any tenant who has provided the strata council or the property manager with a signed Form K may attend annual and special general meetings, whether or not they are eligible to vote.
- (2) Any person who is not eligible to vote, including a tenant who has provided the strata council or the property manager with a signed Form K, may participate in the discussion of the meeting, but only if permitted to do so by the chair of the meeting.
- (3) Persons who are not eligible to vote, including tenants, must leave the meeting if requested to do so by a resolution passed by a majority vote at the meeting.

VOTING

- 10.3 (1) At an annual or special general meeting, voting cards must be issued to eligible voters.
- (2) At an annual or special general meeting a vote is decided on a show of voting cards, unless an eligible voter requests a precise count.
- (3) If a precise count is requested, the chair must decide whether it will be by show of voting cards or by roll call, secret ballot or some other method.
- (4) The outcome of each vote, including the number of votes for and against the resolution if a precise count is requested, must be announced by the chair and recorded in the minutes of the meeting.
- (5) If there is a tie vote at an annual or special general meeting, the president, or, if the president is absent or unable or unwilling to vote, the vice president may break the tie by casting a second, deciding vote.
- (6) Despite anything in this section, an election of council or any other vote must be held by secret ballot, if the secret ballot is requested by an eligible voter.
- (7) An Owner who is otherwise an eligible voter may not exercise his or her vote for a strata lot, except on matters requiring an unanimous vote, if the Strata Corporation is entitled to register a lien against that strata lot.

ORDER OF BUSINESS

- 10.4 The order of business at annual and special general meetings is as follows:
- (a) certify proxies and corporate representatives and issue voting cards;
 - (b) determine that there is a quorum;
 - (c) elect a person to chair the meeting, if necessary;
 - (d) present to the meeting proof of notice of meeting or waiver of notice;

- (e) approve the agenda;
- (f) approve minutes from the last annual or special general meeting;
- (g) deal with unfinished business;
- (h) receive reports of council activities and decisions since the previous annual general meeting, including reports of committees, if the meeting is an annual general meeting;
- (i) ratify any new rules made by the Strata Corporation under section 125 of the Act;
- (j) report on insurance coverage in accordance with section 154 of the Act, if the meeting is an annual general meeting;
- (k) approve the budget for the coming year in accordance with section 13 of the Act, if the meeting is an annual general meeting;
- (l) deal with new business, including matters about which notice has been given under section 45 of the Act;
- (m) elect a council, if the meeting is an annual general meeting; terminate the meeting.

ELECTRONIC ATTENDANCE AT MEETINGS

10.5 At the option of council, attendance by persons at an annual or special general meeting may be by telephone or other electronic method if such method permits all persons participating in the meeting to communicate with each other during the meeting.

XI VOLUNTARY DISPUTE RESOLUTION

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

XII OWNER DEVELOPER MARKETING ACTIVITIES

- 12.1 During the time that the Owner developer of the Strata Corporation is a first Owner of any units, it shall have the right to maintain any unit or units, whether owned or leased by it, as a display unit or units, and to carry on sales functions, including, without limitation, placing and displaying of signs, the advertising and holding of special promotions and open houses and other marketing events, it considers necessary in order to enable it to sell the units.

Dated the ____ day of _____.

FOR THE DEVELOPER,

Exhibit I

PARKING FACILITY LEASE

PARKING FACILITY LEASE

THIS AGREEMENT made as of the _____ day of _____.

BETWEEN:

LANDUS DEVELOPMENT GROUP (2014) INC.

(the "Owner")

SOOKEPOINT PARKING INC.

(the "Tenant")

WHEREAS:

- A. Owner is the registered owner or is entitled to become the registered owner of certain lands and premises located in Sooke, British Columbia, legally described as Parcel Identifier 028-633-075, Lot B, Section 78, Sooke District Plan VIP89003 (the "Lands").
- B. Owner has agreed to lease to Tenant all of the parking stalls (the "Stalls") in the parking facility to be located on, inter alia, the Lands and shown as "Parking" on the plan attached hereto as Schedule "A" (the "Plan") as may be amended by such surveyor from time to time, all on the terms and conditions set out in this Lease and with the right of Tenant to grant partial assignments of this Lease pertaining to particular Stalls.
- C. After entering into this Lease, Owner proposes to subdivide the Lands by means of a strata plan (the "Strata Plan") pursuant to the *Strata Property Act* (British Columbia) to create a strata development the ("Strata Development").
- D. The Strata Plan will designate the Stalls as common property of the strata corporation (the "Strata Corporation") formed upon the deposit for registration of the Strata Plan in the Land Title Office.
- E. Each of the parties to this Lease agrees that the common property of the Strata Corporation will be encumbered by this Lease.

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

**ARTICLE 1
GRANT AND TERM**

1.01 Grant

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

herein to the "Plan" will be references to such more detailed plan. For the purpose of this Lease, Stalls include the Conduits referred to in section 4.01.

1.02 Term

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

- (a) the 30th day of December 2515;
- (b) the date the Strata Corporation is dissolved; and
- (c) the date the Strata Corporation files a notice of destruction in prescribed form with the registrar of the applicable Land Title Office following the destruction or deemed destruction of the building(s) in which the Stalls are located.

Possession of the Stalls will be given to Tenant by Owner fourteen (14) days prior to the date of filing of the Strata Plan in the Land Title Office. Prior thereto, Tenant will have no right to enter the Lands or otherwise obtain possession of the Stalls.

The Tenant may partially assign its rights hereunder pursuant to and in accordance with the provisions of Article 5 hereof. Until the underground parking facility, containing the Stalls, is built and possession of the Stalls is given to the Tenant, this Lease will be construed to be a binding agreement to lease the Stalls between the Owner and the Tenant and thereafter a binding lease between the Owner and the Tenant.

1.03 Rent

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

**ARTICLE 2
SUBDIVISION BY STRATA PLAN**

2.01 Strata Plan

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

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

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

2.02 Common Property

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

**ARTICLE 3
MAINTENANCE AND ENCUMBRANCES**

3.01 Maintenance

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

3.02 Alterations

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

3.03 Subordination

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

3.04 No Right to Encumber

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

**ARTICLE 4
ASSIGNMENT**

4.01 Partial Assignments

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

- (a) will be absolute, subject to any reservation of rights set out in section 4.07, 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) will be an assignment of rights to which an assignee will only be entitled to for so long as such assignee owns a strata lot within the Strata Development unless the assignment is to the Strata Corporation;
- (c) may only be assigned to an owner or purchaser of a strata lot within the Strata Development or to the Strata Corporation; and
- (d) will not be effective until written notice of such assignment (together with a copy of such assignment if available) is delivered by the assignee to the Strata Corporation, subject to section 4.02 of this Lease.

4.02 **Automatic Assignment**

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

4.03 **Consent**

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

4.04 **Form of Partial Assignments**

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

4.05 **Release of Assignors**

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

4.06 **Register of Partial Assignments**

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

- (a) the number of the Stall assigned;
- (b) the date of assignment;

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

4.07 **Reservation of Rights**

- (a) In this section 4.07:
 - (i) **“Assigned Stall”** means a Stall which the Tenant has assigned to a third party, in accordance with section 4.01 above.
 - (ii) **“Occupied”** means, with respect to a Stall, that period of time when the owner of the Related Strata Lot, or that owner’s guess or invitee, is actually resident in the Related Strata Lot.
 - (iii) **“Related Strata Lot”** means the strata lot owned by the assignee of an Assigned Stall.
- (b) Notwithstanding the assignment of a Stall in accordance with section 4.01, The Tenant may, if it elects, reserve the right to use or to permit a third party to use such Stall between the hours of 9:00 A.M. and 9:00 P.M., on those days when the Related Strata Lot is not Occupied.

ARTICLE 5 MISCELLANEOUS

5.01 **Form of Agreement**

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

5.02 **Definition**

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

5.03 **Enurement**

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

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

LANDUS DEVELOPMENT GROUP (2014) INC.

SOOKEPOINT PARKING INC.

Per:

Per:

Authorized Signatory

Authorized Signatory

EXHIBIT 'A'



SOOKEPOINT
OCEAN COTTAGE RESORT



SEA LION CENTRAL



Ocean Cottage



Surfside & SW Tip Pavilion

- South-West Tip of Canada Pavilion
- Orca Alley Lounge
 - Surfside Restaurant
 - Whale Research Centre



~ SookePoint ~
Greater Victoria, B.C.

General concept plan only; Subject to change without notice.
Solely for consideration of sites 1 to 51.

FEBRUARY 25, 2016 - D S

EXHIBIT 'B'

Exhibit J

PROPOSED BUDGET

Exhibit "J"
Estimated Initial Annual Strata Budget

Strata Fee Income from:			Phase 1	Ph 1-2	Ph 1-3	Ph 1-4	Ph 1-5	Ph 1-6
Annual Maintenance Fees			84,407	176,854	315,302	403,402	457,002	604,258
Number of units			21	23	24	19	3	29
Cumulative number of units			21	44	68	87	90	119
		Monthly						
		per unit						
Expenses		Annual						
		per unit						
Security cameras	6	72	1,512	3,168	4,896	6,264	6,480	8,568
Roads, servicing & electricity for common property (note 2)	24	288	6,048	12,672	19,584	25,056	25,920	34,272
Garbage & recycling	24	288	6,048	12,672	19,584	25,056	25,920	34,272
Landscaping & irrigation	45	540	11,340	23,760	36,720	46,980	48,600	64,260
Strata management, legal & accounting	24	288	6,048	12,672	19,584	25,056	25,920	34,272
Insurance for buildings & 3rd party liability	56	672	14,112	29,568	45,696	58,464	60,480	79,968
Water from Capital Regional District	25	300	6,300	13,200	20,400	26,100	27,000	35,700
Wastewater treatment operations, repairs, replacement, pump outs, testing, etc	80	960	20,160	42,240	65,280	83,520	86,400	114,240
Back up generator for electrical power - includes fuel estimated	15	180	3,780	7,920	12,240	15,660	16,200	21,420
SookePoint Ocean Club Membership (note 3)	49	588			39,984	51,156	52,920	69,972
Elevator maintenance and electricity for Surfside	35	420					37,800	49,980
Miscellaneous, cleaning, painting & repairs	20	240	5,040	10,560	16,320	20,880	21,600	28,560
Subtotal Strata Budget			80,388	168,432	300,288	384,192	435,240	575,484
Contingency Reserve (see note 1)		5.0%	4,019	8,422	15,014	19,210	21,762	28,774
Total Annual Strata Budget			84,407	176,854	315,302	403,402	457,002	604,258
Net surplus (deficit)			0	0	0	0	0	0
Average per unit per year			4,019	4,019	4,637	4,637	5,078	5,078
Average per unit per month			335	335	386	386	423	423
Average per residential unit per month			335	335	386	386	394	398

Note: 1. The Contingency Reserve Fund is generally for expenses that do not occur annually.

2. The Developer may add outdoor perimeter lighting along the foreshore, plus there will be lighting in the common gardens & streets.

Exhibit K

SCHEDULE OF PROPOSED STRATA FEES

Estimated monthly Strata Fees for Phase 1 - 6 (119 Strata Lots)

Residential Strata Lot Unit #	Non Residential Strata Lot Unit #	Phase Number	Unit Entitlement	% of Unit		Monthly Strata fee		Monthly Strata fee		Monthly Strata fee		Monthly Strata fee		Monthly Strata fee		
				Entitlement based on all 119 strata lots	% Per Phase 1	% Per Ph 1-2	% Per Ph 1-2	% Per Ph 1-3	% Per Ph 1-3	% Per Ph 1-4	% Per Ph 1-4	% Per Ph 1-5	% Per Ph 1-5	% Per Ph 1-6	% Per Ph 1-6	
1		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
2		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
3		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
4		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
5		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
6		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
7		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
8		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
9		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
10		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
11		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
12		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
13		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
14		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
15		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
16		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
17		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
18		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
19		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
20		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
21		1	111.8	0.79%	4.76%	335	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
		Subtotal 1	2348.5	16.61%	100.00%	7,034										
22		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
23		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
24		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
25		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
26		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
27		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
28		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
29		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
30		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
31		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
32		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
33		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
34		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
	35	2	65.0	0.46%			1.32%	195	0.85%	224	0.67%	226	0.60%	229	0.46%	231
	36	2	161.7	1.14%			3.28%	484	2.13%	558	1.67%	561	1.49%	569	1.14%	576
37		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
38		2	111.8	0.79%			2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398

39	2	111.8	0.79%	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
40	2	111.8	0.79%	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
41	2	111.8	0.79%	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
42	2	111.8	0.79%	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
43	2	111.8	0.79%	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
44	2	111.8	0.79%	2.27%	335	1.47%	386	1.16%	386	1.03%	394	0.79%	398
	Subtotal 1-2	4923.6	34.82%	100.00%	14,746								
45	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
46	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
47	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
48	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
49	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
50	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
51	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
52	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
53	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
54	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
55	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
56	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
57	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
58	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
59	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
60	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
61	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
62	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
63	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
64	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
65	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
66	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
67	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
68	3	111.8	0.79%			1.47%	386	1.16%	386	1.03%	394	0.79%	398
	Subtotal 1-3	7607.6	53.81%			100.00%	26,285						
69	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398
70	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398
71	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398
72	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398
73	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398
74	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398
75	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398
76	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398
77	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398
78	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398
79	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398
80	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398
81	4	111.8	0.79%					1.16%	386	1.03%	394	0.79%	398

82		4	111.8	0.79%		1.16%	386	1.03%	394	0.79%	398
83		4	111.8	0.79%		1.16%	386	1.03%	394	0.79%	398
	84	4	57.5	0.41%		0.59%	200	0.53%	202	0.41%	205
	85	4	116.1	0.82%		1.20%	403	1.07%	409	0.82%	413
86		4	111.8	0.79%		1.16%	386	1.03%	394	0.79%	398
87		4	111.8	0.79%		1.16%	386	1.03%	394	0.79%	398
		Subtotal 1-4	9682.4	68.48%		100.00%	33,461				
	88	5	378.3	2.68%				3.50%	1,332	2.68%	1,347
	89	5	378.3	2.68%				3.50%	1,332	2.68%	1,347
	90	5	378.3	2.68%				3.50%	1,332	2.68%	1,347
		Subtotal 1-5	10817.3	76.51%				100.00%	38,083		
91		6	111.8	0.79%						0.79%	398
92		6	111.8	0.79%						0.79%	398
93		6	111.8	0.79%						0.79%	398
	94	6	67.3	0.48%						0.48%	240
95		6	111.8	0.79%						0.79%	398
96		6	111.8	0.79%						0.79%	398
97		6	111.8	0.79%						0.79%	398
	98	6	234.7	1.66%						1.66%	836
99		6	111.8	0.79%						0.79%	398
100		6	111.8	0.79%						0.79%	398
101		6	111.8	0.79%						0.79%	398
102		6	111.8	0.79%						0.79%	398
103		6	111.8	0.79%						0.79%	398
104		6	111.8	0.79%						0.79%	398
105		6	111.8	0.79%						0.79%	398
106		6	111.8	0.79%						0.79%	398
107		6	111.8	0.79%						0.79%	398
108		6	111.8	0.79%						0.79%	398
109		6	111.8	0.79%						0.79%	398
110		6	111.8	0.79%						0.79%	398
111		6	111.8	0.79%						0.79%	398
112		6	111.8	0.79%						0.79%	398
113		6	111.8	0.79%						0.79%	398
114		6	111.8	0.79%						0.79%	398
115		6	111.8	0.79%						0.79%	398
116		6	111.8	0.79%						0.79%	398
117		6	111.8	0.79%						0.79%	398
118		6	111.8	0.79%						0.79%	398
119		6	111.8	0.79%						0.79%	398
		Subtotal 1-6	14138.7	100.00%						100.00%	50,355

119	Total for All Strata Lots - Ph 1-6	14138.7	100%							100%	50,355
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Exhibit L

ACCESS PLAN

**TO FOLLOW IN A SUBSEQUENT
DISCLOSURE STATEMENT AMENDMENT**

Exhibit M

STRATA MANAGEMENT AGREEMENT

**TO FOLLOW IN A SUBSEQUENT
DISCLOSURE STATEMENT AMENDMENT**

Exhibit N

STRATA PROPERTY ACT FORM J

Strata Property Act

Form J

RENTAL DISCLOSURE STATEMENT

(Section 139)

Re: Strata Plan _____, being a strata plan of:

Parcel Identifier 028-633-075, Lot B, Section 78, Sooke District Plan VIP89003

This Rental Disclosure Statement is:

- the first Rental Disclosure Statement filed in relation to the above noted phase of the 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 16 June 2014.

- 1 The development described above includes one hundred and ten (110) residential strata lots (Strata Lots 1-34, 37-83, 86, 87, 91-93, 95-97, 99-119).
- 2 The residential strata lots described below are rented out by the owner/developer as of the date of this statement and the owner/developer intends to rent out each strata lot until the date set out opposite its description.

Description of Strata Lot	Date Rental Period Expires
Nil	N/A

* 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 intends to rent out the residential strata lots, as described below, until the date set out opposite each strata lot's description.

Description of Strata Lot	Date Rental Period Expires
Strata Lots 1-34, 37-83, 86, 87, 91-93, 95-97, 99-119.	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.

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

Dated the 25 day of FEBRUARY, 2016.



Michael Thornton
FOR THE DEVELOPER,
LANDUS DEVELOPMENT GROUP INC.



Roxanne Thornton
FOR THE DEVELOPER,
HOMESHARE EQUITY INC.

Kaneez Bhimji
FOR THE DEVELOPER,
655063 BRITISH COLUMBIA LTD.

Diane Bhimji
FOR THE DEVELOPER,
655064 BRITISH COLUMBIA LTD.

Omar Bhimji
FOR THE DEVELOPER,
655065 BRITISH COLUMBIA LTD.

Naresh Desai
FOR THE DEVELOPER,
NUENTERPRISES LTD.

Suresh Desai
FOR THE DEVELOPER,
S.M.S. TRADING LTD.

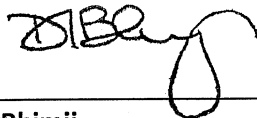
Dated the 25th day of Feb. 2016.

Michael Thornton
FOR THE DEVELOPER,
LANDUS DEVELOPMENT GROUP INC.

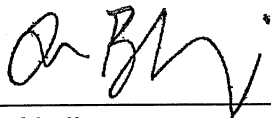
Roxanne Thornton
FOR THE DEVELOPER,
HOMESHARE EQUITY INC.



Kaneez Bhimji
FOR THE DEVELOPER,
655063 BRITISH COLUMBIA LTD.



Diane Bhimji
FOR THE DEVELOPER,
655064 BRITISH COLUMBIA LTD.



Omar Bhimji
FOR THE DEVELOPER,
655065 BRITISH COLUMBIA LTD.

Naresh Desai
FOR THE DEVELOPER,
NUENTERPRISES LTD.

Suresh Desai
FOR THE DEVELOPER,
S.M.S. TRADING LTD.

Dated the 25 day of February 2014.

Michael Thornton
FOR THE DEVELOPER,
LANDUS DEVELOPMENT GROUP INC.

Roxanne Thornton
FOR THE DEVELOPER,
HOMESHARE EQUITY INC.

Kaneez Bhimji
FOR THE DEVELOPER,
655063 BRITISH COLUMBIA LTD.

Diane Bhimji
FOR THE DEVELOPER,
655064 BRITISH COLUMBIA LTD.

Omar Bhimji
FOR THE DEVELOPER,
655065 BRITISH COLUMBIA LTD.


Naresh Desai
FOR THE DEVELOPER,
NUENTERPRISES LTD.



Suresh Desai
FOR THE DEVELOPER,
S.M.S. TRADING LTD.

Exhibit O

COVENANT EN72977

LAND TITLE ACT

99 AUG 10 15 04

EN072977

18

FORM C

EN072978

RECEIVED - VICTORIA
LAND TITLE OFFICE

(Section 219)

Province of British Columbia

GENERAL INSTRUMENT - PART 1

2 # 55 chq

Fee: \$110.00

Page 1 of 6

Per: Karen Hughes, Agent

1. APPLICATION: No. 10270, PATTERSON ADAMS, 360-2991, 402-707 Fort St., P.O. Box 1271, Victoria, B.C., V8W 2T6, File: 11047.001 DBA/lpn

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:
(PID) (LEGAL DESCRIPTION)
SEE ATTACHED SCHEDULE

All

3. NATURE OF INTEREST:

DESCRIPTION	DOCUMENT REFERENCE (page and paragraph)	PERSON ENTITLED TO INTEREST
Section 219 Covenant and Priority Agreement	Part 2 attached Page 5	Transferee

4. TERMS: Part 2 of this instrument consists of (select one only):

- (a) Filed Standard Charge Terms ... D.F. No.
- (b) Express Charge Terms Annexed as Part 2
- (c) Release ... There is no Part 2 of this instrument

01 99/08/10 15:05:26 01 VI 180961
CHARGE \$110.00

A selection of (a) includes any additional or modified terms referred to in item 7 of in a schedule annexed to this instrument. If (c) is selected, the charge described in item 3 is released or discharged as a charge on the land described in item 2.

5. TRANSFEROR(S):

SILVER SPRAY INVESTMENTS INC. (Inc. #526957), TERRAPIN MORTGAGE INVESTMENT CORP. (Inc. #171844), WILLIAM ROSS CABEEN and WENDY CABEEN, CONSTANCE BARBARA ADAMIC and CANADIAN WESTERN TRUST COMPANY

6. TRANSFEREE(S):

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by The Minister of Transportation and Highways, having an office at 940 Blanshard Street, Victoria, B.C., V8W 3E6 and CAPITAL REGIONAL DISTRICT, having an office at 524 Yates Street, Victoria, B.C., V8W 1K8

7. ADDITIONAL OR MODIFIED TERMS: n/a

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer's Signature(s)

DAVID ADAMS
Barrister & Solicitor
402-707 Fort Street
Victoria, B.C. V8W 2T6

Execution Date

Y	M	D
99	8	10

Party(ies) Signature(s)

SILVER SPRAY INVESTMENTS INC. by its authorized signatory:

Michel Victor Thornton

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

Officer's Signature(s)

Execution Date

Party(ies) Signature(s)

Y M D

TERRAPIN MORTGAGE INVESTMENT
CORP. by its authorized signatories:

Print Name:

Print Name:

WILLIAM ROSS CABEEN by his lawful
attorney JAMES ALBERT BELFRY

WENDY CABEEN by her lawful attorney
JAMES ALBERT BELFRY

CONSTANCE BARBARA ADAMIC
BY HER LAWFUL ATTORNEY JAMES ALBERT BELFRY

CANADIAN WESTERN TRUST
COMPANY by its authorized
signatory(ies)

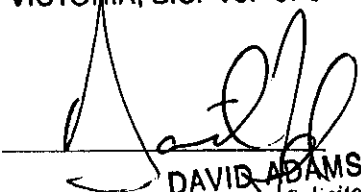
Print Name:

Print Name:



JOHN D. MULLIN
BARRISTER & SOLICITOR
102-3930 SHELBOURNE ST.
VICTORIA, B.C. V8P 5P6

99 108 105



DAVID ADAMS
Barrister & Solicitor
402-707 Fort Street
Victoria, B.C. V8W 2T6

99 8 4

OFFICER CERTIFICATION:

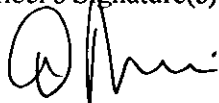
Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.



LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

Officer's Signature(s)



MARK R. DAVIES
Barrister & Solicitor
300 - 1111 MELVILLE STREET
VANCOUVER, B.C.
V6E 4H7
TEL. (604) 682-3664

Execution Date

Y	M	D
99	08	12
99	10	05
99	8	4
99	08	13

Party(ies) Signature(s)

TERRAPIN MORTGAGE INVESTMENT
CORP. by its authorized signatories:


Print Name: JEFF MOLCAN

original

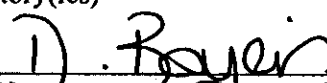
Print Name:


WILLIAM ROSS CABEEN by his lawful
attorney JAMES ALBERT BELFRY


WENDY CABEEN by her lawful attorney
JAMES ALBERT BELFRY


CONSTANCE BARBARA ADAMIC
BY HER LAWFUL ATTORNEY JAMES ALBERT BELFRY

CANADIAN WESTERN TRUST
COMPANY by its authorized
signatory(ies)

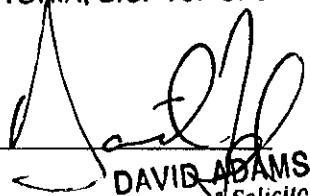

Print Name: DIANE BAYLIS, TRUST ADMIN

original


Print Name: HEATHER TSUMURA TRUST ADMIN.



JOHN D. MULLIN
BARRISTER & SOLICITOR
102-3930 SHELBOURNE ST.
VICTORIA, B.C. V8P 5P6



DAVID ADAMS
Barrister & Solicitor
402-707 Fort Street
Victoria, B.C. V8W 2T6



ARNON A. DACHNER
Barrister & Solicitor
FRASER MILNER
1500 - 1040 West Georgia St.
Vancouver, B.C. V6E 4H8
Telephone (604) 687-4460

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.



LAND TITLE ACT
FORM E
SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM.

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:
(PID) (LEGAL DESCRIPTION)

_____	Lot 1, Sections 78 and 83, Sooke District, Plan VIP <u>69361</u>
_____	Lot 2, Sections 78 and 83, Sooke District, Plan VIP <u>69361</u>
_____	Lot 3, Sections 78 and 83, Sooke District, Plan VIP <u>69361</u>
_____	Lot 4, Sections 78 and 83, Sooke District, Plan VIP <u>69361</u>
_____	Lot 5, Sections 78 and 83, Sooke District, Plan VIP <u>69361</u>
_____	Lot 6, Sections 78 and 83, Sooke District, Plan VIP <u>69361</u>
_____	Lot 7, Sections 78 and 83, Sooke District, Plan VIP <u>69361</u>
_____	Lot 8, Sections 78 and 83, Sooke District, Plan VIP <u>69361</u>
_____	Lot 9, Sections 78 and 83, Sooke District, Plan VIP <u>69361</u>
_____	Lot 10, Sections 78 and 83, Sooke District, Plan VIP <u>69361</u>
_____	Lot 11, Sections 78 and 83, Sooke District, Plan VIP <u>69361</u>

NB. Lots 1-7 in Sec. 78
Lots 8-11 in Sec. 83



LAND TITLE ACT
FORM C
(Section 219)
PROVINCE OF BRITISH COLUMBIA
GENERAL INSTRUMENT - PART 2

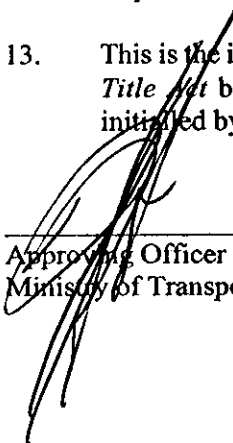
WHEREAS:

- A. The Transferor is the registered owner in fee simple of the lands more particularly described in Item 2 of Part 1 of this Form C (the "**Land**").
- B. The Transferor has agreed to enter into this Agreement and to register it against the title to the Land as a covenant under s. 219 of the *Land Title Act*.

NOW THEREFORE, in consideration of the covenants contained in this Agreement and for other valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties covenant and agree with each other as follows:

1. The Transferor shall not construct any buildings or structures on the Land for which a building permit is required unless the Transferor provides a report certified by a professional engineer with experience and qualifications in geotechnical engineering (the "Geotechnical Report") to the Provincial Approving Officer confirming that the Land may be used safely for the use intended by such buildings or structures and until the Provincial Approving Officer has approved the Geotechnical Report in writing which approval shall not be unreasonably withheld.
2. The Transferor will forthwith after execution hereof by the Transferor and the Transferee, at its own expense, do or cause to be done all acts or things necessary to ensure that this documents is registered against the title to Lots 1 to 11, Sections 78 and 83, Sooke District, Plan VIP 69361.
3. The Transferor will pay all costs and expenses of performing the obligations hereby created.
4. The Transferor will upon the reasonable request of the Transferee make, do execute or cause to be made, done or executed, all such further and other lawful acts, deeds, documents and assurances whatsoever for the better or more perfect and absolute performance of the grants, covenants, promises and agreements herein set forth as may be requisite.
5. The Transferee may at any time and without the consent of the Transferor, release or cause to be released this document against the title to Lots 1 to 11, Sections 78 and 83, Sooke District, Plan VIP 69361 in the Victoria Land Title Office and upon such release, this Section 219 Covenant shall be void and of no further force and effect.
6. Any notice required to be given to the Provincial Approving Officer shall be delivered to the South Island District Office of the Ministry of Transportation and Highways, 103 - 4475 Viewmont Road, Victoria, B.C. or such other office of the South Island District as the Transferee notifies the Transferor in writing.

7. These presents shall enure to the benefit of and be binding upon the parties hereto and upon their respective heirs, executors, administrators, successors and assigns.
8. TERRAPIN MORTGAGE INVESTMENT CORP. by its execution of this document, does hereby agree that this Section 219 Covenant shall rank in priority to its Mortgage registered under number EM109692 and Assignment of Rents registered under number EM109693, registered in the Victoria Land Title Office on November 16, 1998 as charges on the Land.
9. WILLIAM ROSS CABEEN and WENDY CABEEN, by their execution of this document, do hereby agree that this Section 219 Covenant shall rank in priority to its Mortgage registered in the Victoria Land Title Office on November 13, 1998 under registration number EM109162 as a charge on the Land.
10. CONSTANCE BARBARA ADAMIC, by her execution of this document, does hereby agree that this Section 219 Covenant shall rank in priority to its Mortgage registered in the Victoria Land Title Office on March 5, 1999 under registration number EN18715 as a charge on the Land.
11. CANADIAN WESTERN TRUST COMPANY, by its execution of this document, does hereby agree that this Section 219 Covenant shall rank in priority to its Mortgage registered in the Victoria Land Title Office on May 17, 1999 under registration number EN42118 as a charge on the Land.
12. These presents shall enure to the benefit of and be binding upon the parties hereto and upon their respective heirs, executors, administrators, successors and assigns.
13. This is the instrument creating the condition or covenant entered into under Section 215 of the *Land Title Act* by the registered owner referred to herein and shown on the plan of subdivision and initialed by me.



Approving Officer
Ministry of Transportation and Highways

END OF DOCUMENT

Exhibit P

COVENANT ET71304

54

ET071305

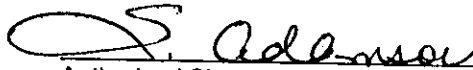
26 JUN 2002 09 54

ET071304

LAND TITLE ACT
Form C (Section 233)
Province of British Columbia
GENERAL INSTRUMENT - PART 1

(This area for Land Title Office Use)

Page 1 of 20 pages

1. Application: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)
Staples McDannold Stewart
Barristers & Solicitors
2nd Floor, 837 Burdett Avenue
Victoria, BC V8W 1B3 380-7744
File #111 1022/PARK IMPACT REPORT SLI #3/CS/WG
BURNS SERVICES

Authorized Signatory 10303

2. Parcel Identifier(s) and Legal Description(s) of Land:
(PID) (Legal Description)
005-993-971 All that part of Section 78, Sooke District, lying to the south of a line drawn due west from a point on the east boundary of said section distant 15 chains northerly from the south east corner thereof, except part in Plan 26861

3. Nature of Interest Description Document Reference (page & paragraph) Person Entitled to Interest
SEE SCHEDULE

4. Terms: Part 2 of this instrument consists of (select one only)
(a) Filed Standard Charge Terms D.F. No.
(b) Express Charge Terms Annexed as Part 2
(c) Release There is no Part 2 of this instrument
01 02/06/26 09:54:55 01 VI 399070
CHARGE \$110.00

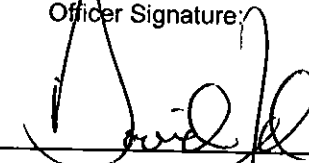
A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.
If (c) is selected, the charge described in Item 3 is released or discharged on the Land described in Item 2.

5. Transferor(s) (Grantor(s)):
SPIKE LEVINE INVESTMENTS INC. (#A55736), ISLAND SAVINGS CREDIT UNION

6. Transferee(s) (Grantee(s)): (including postal address(es) and postal code(s)) *
CAPITAL REGIONAL DISTRICT, 524 Yates Street, Victoria, B.C. V8W 2S6

7. Additional or Modified Terms: N/A

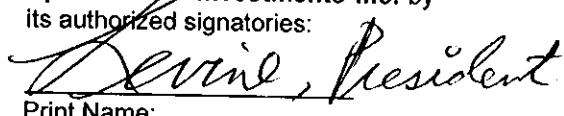
8. Execution(s): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature:

DAVID ADAMS
Barrister & Solicitor
402-707 Fort Street
Victoria, B.C. V8W 2T6

(as to both signatures)

Execution Date:

Y	M	D
2002	5	29

Party(ies) Signature:
Spike Levine Investments Inc. by
its authorized signatories:

Print Name:
MICHAEL LEVINE
Print Name:

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

- * If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.
- ** If space insufficient, continue executions on additional page(s) in Form D.

9

LAND TITLE ACT
Form D

EXECUTIONS CONTINUED

Page 2

Officer Signature:

Execution Date:

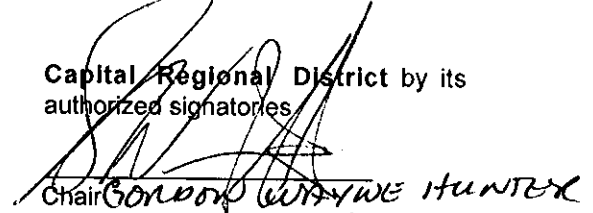
Party(ies) Signature:



Gary E. Hinde
Capital Regional District
524 Yates Street, Victoria, B.C. V8W 2S6
A Commissioner for Taking Affidavits
in the Province of British Columbia
(as to both signatures)

Y	M	D
2002	6	25
2002	05	31

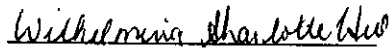
Capital Regional District by its
authorized signatories


Chair GORDON WAYNE HUNTER


Secretary CARMEN THIEL

As to priority

Island Savings Credit Union by its
authorized signatories


WILHELMINA CHARLOTTE HILL
Commissioner for taking Affidavits
for British Columbia
Island Savings Credit Union
300 - 499 Canada Avenue
Duncan, BC V9L 1T7

(as to both signatures)

Print Name: GREG CLIFFORD

Print Name: JAMES N.S. STINERUD

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

**LAND TITLE ACT
Form E
SCHEDULE**

Page 3

Enter the Required Information in the Same Order as the Information Must Appear on the Freehold Transfer Form, Mortgage Form or General Document Form.

3.	Nature of Interest Description	Document Reference (page & paragraph)	Person Entitled to Interest
	S. 219 <i>Land Title Act</i> Covenant	Entire Document except Paragraph 5.1	Grantee
	Priority Agreement over #ET18261 and #ET18262	Paragraph 5.1	Grantee

TERMS OF INSTRUMENT - PART 2

WHEREAS:

A. The Grantor Spike Levine Investments Inc. is the registered owner of certain lands legally described as:

P I D 005-993-971

All that part of Section 78, Sooke District, lying to the south of a line drawn due west from a point on the east boundary of said section distant 15 chains northerly from the south east corner thereof, except part in Plan 26861

(the "Land");

B. The Grantee is the Capital Regional District;

C. The Grantor wishes to develop the Land and have applied to the Grantee to rezone the Land;

D. The Land is adjacent to East Sooke Regional Park, an important natural ecosystem used as a regional park by the public;

E. The Grantor and the Grantee wish to minimize impact of the proposed development of the Land on East Sooke Regional Park and has agreed to grant to the Grantee a Covenant pursuant to section 219 of the *Land Title Act* to restrict the use and development of the Land in order to protect East Sooke Regional Park to the extent provided in the Covenant.

NOW THEREFORE in consideration of the payment of \$10.00 by the Grantee to the Grantor, the receipt and sufficiency of which is acknowledged by the Grantor, and in consideration of the promises exchanged below, the parties agree as follows:

1.0 Interpretation

1.1 In this Agreement,

(i) **"Construct"** or **"Construction"** includes excavation, removal or placement of fill and cutting and removal of vegetation in connection with the building of any building, structure or manufactured home.

(ii) **"Initial Development Area"** means that part of the Land lying within the area shown in heavy outline on the Plan of Covenant prepared by Michael S. Manson, B.C.L.S., dated May 9, 2002, a reduced print of which is attached hereto as Schedule "A" and that part of the Land used for a sewage disposal system required to serve the Initial Development Area.

*Plan
VIP73879*

- (iii) **"Land"** means any and all parts of the Land.
- (iv) **"Park Impact Report"** means a report containing an assessment of the proposed development of the Land on:
 - (a) the natural environment of the East Sooke Regional Park;
 - (b) visitors' experience of East Sooke Regional Park as a regional wilderness park; and
 - (c) future management costs to CRD Parks;prepared by a consultant selected by the Grantee and paid for by the Grantor and prepared in accordance with the terms of reference attached as Schedule "B".
- (v) **"Zoning Bylaw"** means the Zoning Bylaw of the Capital Regional District or its successor applicable to the Land.

1.2 This Agreement shall be interpreted in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia.

1.3 Headings are for reference only and do not form part of this Agreement.

2.0 Intent of Agreement

2.1 The parties agree that the general intent of this Agreement is to minimize the impact of the development of the Land on the adjacent East Sooke Regional Park.

3.0 Restrictions on Subdivision and Development of the Land

3.1 The Grantor covenants and agrees that it will not subdivide the Land or construct or cause to be constructed or placed, any building, structure or manufactured home on the Land until it has first, at its cost, submitted to the Grantee a Park Impact Report.

3.2 Sections 3.1 and 3.3 do not apply to that part of the Land contained within the Initial Development Area.

3.3 The Grantor covenants and agrees that:

- (a) it shall not construct or place any building, structure or manufactured home on the Lands until it has addressed the reasonable recommendations or requirements of the Park Impact Report relating only to the CRD's management of East Sooke Regional Park; and
- (b) it shall, as part of the construction of any building, structure or manufactured home on the Land, carry out all such construction in accordance with the reasonable recommendations or requirements of the Park Impact Report.

- 3.4 Section 3.3 shall not be interpreted as:
- (a) requiring the relocation of, or prohibiting the construction, placement, location of windows or lighting of any building or manufactured home permitted to be constructed or placed under the Zoning Bylaw; or
 - (b) preventing development to the density permitted under the Zoning Bylaw.
- 3.5 If the Grantor wishes to dispute whether or not a recommendation or requirement of the Park Impact Report is reasonable, it may, by written notice to the Grantee, refer the matter to arbitration pursuant to the terms of the *Commercial Arbitration Act* of British Columbia. The cost of arbitration shall be awarded by the arbitrator, whose decision shall be final and binding upon both parties.
- 4.0 General**
- 4.1 The Grantor shall indemnify and keep indemnified the Grantee from any and all claims, causes of action, suits, demands, fines, penalties, costs or expenses, or legal fees whatsoever which the Grantee or any other person has or may have against the Grantee or which the Grantee incurs as a result of any loss or damage or injury, including economic loss, arising out of or connected with the breach of any covenant contained in this Agreement.
- 4.2 The Grantor hereby releases and forever discharges the Grantee of and from any claim, cause of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which the Grantor can or may have against the Grantee for any loss or damage or injury, including economic loss, that the Grantor may sustain or suffer arising out of or connected with the breach of any covenant in this Agreement.
- 4.3 Nothing contained or implied herein shall prejudice or affect the rights and powers of the Grantee in the exercise of its functions under any public or private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Land as if the Agreement had not been executed and delivered by the Grantor.
- 4.4 The Grantor and the Grantee agree that the enforcement of this Agreement shall be entirely within the discretion of the Grantee and that the execution and registration of this covenant against the title to the Land shall not be interpreted as creating any duty on the part of the Grantee to the Grantor or to any other person to enforce any provision or the breach of any provision of this Agreement.
- 4.5 The Grantor covenants and agrees for itself, its heirs, executors, successors and assigns, that it will at all times perform and observe the requirements and restrictions hereinbefore set out and they shall be binding upon the Grantor as personal covenants only during the period of the Grantor's ownership of the Land.

- 4.6 The Grantee shall forthwith deliver to the Grantor a registrable discharge of this Covenant if:
- (a) the Grantee has not adopted Bylaw No. 2950, A Bylaw to Amend "The Sooke Official Community Plan Bylaw, 1988", Appendix V, East Sooke Local Area Plan, and Bylaw No. 2951, A Bylaw to Amend Bylaw No. 2040, "Sooke Land Use Bylaw, 1992", (the "Bylaws"), within six months of the approval of Bylaw No. 2950, A Bylaw to Amend "The Sooke Official Community Plan Bylaw, 1988", Appendix V, East Sooke Local Area Plan, under section 913 of the *Local Government Act*; or
 - (b) the Bylaws are amended, repealed or held invalid by a Court of competent jurisdiction, except that this Covenant shall not be discharged in respect of any Parcel to the extent that the Grantor is entitled to complete the development and continue to use such Parcel for the uses permitted under the Bylaws or under section 911 of the *Local Government Act* or successor legislation.
- 4.7 At the Grantor's expense, the Grantor must do everything necessary to secure priority of registration and interest for this Agreement and the Section 219 Covenant it creates over all registered and pending charges and encumbrances of a financial nature against the Lands.
- 4.8 The Grantor's shall retain at its cost a B.C. Land Surveyor approved by the Grantee, acting reasonably for the purpose of preparing the Covenant Plan.
- 4.9 Time is to be the essence of this Agreement.
- 4.10 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and permitted assigns.
- 4.11 The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.
- 4.12 Wherever the singular, masculine and neuter are used throughout this Agreement, the same is to be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.
- 4.13 No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.
- 4.14 This Agreement is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia.

5.0 Priority Agreements

- 5.1 Island Savings Credit Union as the registered holder of a charge by way of Mortgage and Assignment of Rents against Land which said charge is registered in the Land Title Office at Victoria, British Columbia, under #ET18261 and #ET18262 respectively, for and in consideration of the sum of One Dollar (\$1.00) paid by the Grantee to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Grantee, its successors and assigns, that the within S. 219 Covenant shall be an encumbrance upon the Land in priority to the said charge in the same manner and to the same effect as if it had been dated and registered prior to the said charge.

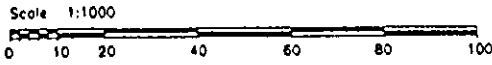
The Grantor and the Grantee hereby acknowledge that this Agreement has been duly executed and delivered by the parties executing Form C (pages 1 and 2) attached hereto.

SCHEDULE "A"

REFERENCE PLAN OF COVENANT OVER PART OF SECTION 78, SOOKE DISTRICT

(PREPARED PURSUANT TO SECTION 99(1)e OF THE LAND TITLE ACT)

B.C.G.S. 928-032



Legend _____

- All distances shown are in metres
- Standard Iron Post found
- Standard Iron Post set
- Bearings are astronomic and derived from Plan VIP69361
- This plan lies within the Capital Regional District.

PLAN _____

Deposited in the Land Title Office of Victoria, B.C., this _____ day of _____, 2002 .

Registrar

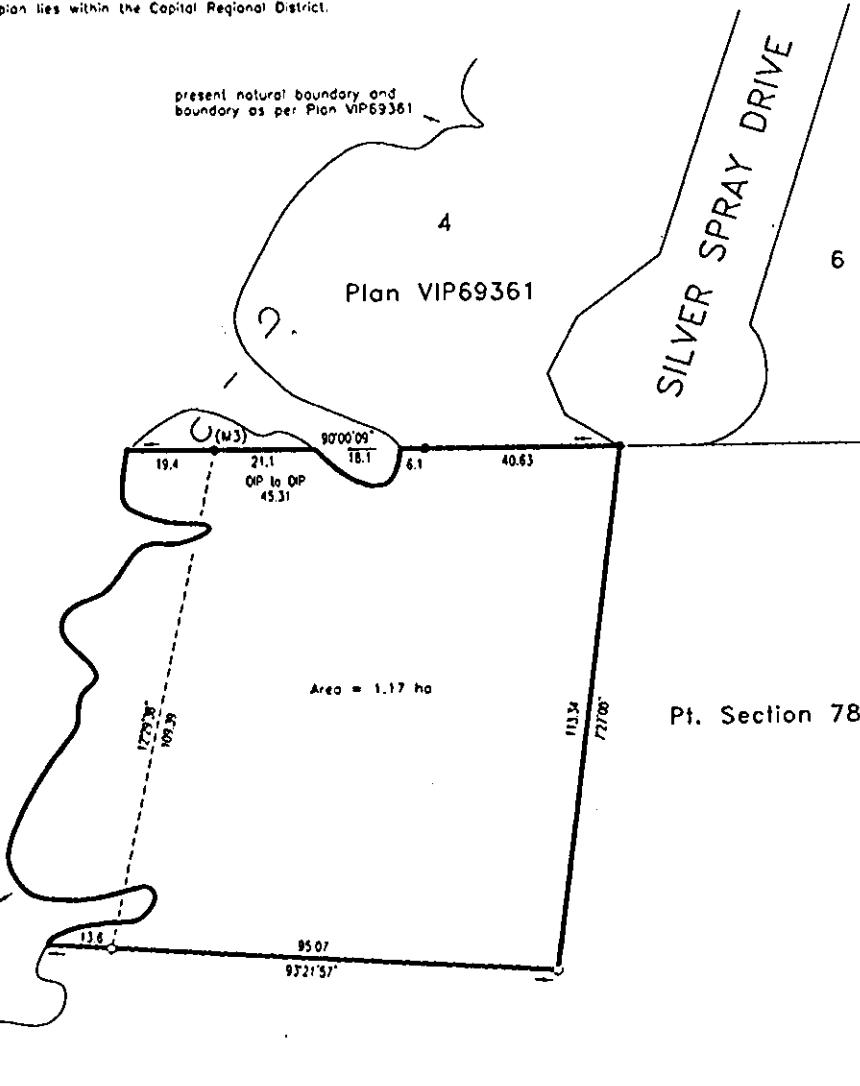
TRAVERSE TABLE OF TIES TO THE NATURAL BOUNDARY

At OIP M3 (Base Point)	Bearing	Distance
W87	270°00'09"	19.4
W88	243°29'30"	24.1
W89	217°26'41"	19.7
W90	172°20'28"	16.0
W91	201°36'45"	21.7
W92	219°16'53"	25.3
W100	217°02'59"	37.3
W101	224°36'47"	47.3
W102	221°53'26"	52.5
W103	206°03'54"	53.9
W104	210°23'20"	60.2
W105	206°21'52"	65.0
W106	208°58'16"	84.4
W107	208°04'41"	98.7
W108	204°02'47"	103.7
W109	200°00'18"	102.4
W110	195°06'01"	93.6
W296	189°43'41"	94.1
W295	188°07'24"	95.5
W111	189°31'03"	102.8
W112	194°01'19"	104.1
W113	199°15'57"	109.3
557	199°20'16"	112.3

Juan de Fuca Strait

present natural boundary and boundary as per Crown Grant

present natural boundary and boundary as per Plan VIP69361



I, Michael S. Manson, a British Columbia Land Surveyor, of Victoria, in British Columbia, certify that I was present at and personally superintended the survey as represented by this plan and that the survey and plan are correct. The survey was completed on the

9th day of May, 2002 .

Michael S. Manson

B.C.L.S.

J.E. ANDERSON & ASSOCIATES
 B.C. Land Surveyors - Consulting Engineers
 Victoria and Nanaimo, B.C. phone 727-2214
 File : 21829

SCHEDULE B

Terms of Reference

Assessment
of the
Potential Impacts to the Natural Environment, Visitors' Experience and Future
Management Of East Sooke Regional Park
from the Proposed Silver Spray Development

August 18, 2000
(revised September 20, 2000)

Background

A large-scale development (areas A, B, C and D on Attachment 1) is proposed on the Silver Spray property to the west of East Sooke Regional Park on southeast Vancouver Island. This development includes over a hundred and twenty residential units, a golf course, and an eco-lodge on coastal and upland areas. A considerable amount of land clearing and road building has already occurred on this property. The types, extent and effects of these activities on the Silver Spray property have been described by Robertson Environmental Services and Scott Resource Services (2000) and Sequoia Management Group (2000). However, there has been no assessment of the potential negative effects of the proposed development on East Sooke Regional Park.

The draft CRD Parks Master Plan states:

"CRD Parks may undertake an environmental impact assessment of an action taken on land outside a regional park or trail that could have an adverse impact on the natural environment of a regional park or trail. CRD Parks may ask the proponent of the action to pay for the environmental impact assessment."

The scale of the proposed Silver Spray development warrants an assessment of not only the effects of this development on the natural environment of East Sooke Regional Park, but also on the experience of visitors to the park and the implications for park management.

At their meeting of February 2, 2000 the CRD Parks Committee passed the following motions:

- "(1) that CRD Parks undertake an assessment of the potential impact of the proposed development for the Silver Spray property (as outlined in the December 3, 1999 rezoning application) on: (1) the natural environment and visitors' experience of East Sooke Regional Park; and (2) future management costs to CRD Parks;*
- (2) that the proponent for the development be requested to pay for the assessment; . . ."*

Therefore, the assessment of the Silver Spray development, as proposed in Attachment 1, will be made up of three sections:

1. An assessment of the potential negative effects of the proposed development on the natural environment of adjacent areas within the park
2. An assessment of the potential negative effects on the experience of visitors to the park given its classification as a *Regional Wilderness Area*
3. An estimate of potential increases to the costs of managing the park and park visitors

Project Management

The assessment will be undertaken by a consultant to CRD Parks and managed by the CRD Parks Environment Protection and Conservation Specialist. The cost of this assessment will be paid for by the proponent.

Environmental Assessment

Scope of the Environmental Assessment

The environmental assessment will identify the types and extent of potential negative effects on the natural environment of adjacent areas within East Sooke Regional Park ("the park") from the proposed development of the adjacent Silver Spray lands. The assessment will also provide recommendations for how potential negative effects can be prevented or mitigated given the development proposed.

The environmental assessment will focus on the western portion of the park between the boundary with Silver Spray and Pike Creek ("the study area") (Attachment 2). The portion of the Pike Creek watershed within the park that is down slope of the boundary with Silver Spray is included in the study area and is the primary focus.

Marine and intertidal environments adjacent to the park, and fish bearing streams within the park, are outside regional parks jurisdiction. CRD Parks has concerns about potential impacts in these areas and will require the consultant to contact the appropriate federal and provincial government agencies for information.

Requirements

The environmental assessment will address six subject areas: (1) watershed, freshwater, and marine, (2) vegetation, (3) wildlife and wildlife habitat, (4) rare and endangered species and ecosystems, (5) environmental contaminants, and (6) impacts from increased visitor use.

*Terms of Reference - Assessment of the Potential Impacts to East Sooke Regional Park
from the Proposed Development of the Silver Spray Lands*

Page 2

Watershed, Freshwater and Marine

- Groundtruth watershed boundaries relating to the border between Silver Spray and East Sooke Regional Park and Pike Creek (the relationship between watershed and property boundaries is illustrated on Attachment 3).
- Assess potential changes to hydrology (e.g., surface run off) and accompanying effects on soils, slope stability and vegetation within the study area as a result of the proposed development, and provide recommendations for preventing or mitigating these effects
- Identify and assess the potential negative effects to water quality, sedimentation, erosion and bank or channel stability of Pike Creek and its tributaries within the study area and provide recommendations for preventing or mitigating these effects
- Identify and assess potential negative effects to wetlands near and on the shared park boundary and provide recommendations for preventing or mitigating these effects
- Consult with the Ministry of Environment, Lands and Parks (Section 9 of the Water Act) with respect to potential negative effects to Pike Creek and associated fish and fish habitat
- Consult with personnel in the Department of Fisheries and Oceans (Fisheries Act) with respect to potential negative effects on marine and intertidal waters and habitats adjacent to the park

Vegetation

- Identify and assess potential negative effects on vegetation communities within the study area from the proposed development and provide recommendations for preventing or mitigating these effects
- Assess the potential for non-native plant species to invade the park as a result of the proposed development and make recommendations for the control of these species and for the types of species to avoid in landscaping during development

Wildlife and Wildlife Habitat

- Identify and assess the potential impacts to wildlife and wildlife habitat in the study area as a result of the proposed development and related increases in visitor use in the park, and make recommendations for preventing and mitigating these impacts
- Assess the potential effects of non-native and domestic animal invasions to native wildlife (and vegetation) in the park and make recommendations for preventing and mitigating these impacts

Rare and Endangered Species and Ecosystems

- Identify and assess the potential negative effects to any rare element occurrences¹ (i.e., red- and blue-listed terrestrial and aquatic plants, animals and plant communities) within the study area from the proposed development and make recommendations for preventing or mitigating these effects

Environmental Contaminants

- Assess the potential for faecal effluent from septic disposal fields, or other treatment methods in the proposed development, to enter the study area and make recommendations to prevent such introductions
- Assess the potential for chemical contaminants, such as herbicides, fungicides, pesticides and fertilizers to enter the study area as a result of the proposed development and make recommendations to prevent such introductions

Increased Visitor Use

- Identify and assess the negative effects to the natural environment from the new trails in the park proposed for Pike Point by the developer as shown on Attachment 1
- Recommend ways to prevent unauthorized access to the park from residences and the proposed trail along the park boundary shown in Attachment 1
- Identify a route for a coastal trail connection between Silver Spray and East Sooke Regional Park that would result in the least impact to the natural environment in the park

¹ Through consultations with the B.C. Conservation Data Centre

Assessment of the Impact on Visitors' Experience

Purpose

To assess potential negative effects on the experience of visitors to East Sooke Regional Park from the proposed Silver Spray development.

Requirements

- Predict the future increase in visitor use in the park as a result of the proposed development
- Identify and assess potential negative effects on the wilderness experience of visitors to the park for the proposed development and associated increase in visitors from the development
- Identify and assess any other potential negative effects on the activities and experiences of visitors using trails that may be influenced by activities and visitation from the proposed development

Assessment of Future Management Costs to CRD Parks

Purpose

To identify and assess potential increases in management costs to CRD Parks as a result of the proposed development.

Requirements

- Estimate costs for the development and maintenance of the new trails within the park as a result of the proposed development
- Identify future public information needs (e.g., signs at connecting trail heads) and associated costs as a result of the proposed development
- Identify future trail maintenance needs and associated costs on existing trails as a result of visitor use from the proposed development
- Identify and assess the potential impact on existing facilities (i.e., toilets, parking areas) from the increased visitation associated with the proposed development
- Identify the need for any new facilities as a result of the proposed development

Information Sources

- CRD Parks
- CRD Municipal Services (the agency overseeing the development of the Silver Spray property)
- Ministry of Environment, Lands and Parks
- Department of Fisheries and Oceans
- Conservation Data Center of British Columbia
- Rocky Point Bird Observatory Society
- Royal BC Museum

Information to be Provided to the Consultant

- 1:5,000 paper base maps of the western portion of East Sooke Regional Park and adjacent lands
- 1:5,000 plot of orthophoto of the western portion of East Sooke Regional Park and adjacent lands
- East Sooke Regional Park Inventory (CRD Parks, 1984)
- CRD Parks Master Plan (draft, April 2000)
- relevant approved development plans for the Silvery Spray property
- digital and 1:15,000 scale black and white aerial photography
- Sensitive Ecosystems Inventory (SEI), 1:20,000 map series
- Environmental Assessment prepared for Silver Spray Properties (Robertson Environmental Services and Scott Resource Services, 2000)
- Silver Spray Lands Inventory of Land Disturbance (Sequoia Management Group, 2000)
- A Guide for Photo documentation (RIC 1996)

Deliverables

Three copies of a written report, in plain language, that documents the stated requirements of the assessment including recommendations for preventing or mitigating negative effects on East Sooke Regional Park from the proposed Silver Spray development. The report should include photographs of key areas or environmental features relevant to the assessment.

1:5,000 and report maps showing:

- watershed boundaries relating to the property boundary between Silver Spray and East Sooke Regional Park and Pike Creek.
- areas within the park study area that are subject to negative effects attributable to alterations to hydrology from the proposed development (such as the introduction of chemicals, slope instability, changes in water flows, windthrow, trails)

- areas along the portion of the Pike Creek within the study area that could be affected by the proposed development
- areas along the coast of the park study area that could be affected by the proposed development
- areas of vegetation/ecosystems in the park study area that could be affected by the proposed development
- key wildlife habitat features (e.g., wetlands, raptor/heron nests) identified during the assessment that could be affected by the proposed development
- the location of all known rare element occurrences in the study area (subject to timing of field work) that could be affected by the proposed development
- areas within the study area that could be affected by the introduction of sewage effluent and chemicals as a result of the proposed development
- the locations in the park study area where new trails, signs or facilities would be required to serve the proposed the development

All mapping to be done on paper base maps and hard copy orthophoto provided (digital orthophoto available if required). An appropriate legend must be provided on all maps.

Required Qualifications of Consultant

- demonstrated experience with environmental impact assessments related to land development adjacent to natural areas
- demonstrated expertise in identifying options for preventing and mitigating impacts relating to development adjacent to natural areas
- at least one Registered Professional Biologist from Province of British Columbia on the consultant team playing a substantive role in the field work and assessment
- experience in hydrology, soils, and slope stability
- experience with provincial terrain, vegetation and wildlife inventory and assessment methodologies
- competent in the identification of rare or endangered species (rare element occurrences) to ensure that voucher specimens are not required

- must have experience in addressing park management issues such as trails and facilities and visitor experience

Information to be Provided in Project Proposals

Proposals must include, but are not limited to:

- an overview of the consultant's approach to the project
- the organization and qualifications of the project team
- references that could be consulted about the company's performance on projects of a similar nature
- a fee schedule for members of the project team
- a breakdown of fees relating to approach and tasks/activities
- an estimated total cost for the work as described

Selection of the Consultant

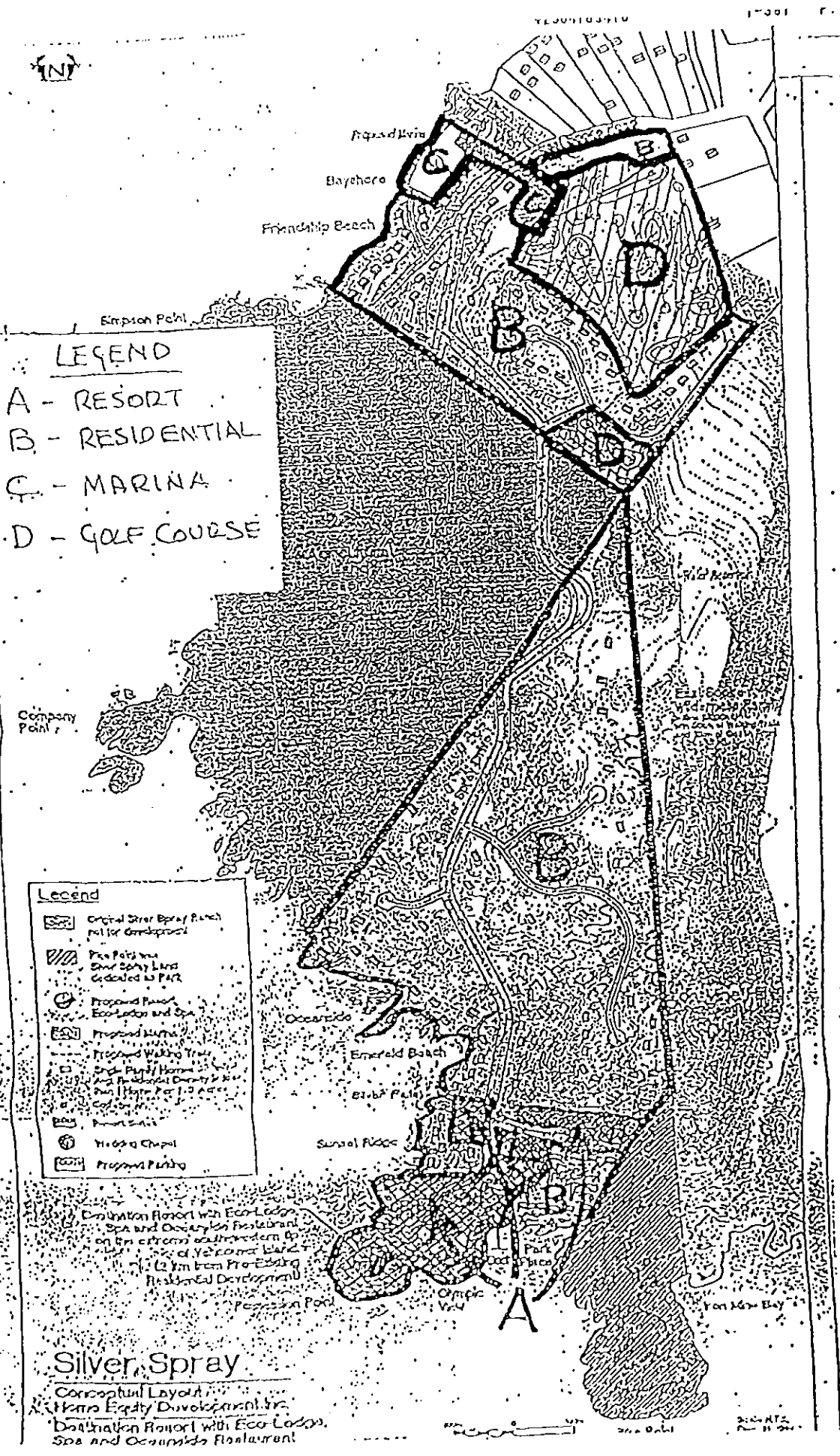
Proposals will be evaluated by CRD Parks staff. The relative weighting of the evaluation is as follows:

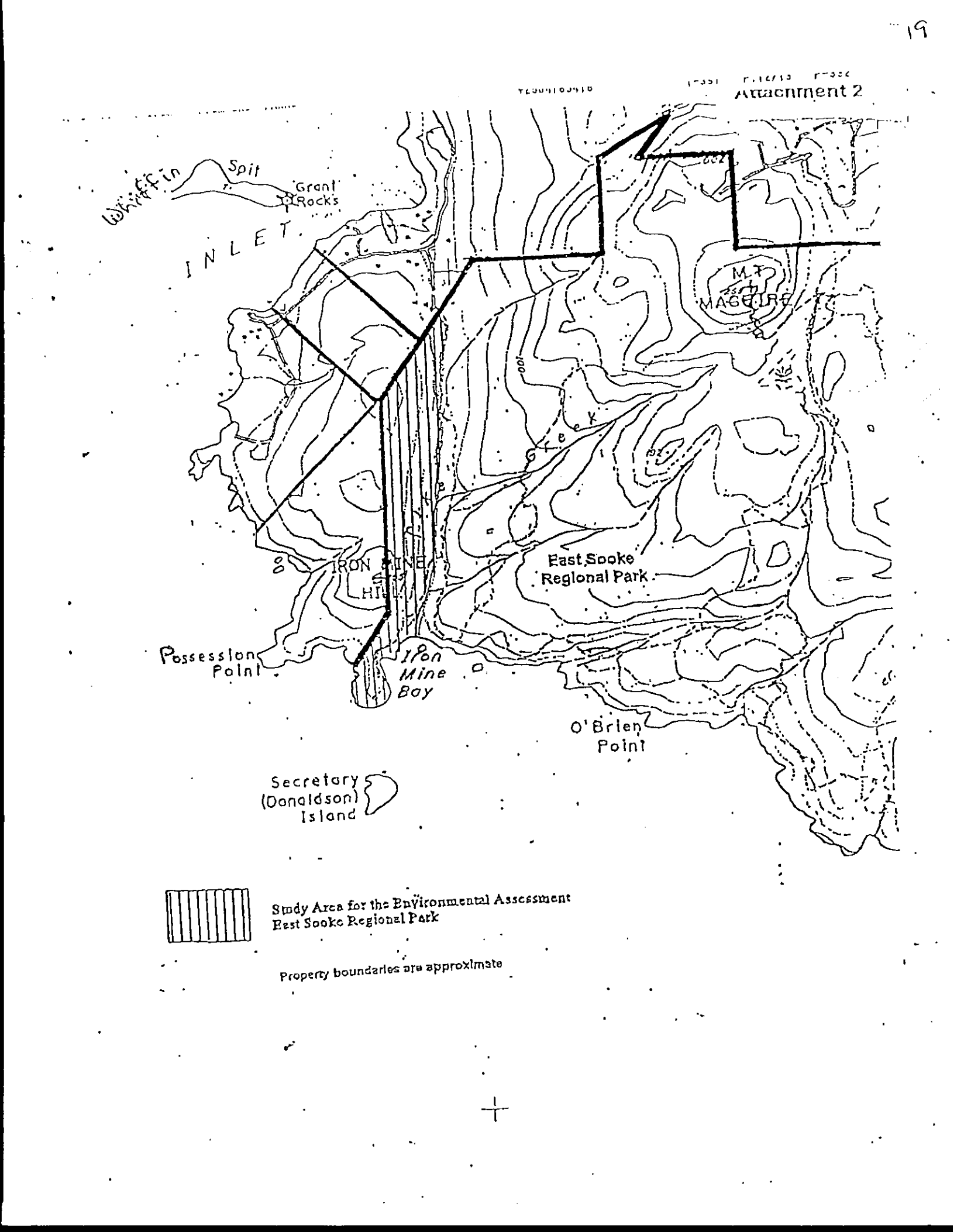
Experience with similar projects	05%
Technical expertise and qualifications	25%
Approach to the project	20%
Fees and cost estimates	50%

No work can be undertaken prior to formal notice of contract award from CRD Parks.

Timing of the Work

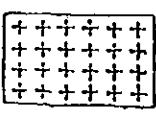
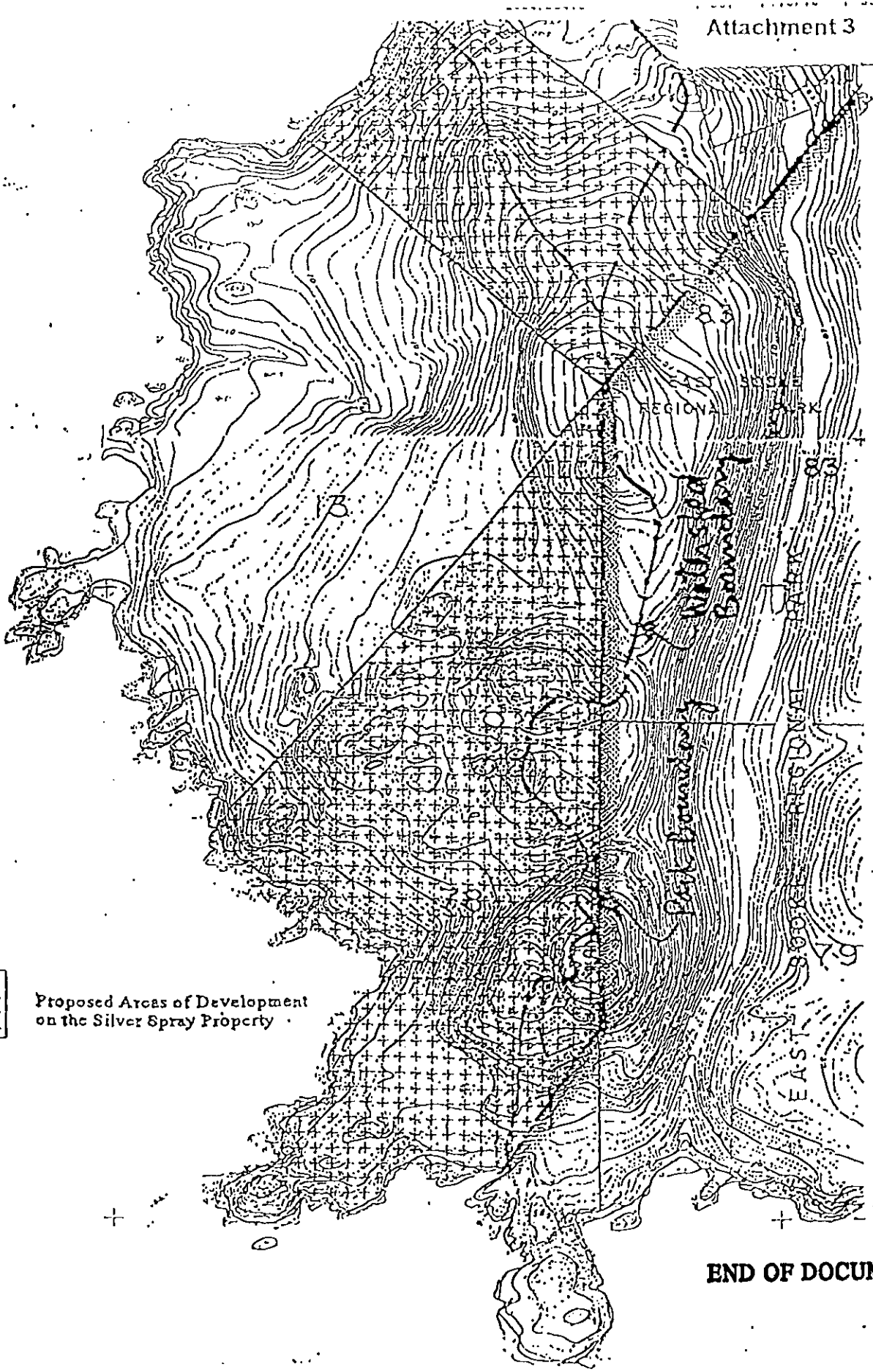
It is anticipated that this project will begin in the spring of 2001.





20

Attachment 3



Proposed Areas of Development
on the Silver Spray Property

END OF DOCUMENT

Exhibit Q

COVENANT ET71308

55

ET071309

26 JUN 2002 09 55

ET071308

LAND TITLE ACT

Form C (Section 233)

Province of British Columbia

GENERAL INSTRUMENT - PART 1

(This area for Land Title Office Use)

Page 1 of 22 pages

1. Application: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

Staples McDannold Stewart
Barristers & Solicitors
2nd Floor, 837 Burdett Avenue
Victoria, BC V8W 1B3 380-7744
File #111 1022/PARK IMPACT REPORT SS #3/CS/WG

BURNS SERVICES

S. Adamson
Authorized Signatory 10303

2. Parcel Identifier(s) and Legal Description(s) of Land:

(PID) (Legal Description)
SEE SCHEDULE

3. Nature of Interest Document Reference (page & paragraph) Person Entitled to Interest

Description
SEE SCHEDULE 01 02/06/26 09:55:24 01 VI 399070
CHARGE 1110.00

2C

4. Terms: Part 2 of this instrument consists of (select one only)

- (a) Filed Standard Charge Terms D.F. No.
- (b) Express Charge Terms Annexed as Part 2
- (c) Release There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.
If (c) is selected, the charge described in Item 3 is released or discharged on the Land described in Item 2.

5. Transferor(s) (Grantor(s)):

SILVER SPRAY INVESTMENTS INC. (#526957), TERRAPIN MORTGAGE INVESTMENT GROUP (#474844), ARTHUR SERVICES LTD. (171802), ROYAL BANK OF CANADA

mvi

6. Transferee(s) (Grantee(s)): (including postal address(es) and postal code(s)) *

CAPITAL REGIONAL DISTRICT, 524 Yates Street, Victoria, B.C. V8W 2S6

7. Additional or Modified Terms: N/A

8. Execution(s) This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature:

David Adams

DAVID ADAMS
Barrister & Solicitor
402-707 Fort Street
Victoria, B.C. V8W 2T6

Execution Date:

Y	M	D
2002	6	6

Party(ies) Signature:

Silver Spray Investments Inc. by its authorized signatories:

[Signature]

Print Name:

M. Thornton

Print Name: MICHAEL THORNTON

(as to both signatures)

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

** If space insufficient, continue executions on additional page(s) in Form D.

LAND TITLE ACT
Form D

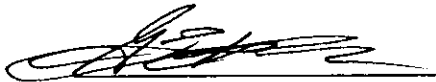
EXECUTIONS CONTINUED

Page 2

Officer Signature:

Execution Date:

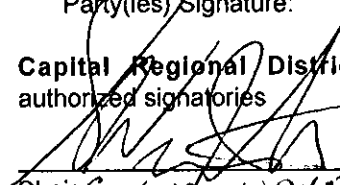
Party(ies) Signature:

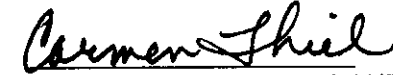


Gary E. Hinde
Capital Regional District
524 Yates Street, Victoria, B.C. V8W 2S6
A Commissioner for Taking Affidavits
in the Province of British Columbia
(as to both signatures)

Y	M	D
2002	6	25
2002		
2002	6	12

Capital Regional District by its
authorized signatories


Chair GORDON WAYNE HUNTER


Secretary CARMEN THIEL

As to priority

~~Terrapin Mortgage Investment
Corp. by its authorized signatories~~

Print Name:

Print Name:

(as to both signatures)

As to priority

Arthur Services Ltd. by its
authorized signatories


Print Name: W. BRYDEN

William Bryden
Print Name:


RON L. BOZZER
LAWYER
BORDEN LADNER GERVAIS LLP
LAWYERS · PATENT: TRADE-MARK AGENTS
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
Direct Tel: 604-640-4234
Direct Fax: 604-622-5834
email: rbozzer@blgcanada.com
"an Ontario Limited Liability Partnership"
(as to both signatures)

Officer Certification

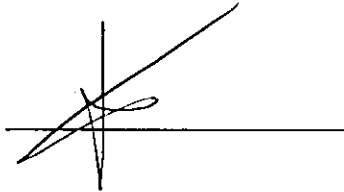
Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

**LAND TITLE ACT
Form D
EXECUTIONS CONTINUED**

Officer Signature:

Execution Date:

Party(ies) Signature:



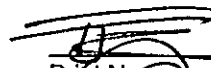
(as to both signatures)


**HEATHER NORTHRUP
BARRISTER & SOLICITOR
ROYAL BANK OF CANADA
1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3S5**

Y	M	D
2002	6	12

As to priority

Royal Bank of Canada by its authorized signatories


 Print Name: **Terry CALLON**


 Print Name: **William POPOVIC**

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996 c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT
Form E
SCHEDULE**

Enter the Required Information in the Same Order as the Information Must Appear on the Freehold Transfer Form, Mortgage Form or General Document Form.

2. Parcel Identifier(s) and Legal Description(s) of Land:
(PID) (Legal Description)

024-573-396 Lot 1, Section 78, Sooke District, Plan VIP 69361
 024-573-418 Lot 3, Section 78, Sooke District, Plan VIP 69361
 024-573-426 Lot 4, Section 78, Sooke District, Plan VIP 69361
 024-573-434 Lot 5, Section 78, Sooke District, Plan VIP 69361
 024-573-442 Lot 6, Section 78, Sooke District, Plan VIP 69361
 024-573-451 Lot 7, Section 78, Sooke District, Plan VIP 69361
 024-573-469 Lot 8, Section 83, Sooke District, Plan VIP 69361
 024-573-477 Lot 9, Section 83, Sooke District, Plan VIP 69361
 024-573-485 Lot 10, Section 83, Sooke District, Plan VIP 69361
 024-573-493 Lot 11, Section 83, Sooke District, Plan VIP 69361

3. Nature of Interest Description	Document Reference (page & paragraph)	Person Entitled to Interest
S. 219 Land Title Act Covenant	Entire Document except Paras. 5.1, 5.2 and 5.3	Grantee
Priority Agreement over #EM400692 and #EM400693	Paragraph 5.1	Grantee
Priority Agreement over #ES87867	5.1 Paragraph 5.2	Grantee
Priority Agreement over #ET18263 and #ET18264 and #ET63097	5.2 Paragraph 5.3	Grantee

TERMS OF INSTRUMENT - PART 2**WHEREAS:**

- A. The Grantor Silver Spray Investments Inc. is the registered owner of certain lands legally described as:

PID:

024-573-396 Lot 1, Section 78, Sooke District, Plan VIP 69361
024-573-418 Lot 3, Section 78, Sooke District, Plan VIP 69361
024-573-426 Lot 4, Section 78, Sooke District, Plan VIP 69361
024-573-434 Lot 5, Section 78, Sooke District, Plan VIP 69361
024-573-442 Lot 6, Section 78, Sooke District, Plan VIP 69361
024-573-451 Lot 7, Section 78, Sooke District, Plan VIP 69361
024-573-469 Lot 8, Section 83, Sooke District, Plan VIP 69361
024-573-477 Lot 9, Section 83, Sooke District, Plan VIP 69361
024-573-485 Lot 10, Section 83, Sooke District, Plan VIP 69361
024-573-493 Lot 11, Section 83, Sooke District, Plan VIP 69361

(together the "Land");

- B. The Grantee is the Capital Regional District;
- C. The Grantors wish to develop the Land and have applied to the Grantee to rezone the Land;
- D. The Land is adjacent to East Sooke Regional Park, an important natural ecosystem used as a regional park by the public;
- E. The Grantors and the Grantee wish to minimize impact of the proposed development of the Land on East Sooke Regional Park and has agreed to grant to the Grantee a Covenant pursuant to section 219 of the *Land Title Act* to restrict the use and development of the Land in order to protect East Sooke Regional Park to the extent provided in the Covenant.

NOW THEREFORE in consideration of the payment of \$10.00 by the Grantee to the Grantors, the receipt and sufficiency of which is acknowledged by the Grantors, and in consideration of the promises exchanged below, the parties agree as follows:

1.0 Interpretation**1.1** In this Agreement,

- (i) "**Construct**" or "**Construction**" includes excavation, removal or placement of fill and cutting and removal of vegetation in connection with the building of any building, structure or manufactured home.

(ii) **"Initial Development Area"** means that part of the Land lying within the area shown in heavy outline on the Plans of Covenant prepared by Michael S. Manson, B.C.L.S., dated May 9, 2002, reduced prints of which are attached hereto as Schedules "A" and "B" and that part of the Land used for a sewage disposal system required to serve the Initial Development Area.

*Plans
VIP73881
and
VIP73880*

(iii) **"Land"** means any and all parts of the Land.

(iv) **"Park Impact Report"** means a report containing an assessment of the proposed development of the Land on:

- (a) the natural environment of the East Sooke Regional Park;
- (b) visitors' experience of East Sooke Regional Park as a regional wilderness park; and
- (c) future management costs to CRD Parks;

prepared by a consultant selected by the Grantee and paid for by the Grantors and prepared in accordance with the terms of reference attached as Schedule "C".

(v) **"Zoning Bylaw"** means the Zoning Bylaw of the Capital Regional District or its successor applicable to the Land.

1.2 This Agreement shall be interpreted in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia.

1.3 Headings are for reference only and do not form part of this Agreement.

2.0 Intent of Agreement

2.1 The parties agree that the general intent of this Agreement is to minimize the impact of the development of the Land on the adjacent East Sooke Regional Park.

3.0 Restrictions on Subdivision and Development of the Land

3.1 The Grantors covenant and agree that they will not subdivide the Land or construct or cause to be constructed or placed, any building, structure or manufactured home on the Land until they have first, at their cost, submitted to the Grantee a Park Impact Report.

3.2 Sections 3.1 and 3.3 do not apply to that part of the Land contained within the Initial Development Area.

- 3.3 The Grantors covenant and agree that:
- (a) they shall not construct or place any building, structure or manufactured home on the Lands until they have addressed the reasonable recommendations or requirements of the Park Impact Report relating only to the CRD's management of East Sooke Regional Park; and
 - (b) they shall, as part of the construction of any building, structure or manufactured home on the Land, carry out all such construction in accordance with the reasonable recommendations or requirements of the Park Impact Report.
- 3.4 Section 3.3 shall not be interpreted as:
- (a) requiring the relocation of, or prohibiting the construction, placement, location of windows or lighting of any building or manufactured home permitted to be constructed or placed under the Zoning Bylaw; or
 - (b) preventing development to the density permitted under the Zoning Bylaw.
- 3.5 If the Grantors wish to dispute whether or not a recommendation or requirement of the Park Impact Report is reasonable, it may, by written notice to the Grantee, refer the matter to arbitration pursuant to the terms of the *Commercial Arbitration Act* of British Columbia. The cost of arbitration shall be awarded by the arbitrator, whose decision shall be final and binding upon both parties.
- 4.0 General**
- 4.1 The Grantors shall indemnify and keep indemnified the Grantee from any and all claims, causes of action, suits, demands, fines, penalties, costs or expenses, or legal fees whatsoever which the Grantee or any other person has or may have against the Grantee or which the Grantee incurs as a result of any loss or damage or injury, including economic loss, arising out of or connected with the breach of any covenant contained in this Agreement.
- 4.2 The Grantors hereby release and forever discharge the Grantee of and from any claim, cause of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which the Grantors can or may have against the Grantee for any loss or damage or injury, including economic loss, that the Grantors may sustain or suffer arising out of or connected with the breach of any covenant in this Agreement.
- 4.3 Nothing contained or implied herein shall prejudice or affect the rights and powers of the Grantee in the exercise of its functions under any public or private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Land as if the Agreement had not been executed and delivered by the Grantors.

- 4.4 The Grantors and the Grantee agree that the enforcement of this Agreement shall be entirely within the discretion of the Grantee and that the execution and registration of this covenant against the title to the Land shall not be interpreted as creating any duty on the part of the Grantee to the Grantors or to any other person to enforce any provision or the breach of any provision of this Agreement.
- 4.5 The Grantors covenant and agree for itself, its heirs, executors, successors and assigns, that they will at all times perform and observe the requirements and restrictions hereinbefore set out and they shall be binding upon the Grantors as personal covenants only during the period of the Grantors' ownership of the Land.
- 4.6 The Grantee shall forthwith deliver to the Grantor a registrable discharge of this Covenant if:
- (a) the Grantee has not adopted Bylaw No. 2950, A Bylaw to Amend "The Sooke Official Community Plan Bylaw, 1988", Appendix V, East Sooke Local Area Plan, and Bylaw No. 2951, A Bylaw to Amend Bylaw No. 2040, "Sooke Land Use Bylaw, 1992", (the "Bylaws"), within six months of the approval of Bylaw No. 2950, A Bylaw to Amend "The Sooke Official Community Plan Bylaw, 1988", Appendix V, East Sooke Local Area Plan, under section 913 of the *Local Government Act*; or
 - (b) the Bylaws are amended, repealed or held invalid by a Court of competent jurisdiction, except that this Covenant shall not be discharged in respect of any Parcel to the extent that the Grantor is entitled to complete the development and continue to use such Parcel for the uses permitted under the Bylaws or under section 911 of the *Local Government Act* or successor legislation.
- 4.7 At the Grantors' expense, the Grantors must do everything necessary to secure priority of registration and interest for this Agreement and the Section 219 Covenant it creates over all registered and pending charges and encumbrances of a financial nature against the Lands.
- 4.8 The Grantors' shall retain at its cost a B.C. Land Surveyor approved by the Grantee, acting reasonably for the purpose of preparing the Covenant Plan.
- 4.9 Time is to be the essence of this Agreement.
- 4.10 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and permitted assigns.
- 4.11 The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.

- 4.12 Wherever the singular, masculine and neuter are used throughout this Agreement, the same is to be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.
- 4.13 No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.
- 4.14 This Agreement is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia.

5.0 Priority Agreements

~~5.1~~ ~~Terrapin Mortgage Investment Corp., as the registered holder of charges by way of Mortgage and Assignment of Rents against PID 024-573-418, PID 024-573-426, PID 024-573-477 and PID 024-573-493 which said charges are registered in the Land Title Office at Victoria, British Columbia, under #EM109692 and #EM109693 respectively, for and in consideration of the sum of One Dollar (\$1.00) paid by the Grantee to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Grantee, its successors and assigns, that the within S. 219 Covenant shall be an encumbrance upon PID 024-573-418, PID 024-573-426, PID 024-573-477 and PID 024-573-493 except for in priority to the said charge in the same manner and to the same effect as if it had been dated and registered prior to the said charge.~~

5.1
~~5.2~~

Arthur Services Ltd. as the registered holder of a charge by way of Mortgage against Land which said charge is registered in the Land Title Office at Victoria, British Columbia, under #ES87867 for and in consideration of the sum of One Dollar (\$1.00) paid by the Grantee to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Grantee, its successors and assigns, that the within S. 219 Covenant shall be an encumbrance upon the Land in priority to the said charge in the same manner and to the same effect as if it had been dated and registered prior to the said charge.

5.2
~~5.3~~

Royal Bank of Canada as the registered holder of a charge by way of Mortgage and Assignment of Rents against PID 024-573-396, PID 024-573-434, PID 024-573-442, PID 024-573-451, PID 024-573-469, and PID 024-573-485, which said charges are registered in the Land Title Office at Victoria, British Columbia, under #ET18263 and #ET18264 respectively, and is the registered holder of a charge by way of Mortgage registered against the Land under #ET63907, for and in consideration of the sum of One Dollar (\$1.00) paid by the Grantee to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Grantee, its successors and assigns, that the within S. 219 Covenant shall be an encumbrance upon the above described properties in priority to the said charges in the same manner and to the same effect as if it had been dated and registered prior to the said charges.

The Grantors and the Grantee hereby acknowledge that this Agreement has been duly executed and delivered by the parties executing Form C (pages 1 and 2) attached hereto.

SCHEDULE "A"

EXPLANATORY PLAN OF COVENANT OVER LOTS 3 AND 4, PLAN VIP69361, SECTION 78, SOOKE DISTRICT

(PREPARED PURSUANT TO SECTION 99(1)(c) OF THE LAND TITLE ACT)
B.C.G.S. 928.032

PLAN _____

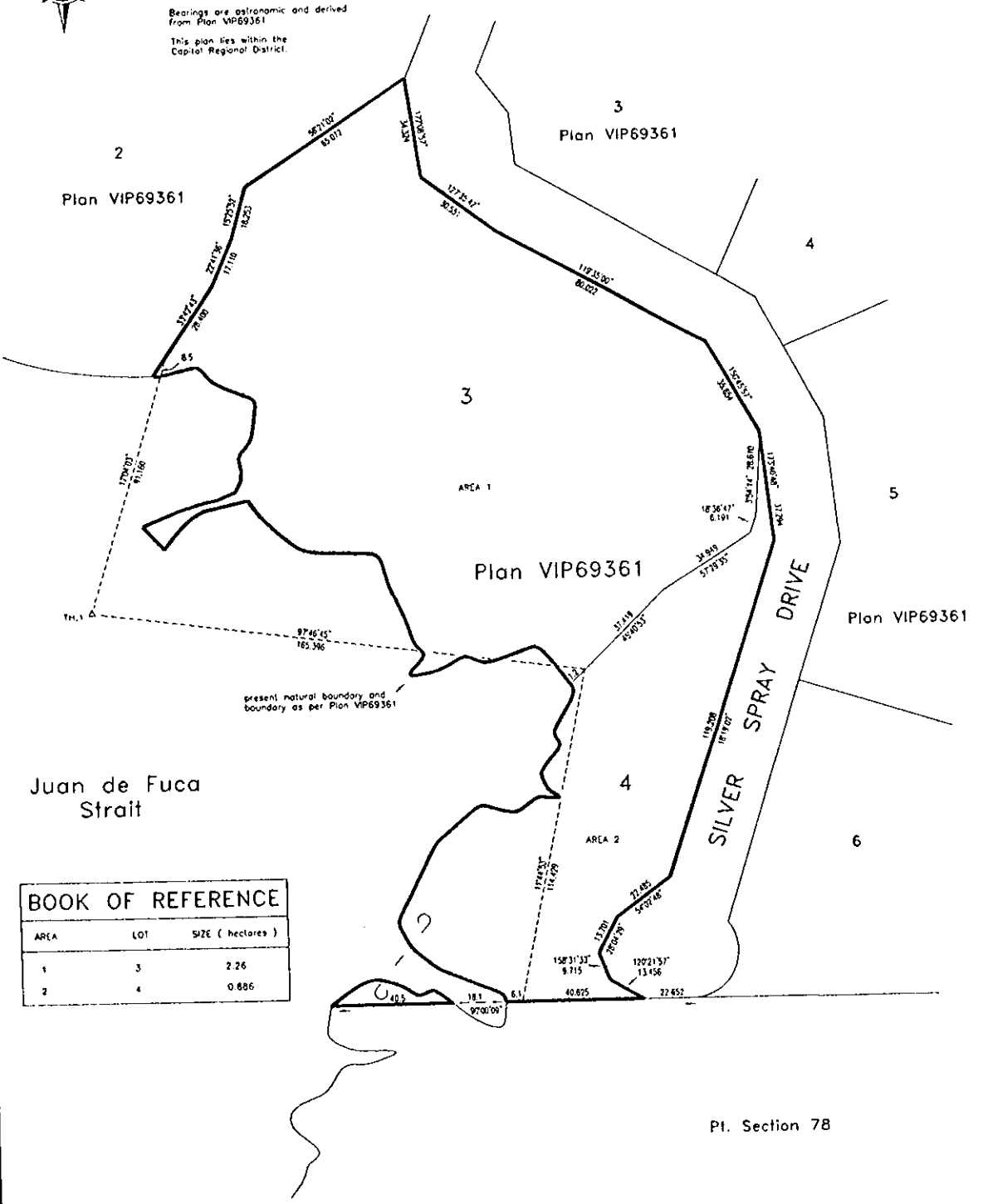
Deposited in the Land Title Office of Victoria, B.C. this
_____ day of _____, 2002

Registrar



Legend

All distances shown are in metres
Bearings are astronomic and derived
from Plan VIP69361
This plan lies within the
Capitol Regional District.



TRAVERSE TABLE OF TIES TO THE NATURAL BOUNDARY		
At Tht	(Base point)	
	Bearing	Distance
W10	1522'52"	83.0
W13	1725'45"	83.8
W44	2401'37"	91.1
W45	2757'36"	87.8
W46	3812'52"	90.9
W47	4044'24"	83.6
W53	4305'48"	78.8
W407	4322'34"	72.0
W406	4856'44"	70.1
W405	4846'02"	67.2
W404	5006'59"	63.3
W403	4806'10"	56.8
W402	4503'28"	52.0
W401	4009'50"	44.5
W400	3106'12"	34.2
W394	4829'32"	32.7
W393	4639'35"	41.6
W392	4639'21"	46.3
W391	4744'42"	50.7
W410	5430'53"	64.8
W55	6051'31"	84.5
W56	7424'41"	72.6
W57	7920'43"	97.5
W58	8632'55"	98.9
W59	9053'48"	103.1
W60	9634'57"	107.2
W61	9813'34"	111.8
W62	10254'45"	106.4
W63	10045'31"	116.4
W64	9738'16"	125.0
W65	9839'00"	132.3
W66	9516'55"	149.3
W67	10029'02"	163.1
W68	10602'54"	158.6
W69	10701'36"	162.3
W70	11107'44"	158.3
W71	11241'01"	163.0
W72	11301'55"	167.8
W73	11357'44"	160.4
W74	11652'36"	156.2
W75	11750'32"	143.9
W76	12543'02"	137.9
W77	13719'12"	145.3
W78	13613'21"	155.3
W79	13734'41"	166.4
W80	13424'28"	188.4
W296	13459'19"	190.1
W81	13703'23"	196.5
W82	13638'45"	187.4
W295	13907'28"	177.7
W83	13933'58"	169.6
W84	14128'28"	168.9
W85	14201'54"	161.6
W86	14418'00"	153.6
W87	15033'04"	154.3

BOOK OF REFERENCE		
AREA	LOT	SIZE (hectares)
1	3	2.26
2	4	0.886

J.E. ANDERSON & ASSOCIATES
B.C. Land Surveyors - Consulting Engineers
Victoria and Nanaimo, B.C. phone 727-2214
Fax: 21689
21689_covenant_lots_3_4.dwg

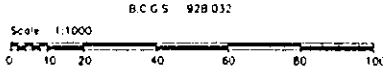
Certified correct this 9th day of May 2002

Michael S. Manson
Michael S. Manson B.C.L.S.

SCHEDULE "B"

**EXPLANATORY PLAN OF COVENANT OVER LOTS 9,10 AND 11,
PLAN VIP69361, SECTION 83, SOOKE DISTRICT**

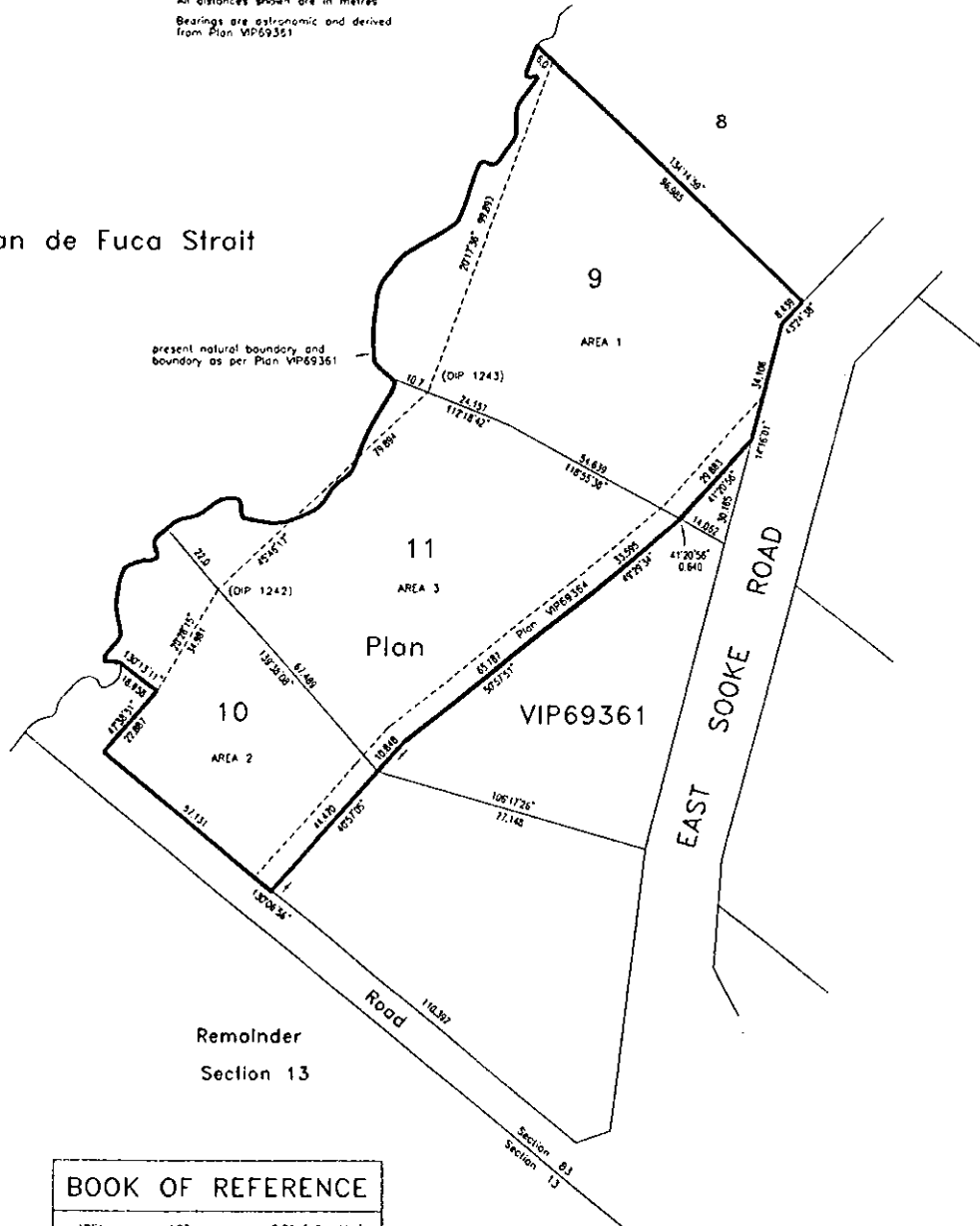
(PREPARED PURSUANT TO SECTION 99(1)(c) OF THE LAND TITLE ACT)



Legend

Sq M denotes square metres
All distances shown are in metres
Bearings are astronomic and derived from Plan VIP69361

Juan de Fuca Strait



PLAN _____

Deposited in the Land Title Office at Victoria, B.C. this _____ day of _____ 2002.

Registrar

**TRAVERSE TABLE
OF TIES TO THE
NATURAL BOUNDARY**

At OP 1242 (Base Point)

	Bearing	Distance
W549	232°15'07"	34.1
W548	238°07'59"	38.2
W547	244°24'08"	29.5
W546	259°47'31"	29.0
W545	282°20'26"	26.9
W544	285°19'16"	24.2
W543	298°20'48"	18.0
W542	306°23'01"	22.6
1241	319°38'09"	22.0
W541	328°55'22"	22.3
W540	345°15'43"	21.1
W539	0°32'00"	25.2
W538	13°50'54"	26.3
W537	17°18'32"	20.9
W536	42°50'14"	24.5
W535	50°37'15"	34.9
W534	47°04'57"	42.8
W533	47°41'58"	48.9

At DIP 1243 (Base Point)

	Bearing	Distance
W532	237°08'11"	19.1
W531	287°55'55"	8.8
1297	292°18'42"	10.7
W530	300°09'01"	17.0
W529	315°44'35"	21.6
W528	335°11'41"	32.6
W527	349°44'55"	39.1
W526	10°00'57"	48.6
W525	12°16'58"	66.7
W524	16°13'25"	66.6
W523	18°53'37"	75.9
W522	18°53'49"	83.7
W521	19°09'52"	94.4
W520	16°43'32"	92.7
1298	17°13'47"	102.4

BOOK OF REFERENCE

AREA	LOT	SIZE (Sq M)
1	9	8455
2	10	3750
3	11	7192

J.E. ANDERSON & ASSOCIATES
B.C. Land Surveyors - Consulting Engineers
Victoria and Nanaimo, B.C. phone 727-2214
File 21345
21883_COVENANT_DEVELOPMENT_9-11.DWG

This plan lies within the
Capital Regional District

Certified correct this 9th day of May 2002.

Michael S. Manson
Michael S. Manson B.C.L.S.

SCHEDULE C

Terms of Reference

Assessment
of thePotential Impacts to the Natural Environment, Visitors' Experience and Future
Management Of East Sooke Regional Park
from the Proposed Silver Spray DevelopmentAugust 18, 2000
(revised September 20, 2000)**Background**

A large-scale development (areas A, B, C and D on Attachment 1) is proposed on the Silver Spray property to the west of East Sooke Regional Park on southeast Vancouver Island. This development includes over a hundred and twenty residential units, a golf course, and an eco-lodge on coastal and upland areas. A considerable amount of land clearing and road building has already occurred on this property. The types, extent and effects of these activities on the Silver Spray property have been described by Robertson Environmental Services and Scott Resource Services (2000) and Sequoia Management Group (2000). However, there has been no assessment of the potential negative effects of the proposed development on East Sooke Regional Park.

The draft CRD Parks Master Plan states:

"CRD Parks may undertake an environmental impact assessment of an action taken on land outside a regional park or trail that could have an adverse impact on the natural environment of a regional park or trail. CRD Parks may ask the proponent of the action to pay for the environmental impact assessment."

The scale of the proposed Silver Spray development warrants an assessment of not only the effects of this development on the natural environment of East Sooke Regional Park, but also on the experience of visitors to the park and the implications for park management.

At their meeting of February 2, 2000 the CRD Parks Committee passed the following motions:

- "(1) that CRD Parks undertake an assessment of the potential impact of the proposed development for the Silver Spray property (as outlined in the December 3, 1999 rezoning application) on: (1) the natural environment and visitors' experience of East Sooke Regional Park; and (2) future management costs to CRD Parks;
- (2) that the proponent for the development be requested to pay for the assessment; . . ."

Therefore, the assessment of the Silver Spray development, as proposed in Attachment 1, will be made up of three sections:

1. An assessment of the potential negative effects of the proposed development on the natural environment of adjacent areas within the park
2. An assessment of the potential negative effects on the experience of visitors to the park given its classification as a *Regional Wilderness Area*
3. An estimate of potential increases to the costs of managing the park and park visitors

Project Management

The assessment will be undertaken by a consultant to CRD Parks and managed by the CRD Parks Environment Protection and Conservation Specialist. The cost of this assessment will be paid for by the proponent.

Environmental Assessment

Scope of the Environmental Assessment

The environmental assessment will identify the types and extent of potential negative effects on the natural environment of adjacent areas within East Sooke Regional Park ("the park") from the proposed development of the adjacent Silver Spray lands. The assessment will also provide recommendations for how potential negative effects can be prevented or mitigated given the development proposed.

The environmental assessment will focus on the western portion of the park between the boundary with Silver Spray and Pike Creek ("the study area") (Attachment 2). The portion of the Pike Creek watershed within the park that is down slope of the boundary with Silver Spray is included in the study area and is the primary focus.

Marine and intertidal environments adjacent to the park, and fish bearing streams within the park, are outside regional parks jurisdiction. CRD Parks has concerns about potential impacts in these areas and will require the consultant to contact the appropriate federal and provincial government agencies for information.

Requirements

The environmental assessment will address six subject areas: (1) watershed, freshwater, and marine, (2) vegetation, (3) wildlife and wildlife habitat, (4) rare and endangered species and ecosystems, (5) environmental contaminants, and (6) impacts from increased visitor use.

*Terms of Reference - Assessment of the Potential Impacts to East Sooke Regional Park
from the Proposed Development of the Silver Spray Lands*

Watershed, Freshwater and Marine

- Groundtruth watershed boundaries relating to the border between Silver Spray and East Sooke Regional Park and Pike Creek (the relationship between watershed and property boundaries is illustrated on Attachment 3).
- Assess potential changes to hydrology (e.g., surface run off) and accompanying effects on soils, slope stability and vegetation within the study area as a result of the proposed development, and provide recommendations for preventing or mitigating these effects
- Identify and assess the potential negative effects to water quality, sedimentation, erosion and bank or channel stability of Pike Creek and its tributaries within the study area and provide recommendations for preventing or mitigating these effects
- Identify and assess potential negative effects to wetlands near and on the shared park boundary and provide recommendations for preventing or mitigating these effects
- Consult with the Ministry of Environment, Lands and Parks (Section 9 of the Water Act) with respect to potential negative effects to Pike Creek and associated fish and fish habitat
- Consult with personnel in the Department of Fisheries and Oceans (Fisheries Act) with respect to potential negative effects on marine and intertidal waters and habitats adjacent to the park

Vegetation

- Identify and assess potential negative effects on vegetation communities within the study area from the proposed development and provide recommendations for preventing or mitigating these effects
- Assess the potential for non-native plant species to invade the park as a result of the proposed development and make recommendations for the control of these species and for the types of species to avoid in landscaping during development

Wildlife and Wildlife Habitat

- Identify and assess the potential impacts to wildlife and wildlife habitat in the study area as a result of the proposed development and related increases in visitor use in the park, and make recommendations for preventing and mitigating these impacts
- Assess the potential effects of non-native and domestic animal invasions to native wildlife (and vegetation) in the park and make recommendations for preventing and mitigating these impacts

Rare and Endangered Species and Ecosystems

- Identify and assess the potential negative effects to any rare element occurrences¹ (i.e., red- and blue-listed terrestrial and aquatic plants, animals and plant communities) within the study area from the proposed development and make recommendations for preventing or mitigating these effects

Environmental Contaminants

- Assess the potential for faecal effluent from septic disposal fields, or other treatment methods in the proposed development, to enter the study area and make recommendations to prevent such introductions
- Assess the potential for chemical contaminants, such as herbicides, fungicides, pesticides and fertilizers to enter the study area as a result of the proposed development and make recommendations to prevent such introductions

Increased Visitor Use

- Identify and assess the negative effects to the natural environment from the new trails in the park proposed for Pike Point by the developer as shown on Attachment 1
- Recommend ways to prevent unauthorized access to the park from residences and the proposed trail along the park boundary shown in Attachment 1
- Identify a route for a coastal trail connection between Silver Spray and East Sooke Regional Park that would result in the least impact to the natural environment in the park

¹ Through consultations with the B.C. Conservation Data Centre

Assessment of the Impact on Visitors' Experience

Purpose

To assess potential negative effects on the experience of visitors to East Sooke Regional Park from the proposed Silver Spray development.

Requirements

- Predict the future increase in visitor use in the park as a result of the proposed development
- Identify and assess potential negative effects on the wilderness experience of visitors to the park for the proposed development and associated increase in visitors from the development
- Identify and assess any other potential negative effects on the activities and experiences of visitors using trails that may be influenced by activities and visitation from the proposed development

Assessment of Future Management Costs to CRD Parks

Purpose

To identify and assess potential increases in management costs to CRD Parks as a result of the proposed development.

Requirements

- Estimate costs for the development and maintenance of the new trails within the park as a result of the proposed development
- Identify future public information needs (e.g., signs at connecting trail heads) and associated costs as a result of the proposed development
- Identify future trail maintenance needs and associated costs on existing trails as a result of visitor use from the proposed development
- Identify and assess the potential impact on existing facilities (i.e., toilets, parking areas) from the increased visitation associated with the proposed development
- Identify the need for any new facilities as a result of the proposed development

Information Sources

- CRD Parks
- CRD Municipal Services (the agency overseeing the development of the Silver Spray property)
- Ministry of Environment, Lands and Parks
- Department of Fisheries and Oceans
- Conservation Data Center of British Columbia
- Rocky Point Bird Observatory Society
- Royal BC Museum

Information to be Provided to the Consultant

- 1:5,000 paper base maps of the western portion of East Sooke Regional Park and adjacent lands
- 1:5,000 plot of orthophoto of the western portion of East Sooke Regional Park and adjacent lands
- East Sooke Regional Park Inventory (CRD Parks, 1984)
- CRD Parks Master Plan (draft, April 2000)
- relevant approved development plans for the Silvery Spray property
- digital and 1:15,000 scale black and white aerial photography
- Sensitive Ecosystems Inventory (SEI), 1:20,000 map series
- Environmental Assessment prepared for Silver Spray Properties (Robertson Environmental Services and Scott Resource Services, 2000)
- Silver Spray Lands Inventory of Land Disturbance (Sequoia Management Group, 2000)
- A Guide for Photo documentation (R/C 1996)

Deliverables

Three copies of a written report, in plain language, that documents the stated requirements of the assessment including recommendations for preventing or mitigating negative effects on East Sooke Regional Park from the proposed Silver Spray development. The report should include photographs of key areas or environmental features relevant to the assessment.

1:5,000 and report maps showing:

- watershed boundaries relating to the property boundary between Silver Spray and East Sooke Regional Park and Pike Creek.
- areas within the park study area that are subject to negative effects attributable to alterations to hydrology from the proposed development (such as the introduction of chemicals, slope instability, changes in water flows, windthrow, trails)

- areas along the portion of the Pike Creek within the study area that could be affected by the proposed development
- areas along the coast of the park study area that could be affected by the proposed development
- areas of vegetation/ecosystems in the park study area that could be affected by the proposed development
- key wildlife habitat features (e.g., wetlands, raptor/heron nests) identified during the assessment that could be affected by the proposed development
- the location of all known rare element occurrences in the study area (subject to timing of field work) that could be affected by the proposed development
- areas within the study area that could be affected by the introduction of sewage effluent and chemicals as a result of the proposed development
- the locations in the park study area where new trails, signs or facilities would be required to serve the proposed the development

All mapping to be done on paper base maps and hard copy orthophoto provided (digital orthophoto available if required). An appropriate legend must be provided on all maps.

Required Qualifications of Consultant

- demonstrated experience with environmental impact assessments related to land development adjacent to natural areas
- demonstrated expertise in identifying options for preventing and mitigating impacts relating to development adjacent to natural areas
- at least one Registered Professional Biologist from Province of British Columbia on the consultant team playing a substantive role in the field work and assessment
- experience in hydrology, soils, and slope stability
- experience with provincial terrain, vegetation and wildlife inventory and assessment methodologies
- competent in the identification of rare or endangered species (rare element occurrences) to ensure that voucher specimens are not required

- must have experience in addressing park management issues such as trails and facilities and visitor experience

Information to be Provided in Project Proposals

Proposals must include, but are not limited to:

- an overview of the consultant's approach to the project
- the organization and qualifications of the project team
- references that could be consulted about the company's performance on projects of a similar nature
- a fee schedule for members of the project team
- a breakdown of fees relating to approach and tasks/activities
- an estimated total cost for the work as described

Selection of the Consultant

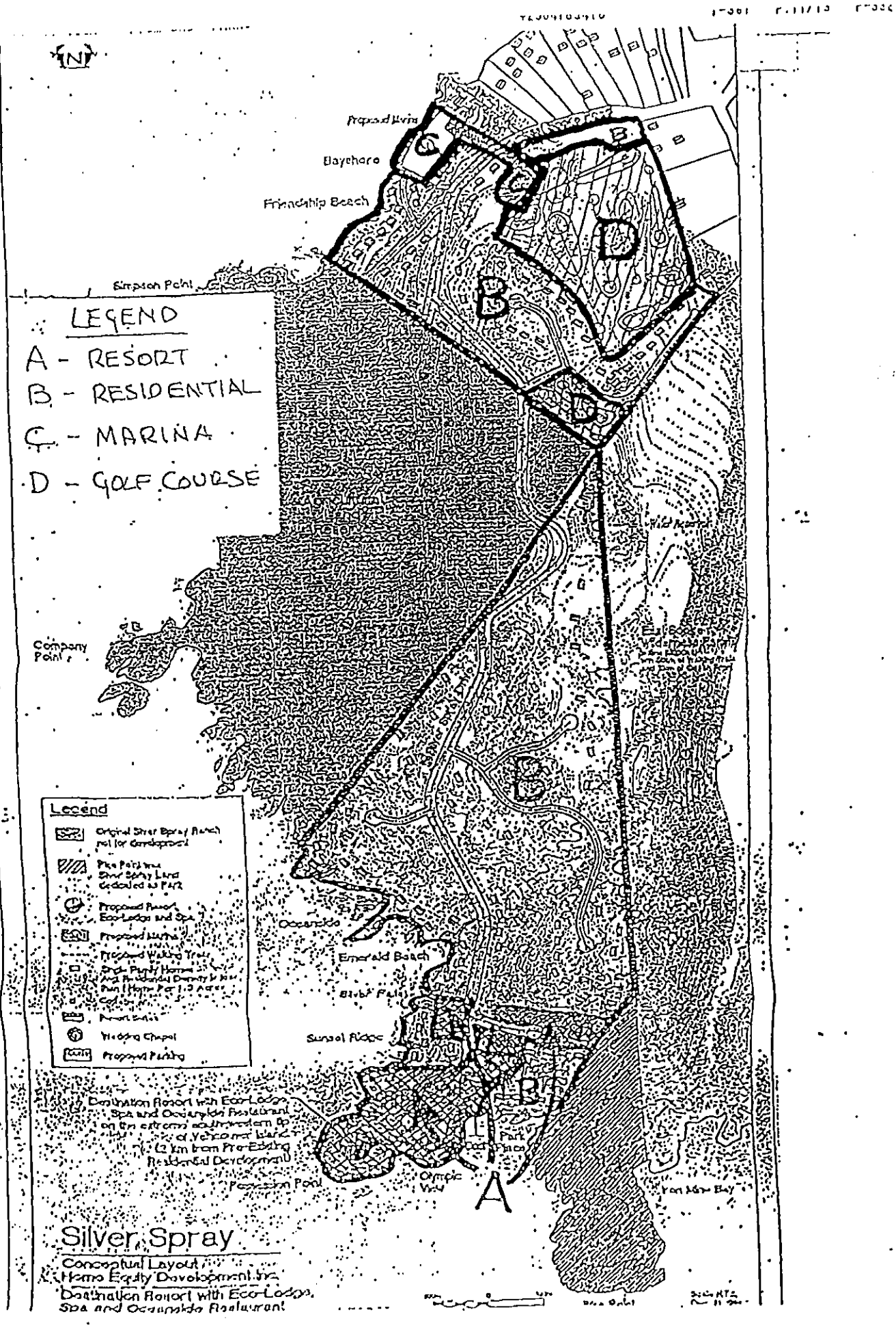
Proposals will be evaluated by CRD Parks staff. The relative weighting of the evaluation is as follows:

Experience with similar projects	05%
Technical expertise and qualifications	25%
Approach to the project	20%
Fees and cost estimates	50%

No work can be undertaken prior to formal notice of contract award from CRD Parks.

Timing of the Work

It is anticipated that this project will begin in the spring of 2001.



LEGEND
 A - RESORT
 B - RESIDENTIAL
 C - MARINA
 D - GOLF COURSE

Legend

- Original Silver Spray Beach and Land for Development
- Free Point and Silver Spray Land Ceded to PAR
- Proposed Beach, Eco-Lodges and Spa
- Proposed Marina
- Proposed Walking Trails
- Single Family Homes and Residential Density to Maximize Home Per 1.5 Acres
- Resort Suite
- Wedding Chapel
- Proposed Parking

Destination Resort with Eco-Lodges, Spa and Ocean-side Restaurant on the extreme southwestern tip of Vancouver Island, 12 km from Pre-Existing Residential Development.

Silver Spray
 Conceptual Layout
 Home Equity Development, Inc.
 Destination Resort with Eco-Lodges, Spa and Ocean-side Restaurant

21

TECHNICAL

1-331 P.14/13 P-336
Attachment 2

Whiffin Spit
Grant Rocks

INLET

MT
MAGUIRE

East Sooke
Regional Park

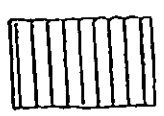
IRON
HILL

Possession
Point

Iron
Mine
Bay

O'Brien
Point

Secretary
(Donaldson)
Island

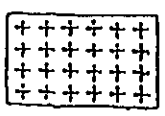
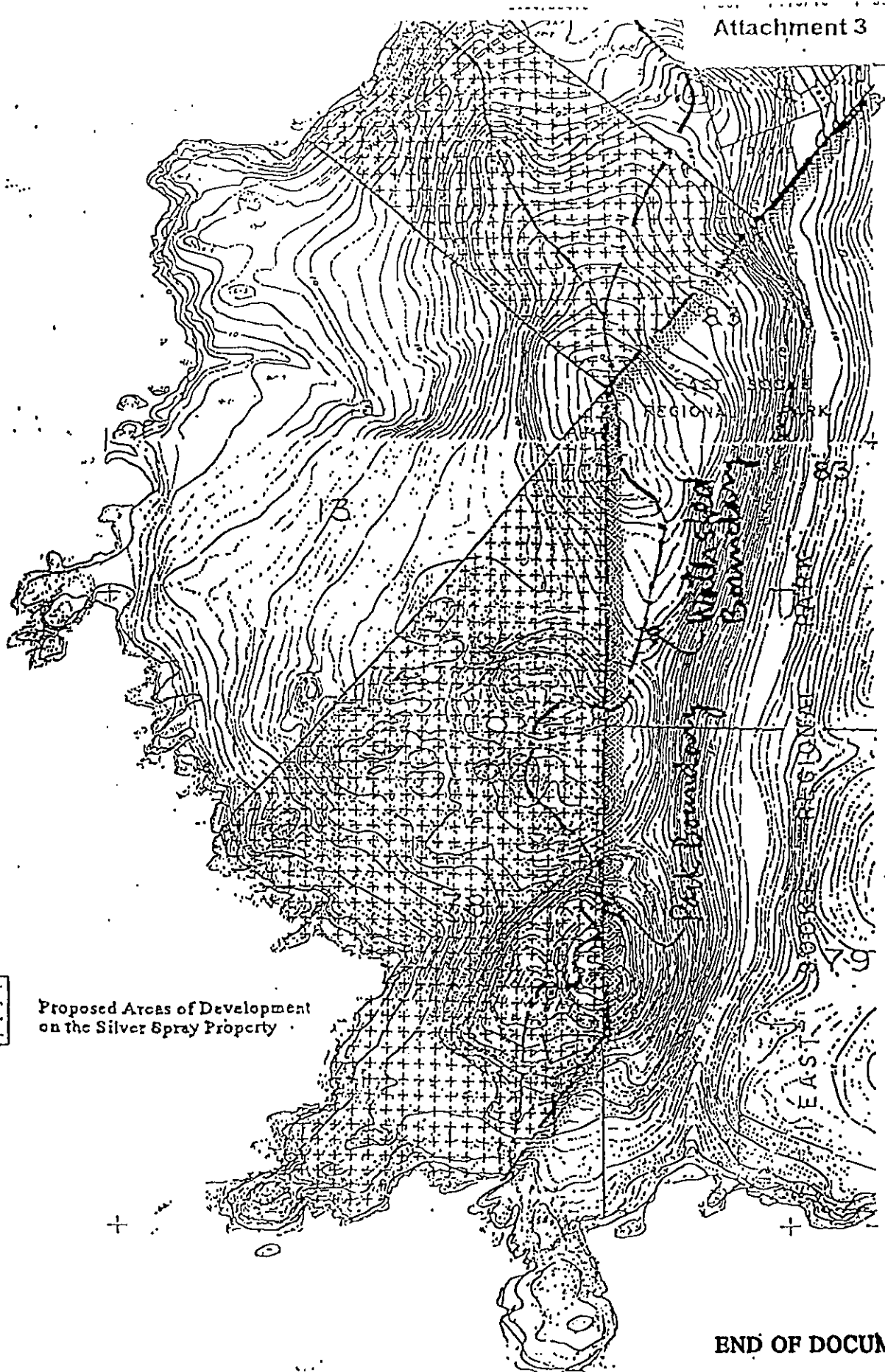


Study Area for the Environmental Assessment
East Sooke Regional Park

Property boundaries are approximate



Attachment 3



Proposed Areas of Development
on the Silver Spray Property

END OF DOCUMENT

Exhibit R

COVENANT ET71312

LAND TITLE ACT

Form C (Section 233)

Province of British Columbia

GENERAL INSTRUMENT - PART 1

(This area for Land Title Office Use)

1. Application: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)
 Staples McDannold Stewart
 Barristers & Solicitors
 2nd Floor, 837 Burdett Avenue
 Victoria, BC V8W 1B3 380-7744
 File #111 1022 AMENITY SLI#1/CS/WG

Authorized Signatory 10303

2. Parcel Identifier(s) and Legal Description(s) of Land:
 (PID) 005-993-971
 (Legal Description) All that part of Section 78, Sooke District, lying to the south of a line drawn due west from a point on the east boundary of said section distant 15 chains northerly from the south east corner thereof, except part in Plan 26861

3. Nature of Interest Description	Document Reference (page & paragraph)	Person Entitled to Interest
SEE SCHEDULE		

4. Terms: Part 2 of this instrument consists of (select one only)

(a) Filed Standard Charge Terms	<input type="checkbox"/>	D.F. No.
(b) Express Charge Terms	<input checked="" type="checkbox"/>	Annexed as Part 2
(c) Release	<input type="checkbox"/>	There is no Part 2 of this instrument

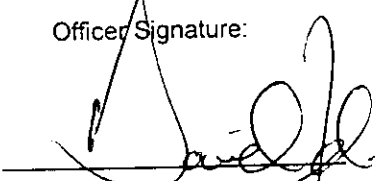
A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged on the Land described in Item 2.

5. Transferor(s)(Grantor(s)):
SPIKE LEVINE INVESTMENTS INC. (#A55736), ISLAND SAVINGS CREDIT UNION

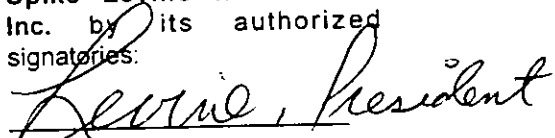
6. Transferee(s)(Grantee(s)): (including postal address(es) and postal code(s)) *
CAPITAL REGIONAL DISTRICT, 524 Yates Street, Victoria, B.C. V8W 2S6

7. Additional or Modified Terms: N/A

8. Execution(s): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

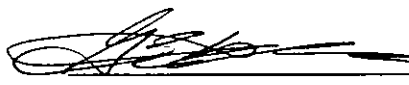
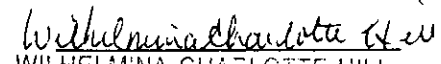
Officer Signature:

DAVID ADAMS
 Barrister & Solicitor
 492-707 Fort Street
 Victoria, B.C. V8W 2T6

Execution Date:		
Y	M	D
2002	5	29

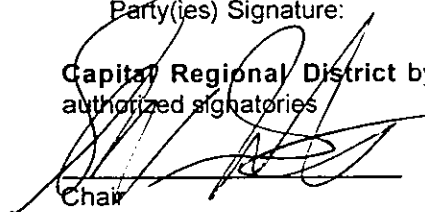
Party(ies) Signature:
Spike Levine Investments Inc. by its authorized signatories:

 Print Name:
MICHAEL LEVINE
 Print Name:


(as to both signatures)

Officer Certification
 Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.
 * If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.
 ** If space insufficient, continue executions on additional page(s) in Form D.

Officer Signature:	Execution Date:		
	Y	M	D
 Gary E. Hinde Capital Regional District 524 Yates Street, Victoria, B.C. V8W 2S6 A Commissioner for Taking Affidavits In the Province of British Columbia (as to both signatures)	2002	6	25
 WILHELMINA CHARLOTTE HILL Commissioner for taking Affidavits for British Columbia Island Savings Credit Union 300 - 409 Canada Avenue Duncan, BC V9L 1T7 (as to both signatures)	2002	05	31

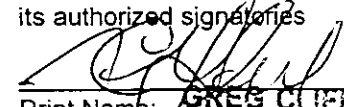
Party(ies) Signature:

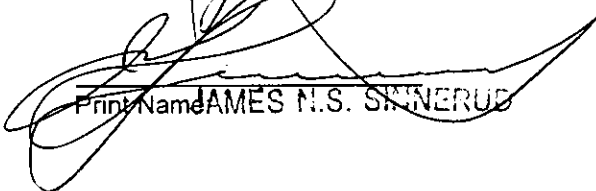

Capital Regional District by its
 authorized signatories
 Chair


 Secretary

As to priority

Island Savings Credit Union by
 its authorized signatories


 Print Name: **GREG CLIFFORD**


 Print Name: **JAMES N.S. SINNERUD**

Officer Certification
 Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

**LAND TITLE ACT
Form E
SCHEDULE**

Enter the Required Information in the Same Order as the Information Must Appear on the Freehold Transfer Form, Mortgage Form or General Document Form.

3.	Nature of Interest Description	Document Reference (page & paragraph)	Person Entitled to Interest
	S. 219 <i>Land Title Act</i> Covenant	Entire Document except Paragraph. 6.1	Grantee
	Priority Agreement over #ET18261 and #ET18262	Paragraph 6.1	Grantee

TERMS OF INSTRUMENT - PART 2

WHEREAS:

- A. The Grantor, Spike Levine Investments Inc. is the registered owner of certain lands legally described as:

P I D 005-993-971

All that part of Section 78, Sooke District, lying to the south of a line drawn due west from a point on the east boundary of said section distant 15 chains northerly from the south east corner thereof, except part in Plan 26861

(the "Land");

- B. The Grantee is the Capital Regional District;
- C. The Grantor wishes and has agreed to grant to the Grantee a covenant pursuant to section 219 of the *Land Title Act* to secure the installation of public walking trails;
- D. The Land contains significant amenities including flora, fauna and natural features of importance to the Grantor, the Grantee and the public and is located adjacent to the Strait of Juan de Fuca;
- E. The Grantor wishes and has agreed to grant to the Grantee a covenant pursuant to section 219 of the *Land Title Act* to restrict the use and development of the Land in order to protect, preserve, conserve, maintain and enhance the natural, environmental, wildlife and plant values relating to the Land to the extent provided in the Covenant.;
- F. The Grantor has offered to install a community water line to serve development on the Land and on Lot 2, Section 78, Sooke District, Plan VIP69361 ("Lot 2"), and the Silver Spray Lands as herein defined, and has agreed to grant this Covenant pursuant to section 219 of the *Land Title Act* to provide for connection of parcels to the community water line.

NOW THEREFORE in consideration of the payment of \$10.00 by the Grantee to the Grantor, the receipt and sufficiency of which is acknowledged by the Grantor, and in consideration of the promises exchanged below, the parties agree as follows:

1.0 Interpretation

1.1 In this Agreement,

- (a) "**Amenities**" include the natural, environmental, wildlife and native plant values relating to the Land.

- (b) "**Capable of Connection**" means a Parcel that abuts a street or statutory right of way upon or under which there is a water main constructed as part of a community water line with sufficient capacity to serve the Parcel.
- (c) "**Commissioning**" means the acceptance and the commencement of operation of a Community Water Line by the CRD;
- (d) "**Community Water Line**" means an 8 inch water main and distribution system to be constructed by the Grantor at its cost to serve the Land, and Lot 2 and Part of Section 78.
- (e) "**Land**" means any and all parts of the Land.
- (f) "**Marina**" means the marina that may be constructed on or adjacent to Lots 8 and 9, Section 83, Sooke District, Plan VIP69361 under the Zoning Bylaw.
- (g) "**Native Landscape Area**" means that part of a parcel not covered by buildings, pathways, driveways or paving.
- (h) "**Natural Boundary**" means the visible high water mark of any lake, river, stream or body of water, including the sea, where the presence and action of the water are so common and usual, and so long continued in all ordinary years as to mark upon the soil a character distinct from its banks in vegetation, as well as in the nature of the soil itself.
- (i) "**Parcel**" includes any parcel into which the Land is subdivided.
- (j) "**Permitted Development Area**" means the area of a Parcel to be used for residential purposes within which improvements or, structures may be constructed, placed and used in accordance with the Zoning Bylaw and which lie at least fifteen (15) metres from the natural boundary of the sea.
- (k) "**SEAPARC**" means the Sooke and Electoral Area Parks and Recreation Commission established under the *Local Government Act* having jurisdiction over the administration and operation of community parks within that part of the Juan de Fuca Electoral Area formerly within the Sooke Electoral Area, or its successor.
- (l) "**Silver Spray Lands**" means:

PID:	Legal Description:
024-573-396	Lot 1, Section 78, Sooke District, Plan VIP 69361
024-573-400	Lot 2, Section 78, Sooke District, Plan VIP 69361

024-573-418 Lot 3, Section 78, Sooke District, Plan VIP 69361
024-573-426 Lot 4, Section 78, Sooke District, Plan VIP 69361
024-573-434 Lot 5, Section 78, Sooke District, Plan VIP 69361
024-573-442 Lot 6, Section 78, Sooke District, Plan VIP 69361
024-573-451 Lot 7, Section 78, Sooke District, Plan VIP 69361
024-573-469 Lot 8, Section 83, Sooke District, Plan VIP 69361
024-573-477 Lot 9, Section 83, Sooke District, Plan VIP 69361
024-573-485 Lot 10, Section 83, Sooke District, Plan VIP 69361
024-573-493 Lot 11, Section 83, Sooke District, Plan VIP 69361

- (m) **"Veteran Tree"** means any tree that has a stem diameter of at least 50 centimetres, 1.5 meters above the ground.
- (n) **"Zoning Bylaw"** means the Zoning Bylaw of the Capital Regional District or its successor applicable to the Land.

1.2 This Agreement shall be interpreted in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia.

1.3 Headings are for reference only and do not form part of this Agreement.

2.0 Intent of Agreement

2.1 The parties agree that the general intent of this Agreement is to:

- (a) protect, preserve, conserve, maintain, enhance the Land and the Amenities in their natural state;
- (b) minimize the impact of building and site development on Amenities within the Land;
- (c) provide for the location and installation of public pedestrian trails on the Land; and
- (d) provide for the connection of certain Parcels to the Community Water Line.

3.0 Restrictions on Use and Construction on the Land

3.1 The Grantor covenants and agrees that, except for the development permitted in section 3.2 and the alteration or removal of trees or vegetation permitted in Sections 3.4, 3.5 and 3.6 of this Agreement, it will preserve the Land substantially in its natural state, and, in particular, without limiting the foregoing, the Grantor covenants and agrees that it will not apply for a building permit required for the construction of an improvement on any Parcel unless it has submitted, together with the application for such permit either a plan for a storm water drainage system certified by a professional engineer for that Parcel to prevent the entry of oils, greases and other contaminants to natural watercourses and the marine environment, or an opinion written by a certified professional engineer having experience with stormwater

management, agreed to by the Grantor and Grantee that such a storm water drainage system is not required for that Parcel including the reasons for such opinion.

- 3.2 The Grantor may, in accordance with this Covenant, construct or place or cause to be constructed or placed:
- (a) on a Parcel, a driveway, parking area, a lawn, garden and pathways for pedestrian and vehicular access to a Parcel and utilities to service the Parcel; and
 - (b) within the Permitted Development Area of a Parcel:
 - (i) a residential dwelling (including a manufactured home);
 - (ii) accessory structures permitted under the Zoning Bylaw; and
 - (iii) a sewage disposal system.
- 3.3 The Grantor covenants and agrees that it shall construct any building so that the underside of any floor system for habitation, storage of goods or, where permitted by the Zoning Bylaw, business purposes, is no lower in elevation than 1.5 metres above the natural boundary of the sea.
- 3.4 The Grantor covenants and agrees that except where required for the construction and maintenance of the improvements permitted under section 3.2, as permitted under section 3.5, and the preservation of existing ocean views, it will not cut, trim, damage, defoliate or remove any tree or vegetation.
- 3.5 (1) The Grantor covenants and agrees that subject to subsection (2), it will not cut, trim, damage, defoliate or remove any Veteran Tree:
- (a) outside a Permitted Development Area; and
 - (b) within a Permitted Development Area only:
 - (i) with the approval of the Capital Regional District; and
 - (ii) to the extent necessary for the construction of the improvements permitted under section 3.2.
- (2) The Grantor may trim or remove a Veteran Tree after obtaining and providing to the Grantee certification by a landscape architect, forester or professional arborist specifying that the Veteran Tree is unsafe or an immediate hazard.
- 3.6 The Grantor covenants and agrees that it shall preserve, conserve and enhance the native plant life on a Parcel by preserving and maintaining at least 70% of the total ground area of the Native Landscape Area of a Parcel with plants indigenous to Southern Vancouver Island.

- 3.7 The Grantor shall ensure that all construction and excavation waste and fill, soil or other substances deleterious to aquatic life shall be disposed of or placed in such a manner as to prevent their entry into any watercourse or storm drainage system.
- 3.8 (1) Subject to subparagraph (2), the Grantor covenants and agrees that it shall not construct or install any dock, any part of which is located on the Land or on the foreshore adjacent to the Land for the benefit of any Parcel.
- (2) Subparagraph (1) shall not apply to the Marina and does not apply:
- (a) if the Grantor does not receive approval for the construction or use of the Marina from all authorities having jurisdiction for such construction or use; or
- (b) to a dock constructed in connection with a lodge.
- 3.9 The Grantor covenants and agrees that if it constructs any single family residence on the Land that is not required under the Zoning Bylaw to be connected initially to the Community Water Line, then it shall carry out such construction in a manner that does not impair the quality or potability of any source of ground water used as drinking water serving any other Parcel from what such quality or potability was prior to such construction.
- 3.10 Following commissioning of the Community Water Line, the Grantor shall not use or permit the use of the Land for any use permitted under the Zoning Bylaw unless, at its cost, the Grantor uses best efforts to connect or cause to be connected a Parcel Capable of Connection to the Community Water Line including a Parcel referred to in paragraph 3.9.
- 4.0 Restrictions on Subdivision of Land**
- 4.1 The Land shall not be subdivided except in accordance with the regulations of the Zoning Bylaw and unless:
- (a) the Grantor installs, at the Grantor's cost, public walking trails to be secured by a Statutory Right of Way or park dedication in favour of the Grantee. These trails shall:
- (i) be three metres wide and shall be constructed to standards comparable with the public walking trails in East Sooke Park;
- (ii) be in the approximate location shown on Schedule "A".
- 4.2 Where the public walking trails are included within a Statutory Right of Way, the Grantor may construct beneath the walking trails referred to in section 2.1(a) services for water, sewer, hydro, telephone, gas and other utilities necessary to provide services to the development to be constructed on the Land.

- 4.3 The total length of the public walking trail referred to in section 2.1(a), including that part in the Silver Spray Lands, will not exceed 2375 metres.
- 4.4 Subject to the approval of SEAPARC, the area of land included within a public walking trail:
- (a) may, where secured by Statutory Right of Way, and
 - (b) shall, where dedicated,

be taken into account by the Grantee when calculating the area of parkland to be dedicated upon the subdivision of the Land in accordance with section 941 of the *Local Government Act*.

5.0 General

- 5.1 The Grantor shall indemnify and keep indemnified the Grantee from any and all claims, causes of action, suits, demands, fines, penalties, costs or expenses, or legal fees whatsoever which anyone has or may have against the Grantee or which the Grantee incurs as a result of any loss or damage or injury, including economic loss, arising out of or connected with the Grantor's breach of any covenant contained in this Agreement.
- 5.2 The Grantor hereby releases and forever discharges the Grantee of and from any claim, cause of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which the Grantor can or may have against the Grantee for any loss or damage or injury, including economic loss, that the Grantor may sustain or suffer arising out of or connected with the Grantor's breach of any covenant in this Agreement.
- 5.3 Nothing contained or implied herein shall prejudice or affect the rights and powers of the Grantee in the exercise of its functions under any public or private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Land as if the Agreement had not been executed and delivered by the Grantor, and, without limiting the generality of the foregoing, nothing in this Covenant shall be interpreted as interfering with the statutory power of a building inspector under the *Local Government Act* to request that the Grantor provide a report by a professional engineer with experience in geotechnical engineering prior to the issuance of a building permit in relation to a building or structure to be constructed on the Land.
- 5.4 The Grantor and the Grantee agree that the enforcement of this Agreement shall be entirely within the discretion of the Grantee and that the execution and registration of this covenant against the title to the Land shall not be interpreted as creating any duty on the part of the Grantee to the Grantor or to any other person to enforce any provision or the breach of any provision of this Agreement.

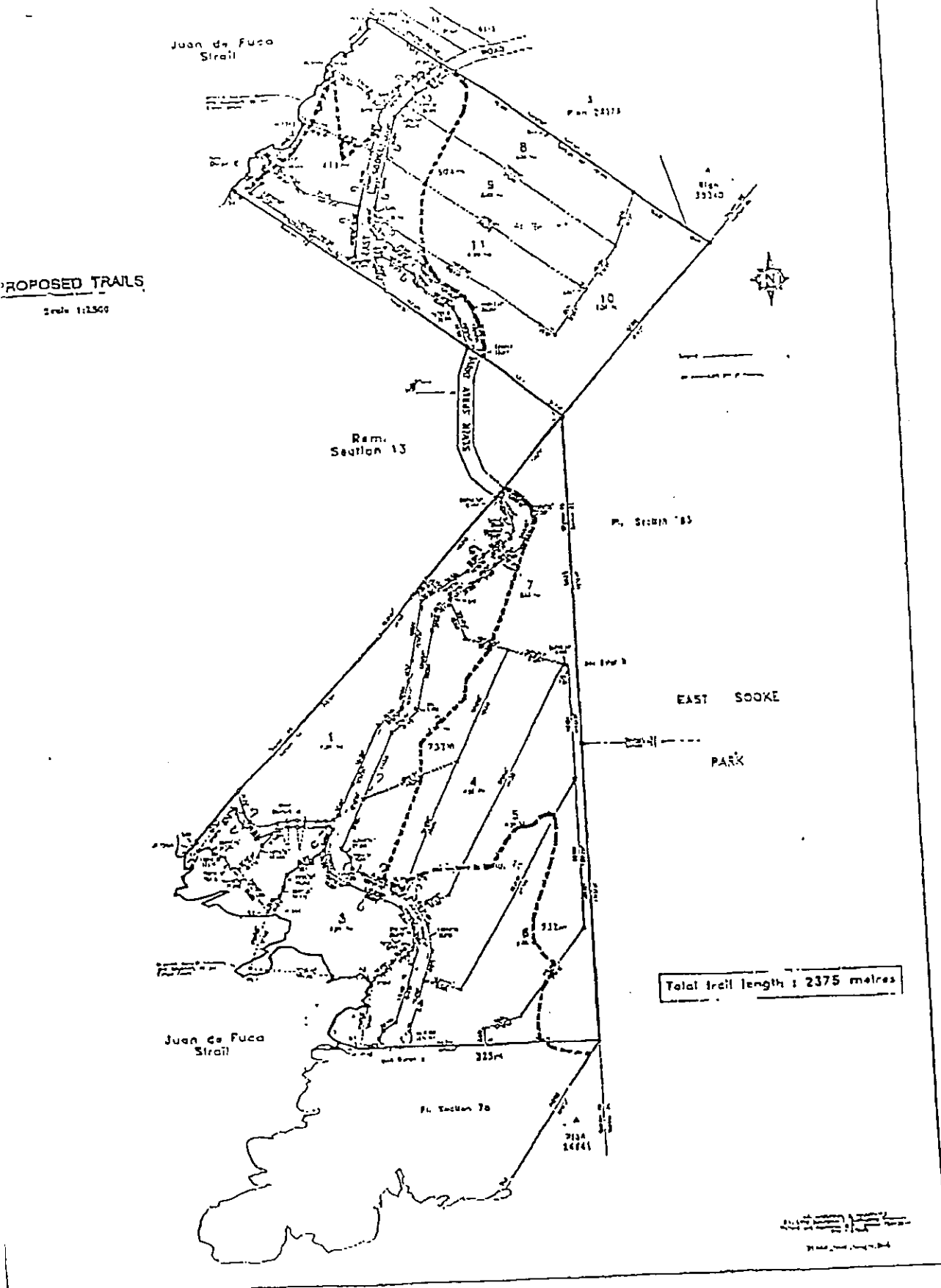
- 5.5 The Grantor covenants and agrees for itself, its successors and permitted assigns, that it will at all times perform and observe the requirements and restrictions hereinbefore set out and they shall be binding upon the Grantor as personal covenants only during the period of the Grantor's ownership of the Land or any Parcel.
- 5.6 The Grantee shall forthwith deliver to the Grantor a registrable discharge of this Covenant if:
- (a) the Grantee has not adopted Bylaw No. 2950, A Bylaw to Amend "The Sooke Official Community Plan Bylaw, 1988", Appendix V, East Sooke Local Area Plan, and Bylaw No. 2951, A Bylaw to Amend Bylaw No. 2040, "Sooke Land Use Bylaw, 1992" (the "Bylaws"), within six months of the approval of Bylaw No. 2950, A Bylaw to Amend "The Sooke Official Community Plan Bylaw, 1988", Appendix V, East Sooke Local Area Plan, under section 913 of the *Local Government Act*; or
 - (b) the Bylaws are amended, repealed or held invalid by a Court of competent jurisdiction, except that this Covenant shall not be discharged in respect of any Parcel to the extent that the Grantor is entitled to complete the development and continue to use such Parcel for the uses permitted under the Bylaws or under section 911 of the *Local Government Act* or successor legislation.
- 5.7 At the Grantor's expense, the Grantor must do everything necessary to secure priority of registration and interest for this Agreement and the Section 219 Covenant it creates over all registered and pending charges and encumbrances of a financial nature against the Lands.
- 5.8 Time is to be the essence of this Agreement.
- 5.9 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and permitted assigns.
- 5.10 The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.
- 5.11 Wherever the singular, masculine and neuter are used throughout this Agreement, the same is to be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.
- 5.12 No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.
- 5.13 This Agreement is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia.

6.0 Priority Agreements

- 6.1. Island Savings Credit Union as the registered holder of a charge by way of Mortgage and Assignment of Rents against Land which said charge is registered in the Land Title Office at Victoria, British Columbia, under #ET18261 and #ET18262 respectively, for and in consideration of the sum of One Dollar (\$1.00) paid by the Grantee to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Grantee, its successors and assigns, that the within S. 219 Covenant shall be an encumbrance upon the Land in priority to the said charge in the same manner and to the same effect as if it had been dated and registered prior to the said charge.

The Grantor and the Grantee hereby acknowledge that this Agreement has been duly executed and delivered by the parties executing Form C (pages 1 and 2) attached hereto.

SCHEDULE "A"



Certified Correct this 9th day of May 2002.

M.S. Manson

M.S. Manson B.C.L.S.

Exhibit S

COVENANT ET71316

956

ET071317

26 JUN 2002 09 56

ET071316

LAND TITLE ACT

Form C (Section 233)

Province of British Columbia

GENERAL INSTRUMENT - PART 1

(This area for Land Title Office Use)

Page 1 of 16 pages

1. Application: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

Staples McDannold Stewart
Barristers & Solicitors
2nd Floor, 837 Burdett Avenue
Victoria, BC V8W 1B3 380-7744
File #111 1022 AMENITY SS#1/CS/WG

BURNS SERVICES

S Adams
Authorized Signatory 10303

2. Parcel Identifier(s) and Legal Description(s) of Land:
(PID) (Legal Description)
SEE SCHEDULE

3. Nature of Interest Description: SEE SCHEDULE
Document Reference (page & paragraph)
Person Entitled to Interest

01 02/06/26 09:57:34 01 VI 399070
CHARGE \$110.00

4. Terms: Part 2 of this instrument consists of (select one only)

- (a) Filed Standard Charge Terms D.F. No.
- (b) Express Charge Terms Annexed as Part 2
- (c) Release There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged on the Land described in Item 2.

5. Transferor(s)(Grantor(s)):
SILVER SPRAY INVESTMENTS INC. (#526957),
FERRAPIN MORTGAGE INVESTMENT CORP. (#174844), ARTHUR SERVICES LTD. (#171802)
ROYAL BANK OF CANADA

6. Transferee(s)(Grantee(s)): (including postal address(es) and postal code(s)) *
CAPITAL REGIONAL DISTRICT, 524 Yates Street, Victoria, B.C. V8W 2S6

7. Additional or Modified Terms: N/A

8. Execution(s): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature:

David Adams
DAVID ADAMS
Barrister & Solicitor
402-707 Fort Street
Victoria, B.C. V8W 2T6

Execution Date:

Y	M	D
2002	6	6

Party(ies) Signature:

Silver Spray Investments Inc.
by its authorized signatories:

Michael Thornton
Print Name:

M. THORNTON
Print Name: MICHAEL THORNTON

(as to both signatures)

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

- * If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.
- ** If space insufficient, continue executions on additional page(s) in Form D.

LAND TITLE ACT
Form D

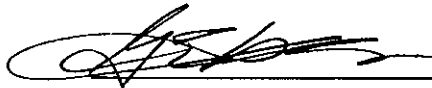
EXECUTIONS CONTINUED

Page 2

Officer Signature:

Execution Date:

Party(ies) Signature:



Gary E. Hinde
Capital Regional District
524 Yates Street, Victoria, B.C. V8W 2S6
A Commissioner for Taking Affidavits
in the Province of British Columbia

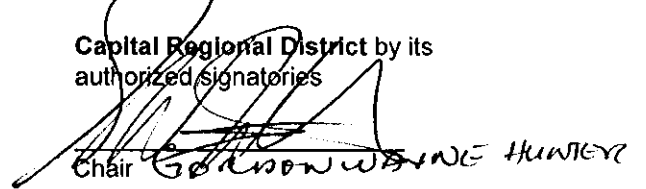
Y	M	D
2002	6	25
2002		
2002	6	12

(as to both signatures)



RON L. BOZZER
LAWYER
BORDEN LADNER GERVAIS LLP
LAWYERS · PATENT · TRADE-MARK AGENTS
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
Direct Tel: 604-610-4234
Direct Fax: 604-622-5834
email: rbozzer@bigcanada.com
"an Ontario Limited Liability Partnership"

Capital Regional District by its
authorized signatories


Chair ~~GOVERNOR WAINIE HUNTER~~


Secretary CARMEN THIEL

As to priority

~~Terrapin Mortgage Investment
Corp. by its authorized signatories~~


~~Print Name:~~

~~Print Name:~~

As to priority

Arthur Services Ltd. by its
authorized signatories:

~~(WILLIAM BRYDEN)~~
Print Name:


Print Name:
William Bryden

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

**LAND TITLE ACT
Form D**

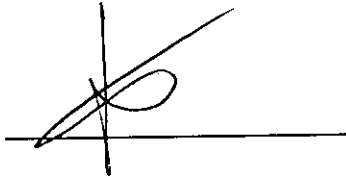
EXECUTIONS CONTINUED

Page 3

Officer Signature:

Execution Date:

Party(ies) Signature:



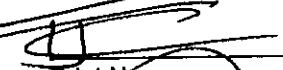
as to both signatures

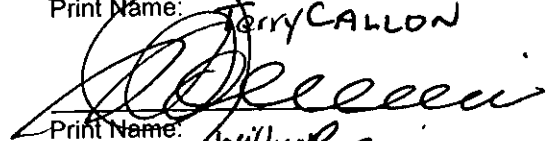
**HEATHER NORTHRUP
BARRISTER & SOLICITOR
ROYAL BANK OF CANADA
1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3S5**

Y	M	D
2002	6	12

As to priority

Royal Bank of Canada by its
authorized signatories:


Print Name: Jerry CALLON


Print Name: William POPOVIC

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996 c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT
Form E
SCHEDULE**

Enter the Required Information in the Same Order as the Information Must Appear on the Freehold Transfer Form, Mortgage Form or General Document Form.

2. Parcel Identifier(s) and Legal Description(s) of Land:
- | (PID) | (Legal Description) |
|-------------|----------------------------------------------------|
| 024-573-396 | Lot 1, Section 78, Sooke District, Plan VIP 69361 |
| 024-573-418 | Lot 3, Section 78, Sooke District, Plan VIP 69361 |
| 024-573-426 | Lot 4, Section 78, Sooke District, Plan VIP 69361 |
| 024-573-434 | Lot 5, Section 78, Sooke District, Plan VIP 69361 |
| 024-573-442 | Lot 6, Section 78, Sooke District, Plan VIP 69361 |
| 024-573-451 | Lot 7, Section 78, Sooke District, Plan VIP 69361 |
| 024-573-469 | Lot 8, Section 83, Sooke District, Plan VIP 69361 |
| 024-573-477 | Lot 9, Section 83, Sooke District, Plan VIP 69361 |
| 024-573-485 | Lot 10, Section 83, Sooke District, Plan VIP 69361 |
| 024-573-493 | Lot 11, Section 83, Sooke District, Plan VIP 69361 |

3. Nature of Interest Description	Document Reference (page & paragraph)	Person Entitled to Interest
S. 219 Land Title Act Covenant	Entire Document except Paras. 6.1 6.2 and 6.3	Grantee
Priority Agreement over #EM169162 and #ES48674	Paragraph 6.1	Grantee
Priority Agreement over #ES87867	Paragraph ^{6.1} 6.2	Grantee
Priority Agreement over #ET18263 and #ET18264 and #ET63697	Paragraph ^{6.2} 6.3	Grantee

TERMS OF INSTRUMENT - PART 2

WHEREAS:

- A. The Grantor, Silver Spray Investments Inc. is the registered owner of certain lands legally described as:

PID:

024-573-396 Lot 1, Section 78, Sooke District, Plan VIP 69361 ("Lot 1")
024-573-418 Lot 3, Section 78, Sooke District, Plan VIP 69361 ("Lot 3")
024-573-426 Lot 4, Section 78, Sooke District, Plan VIP 69361 ("Lot 4")
024-573-434 Lot 5, Section 78, Sooke District, Plan VIP 69361 ("Lot 5")
024-573-442 Lot 6, Section 78, Sooke District, Plan VIP 69361 ("Lot 6")
024-573-451 Lot 7, Section 78, Sooke District, Plan VIP 69361 ("Lot 7")
024-573-469 Lot 8, Section 83, Sooke District, Plan VIP 69361 ("Lot 8")
024-573-477 Lot 9, Section 83 Sooke District, Plan VIP 69361 ("Lot 9")
024-573-485 Lot 10, Section 83, Sooke District, Plan VIP 69361 ("Lot 10")
024-573-493 Lot 11, Section 83, Sooke District, Plan VIP 69361 ("Lot 11")

(together the "Land");

- B. The Grantee is the Capital Regional District;
- C. The Land contains significant amenities including flora, fauna and natural features of importance to the Grantor, the Grantee and the public and is located adjacent to the Strait of Juan de Fuca;
- D. The Grantor wishes and has agreed to grant to the Grantee a covenant pursuant to section 219 of the *Land Title Act* to restrict the use and development of the Land in order to protect, preserve, conserve, maintain and enhance the natural, environmental, wildlife and plant values relating to the Land to the extent provided in the Covenant, to restrict the use of and construction on certain parts of the Land and to secure the installation of public walking trails and the dedication of some of the parkland to be dedicated at the time of subdivision of the Land;
- E. The Grantor has offered to install a community water line to serve development on the Land and on Lot 2, Section 78, Sooke District, Plan VIP69361 ("Lot 2"), and all that part of Section 78, Sooke District, lying to the south of a line drawn due west from a point on the east boundary of said section distant 15 chains northerly from the south east corner thereof, except part in Plan 26861 ("Part of Section 78"), and has agreed to grant this Covenant pursuant to section 219 of the *Land Title Act* to provide for connection of parcels to the community water line.

NOW THEREFORE in consideration of the payment of \$10.00 by the Grantee to the Grantor, the receipt and sufficiency of which is acknowledged by the Grantor, and in consideration of the promises exchanged below, the parties agree as follows:

1.0 Interpretation**1.1 In this Agreement,**

- (a) **"Amenities"** include the natural, environmental, wildlife and native plant values relating to the Land.
- (b) **"Capable of Connection"** means a Parcel that abuts a street or statutory right of way upon or under which there is a water main constructed as part of a community water line with sufficient capacity to serve the Parcel.
- (c) **"Commissioning"** means the acceptance and the commencement of operation of a Community Water Line by the CRD.
- (d) **"Community Water Line"** means an 8 inch water main and distribution system to be constructed by the Grantor at its cost to serve the Land, Lot 2 and Part of Section 78.
- (e) **"Friendship Beach Park Area"** means that part of Lots 9 and 11 shown as areas 1 and 5 in heavy outline on the reference plan of covenant prepared by Michael S. Manson, B.C.L.S. and dated May 9, 2002, a reduced print of which is attached as Schedule "C" which is to be dedicated as park by the Grantor.
- (f) **"Land"** means any and all parts of the Land.
- (g) **"Manufactured Home"** means a residential dwelling which meets CSA Standard CAN/CSA A277 series, or its successor, parts of which are pre-manufactured offsite with the pre-manufactured components of the residential dwelling being assembled on site. Manufactured Home shall not mean a mobile home as defined in the Zoning Bylaw.
- (h) **"Marina"** means the marina that may be constructed on or adjacent to Lots 8 and 9, Section 83, Sooke District, Plan VIP69361 under the Zoning Bylaw.
- (i) **"Native Landscape Area"** means that part of a parcel not covered by buildings, pathways, driveways or paving.
- (j) **"Natural Boundary"** means the visible high water mark of any lake, river, stream or body of water, including the sea, where the presence and action of the water are so common and usual, and so long continued in all ordinary years as to mark upon the soil a character distinct from its banks in vegetation, as well as in the nature of the soil itself.
- (k) **"Parcel"** means any parcel into which the Land is subdivided.

*Plan
VIP73877*

- (l) **"Permitted Development Area"** means the area of a Parcel within which those improvements or, structures constructed, placed and used in accordance with the Zoning Bylaw and which lie at least fifteen (15) metres from the natural boundary of the sea.
- (m) **"SEAPARC"** means the Sooke and Electoral Area Parks and Recreation Commission established under the *Local Government Act* having jurisdiction over the administration and operation of community parks within that part of the Juan de Fuca Electoral Area formerly within the Sooke Electoral Area, or its successor.
- (n) **"Veteran Tree"** means any tree that has a stem diameter of at least 50 centimetres, 1.5 meters above the ground.
- (o) **"Zoning Bylaw"** means the Zoning Bylaw of the Capital Regional District or its successor applicable to the Land.

1.2 This Agreement shall be interpreted in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia.

1.3 Headings are for reference only and do not form part of this Agreement.

2.0 Intent of Agreement

2.1 The parties agree that the general intent of this Agreement is to:

- (a) protect, preserve, conserve, maintain, enhance the Land and the Amenities in their natural state;
- (b) minimize the impact of building and site development on Amenities within the Land;
- (c) provide for the location and installation of public pedestrian trails on the Land; and
- (d) provide for the connection of certain Parcels to the Community Water Line.

3.0 Restrictions on Use and Construction on the Land

3.1 The Grantor covenants and agrees that, except for the development permitted in section 3.2 and the alteration or removal of trees or vegetation permitted in Sections 3.4, 3.5 and 3.6 of this Agreement, it will preserve the Land substantially in its natural state, and, in particular, without limiting the foregoing, the Grantor covenants and agrees that it will not apply for a building permit required for the construction of an improvement on any Parcel unless it has submitted, together with the application for such permit either a plan for a storm water drainage system certified by a professional engineer for that Parcel to prevent the entry of oils, greases and other

contaminants to natural watercourses and the marine environment, or an opinion written by a certified professional engineer, having experience with stormwater management, that such a storm water drain system is not required for that Parcel.

- 3.2 The Grantor may, in accordance with this Covenant, construct or place or cause to be constructed or placed:
- (a) on a Parcel, a driveway, parking area, a lawn, garden and pathways for pedestrian and vehicular access to a Parcel and utilities to service the Parcel; and
 - (b) where permitted under the Zoning Bylaw, within the Permitted Development Area of a Parcel:
 - (i) a residential dwelling (including a manufactured home);
 - (ii) accessory structures permitted under the Zoning Bylaw;
 - (iii) a sewage disposal system; and
 - (iv) golf course.
- 3.3 The Grantor covenants and agrees that it shall construct any building so that the underside of any floor system for habitation, storage of goods or, where permitted by the Zoning Bylaw, business purposes, is no lower in elevation than 1.5 metres above the natural boundary of the sea.
- 3.4 The Grantor covenants and agrees that except where required for the construction and maintenance of the improvements permitted under section 3.2, as permitted under section 3.5, and the preservation of existing ocean views, it will not cut, trim, damage, defoliate or remove any tree or vegetation.
- 3.5 (1) The Grantor covenants and agrees that subject to subsection (2), within the Land it will not cut, trim, damage, defoliate or remove any Veteran Tree:
- (a) outside a Permitted Development Area; and
 - (b) within a Permitted Development Area only:
 - (i) with the approval of the Capital Regional District; and
 - (ii) to the extent necessary for the construction of the improvements permitted under section 3.2.
- (2) The Grantor may trim or remove a Veteran Tree after obtaining and providing to the Grantee certification by a landscape architect, forester or professional arborist specifying that the Veteran Tree is unsafe or an immediate hazard.

- 3.6 The Grantor covenants and agrees that it shall preserve, conserve and enhance the native plant life on a Parcel by preserving and maintaining at least 70% of the total ground area of the Native Landscape Area of a Parcel with plants indigenous to Southern Vancouver Island.
- 3.7 The Grantor covenants and agrees that it shall not use any part of the Land for a storage yard except that part of Lot 1, Section 78, Sooke District, Plan VIP69261 shown in heavy outline on reference plan of covenant prepared by Michael S. Manson and dated May 9, 2002, a reduced print of which is attached to this Covenant as Schedule "B". *Plan VIP73878*
- 3.8 The Grantor shall ensure that all construction and excavation waste and fill, soil or other substances deleterious to aquatic life shall be disposed of or placed in such a manner as to prevent their entry into any watercourse or storm drainage system.
- 3.9 (1) Subject to subparagraph (2), the Grantor covenants and agrees that it shall not construct or install any dock, any part of which is located on the Land or on the foreshore adjacent to the Land for the benefit of any Parcel.
- (2) Subparagraph (1) shall not apply to the Marina and does not apply if the Grantor does not receive approval for the construction or use of the Marina from all authorities having jurisdiction for such construction or use.
- 3.10 The Grantor covenants and agrees that if it constructs any single family residence on the Land that is not required under the Zoning Bylaw to be connected initially to the Community Water Line, then it shall carry out such construction in a manner that does not impair the quality or potability of any source of ground water used as drinking water serving any other Parcel from what such quality or potability was prior to such construction.
- 3.11 Following commissioning of the Community Water Line, the Grantor shall not use or permit the use of the Land for any use permitted under the Zoning Bylaw unless, at its cost, the Grantor uses best efforts to connect or cause to be connected a Parcel Capable of Connection to the Community Water Line, including a Parcel referred to in paragraph 3.10.
- 4.0 Restrictions on Subdivision of Land**
- 4.1 The Land shall not be subdivided except in accordance with the regulations of the Zoning Bylaw and unless:
- (a) hook-up to a Community Water Line is provided at the Grantor's cost at the road frontage to each of the Parcels adjacent to Lot 3, Section 89, Sooke District, Plan 26576 that draws water under licence from Festus Brook where the owners of those Parcels agree at the time of the installation of the Community Water Line to voluntarily release their existing water licences to draw water from Festus Brook;

- (b) the Grantor installs, at the Grantor's cost, public walking trails to be secured by a Statutory Right of Way or park dedication in favour of the Grantee. These trails shall:
- (i) be three metres wide and shall be constructed to standards comparable with the public walking trails in East Sooke Park;
 - (ii) be in the approximate location shown on Schedule "A"; and
 - (iii) not be constructed within any part of the Land located within the Farming Development Permit area designated under the East Sooke Local Area Plan required by the Agricultural Land Commission as a buffer between a farming use of land within the Agricultural Land Reserve and development on the Land.
- (c) the Grantor installs, at the Grantor's cost, public pedestrian access to Friendship Beach Park Area in the approximate areas shown as 2, 3 and 4 of Schedule "C". The pedestrian access shall be three metres wide and constructed to standards comparable to walking trails in East Sooke Park.
- 4.2 Where the public walking trails are included within a Statutory Right of Way, the Grantor may construct beneath the walking trails referred to in section 4.1(b) services for water, sewer, hydro, telephone, gas and other utilities necessary to provide services to the development to be constructed on the Land.
- 4.3 The total length of the public walking trail referred to in section 4.1(b) including that part in Lot 2, Section 78, Sooke District, Plan VIP69361, will not exceed 2375 meters.
- 4.4 Subject to the approval of SEAPARC, the area of land included within a public walking trail:
- (a) may, where secured by Statutory Right of Way, and
 - (b) shall, where dedicated,
- be taken into account by the Grantee when calculating the area of parkland to be dedicated upon the subdivision of the Land in accordance with section 941 of the *Local Government Act*.
- 4.5 The Grantor covenants and agrees that it shall not subdivide the Land unless:
- (a) the plan of subdivision of such Lot dedicates the Friendship Beach Park Area as community park; and
 - (b) SEAPARC accepts the Friendship Beach Park Area as community park.

- 4.6 Until the dedication of Friendship Beach Park Area referred to in paragraph 4.5, the Grantor will preserve the Friendship Beach Park Area substantially in its natural state and, in particular, without limiting the generality of the foregoing, the Grantor covenants and agrees that it will not cut, trim, damage, defoliate or remove any tree or native vegetation within the Friendship Beach Park Area.
- 4.7 Notwithstanding the foregoing, if the Friendship Beach Park Area is dedicated as community park, the area of Land included within the Friendship Beach Park Area will be taken into account by the Grantee when calculating the area of parkland to be dedicated upon the subdivision of the Land in accordance with section 941 of the *Local Government Act*.
- 4.8 Notwithstanding the foregoing, if SEAPARC does not accept as community park the Friendship Beach Park Area or such other area of land adjacent to Friendship Beach as may be agreed upon by the Grantor and the Grantee, then paragraph 4.5 shall no longer apply and shall no longer be an obligation of the Grantor under this Agreement.
- 5.0 General**
- 5.1 The Grantor shall indemnify and keep indemnified the Grantee from any and all claims, causes of action, suits, demands, fines, penalties, costs or expenses, or legal fees whatsoever which anyone has or may have against the Grantee or which the Grantee incurs as a result of any loss or damage or injury, including economic loss, arising out of or connected with the Grantor's breach of any covenant contained in this Agreement.
- 5.2 The Grantor hereby releases and forever discharges the Grantee of and from any claim, cause of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which the Grantor can or may have against the Grantee for any loss or damage or injury, including economic loss, that the Grantor may sustain or suffer arising out of or connected with the Grantor's breach of any covenant in this Agreement.
- 5.3 Nothing contained or implied herein shall prejudice or affect the rights and powers of the Grantee in the exercise of its functions under any public or private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Land as if the Agreement had not been executed and delivered by the Grantor, and, without limiting the generality of the foregoing, nothing in this Covenant shall be interpreted as interfering with the statutory power of a building inspector under the *Local Government Act* to request that the Grantor provide a report by a professional engineer with experience in geotechnical engineering prior to the issuance of a building permit in relation to a building or structure to be constructed on the Land.
- 5.4 The Grantor and the Grantee agree that the enforcement of this Agreement shall be entirely within the discretion of the Grantee and that the execution and registration of this covenant against the title to the Land shall not be interpreted as creating any

duty on the part of the Grantee to the Grantor or to any other person to enforce any provision or the breach of any provision of this Agreement.

- 5.5 The Grantor covenants and agrees for itself, its successors and permitted assigns, that it will at all times perform and observe the requirements and restrictions hereinbefore set out and they shall be binding upon the Grantor as personal covenants only during the period of the Grantor's ownership of the Land or any Parcel.
- 5.6 The Grantee shall forthwith deliver to the Grantor a registrable discharge of this Covenant if:
- (a) the Grantee has not adopted Bylaw No. 2950, A Bylaw to Amend "The Sooke Official Community Plan Bylaw, 1988", Appendix V, East Sooke Local Area Plan, and Bylaw No. 2951, A Bylaw to Amend Bylaw No. 2040, "Sooke Land Use Bylaw, 1992" (the "Bylaws"), within six months of the approval of Bylaw No. 2950, A Bylaw to Amend "The Sooke Official Community Plan Bylaw, 1988", Appendix V, East Sooke Local Area Plan, under section 913 of the *Local Government Act*; or
 - (b) the Bylaws are amended, repealed or held invalid by a Court of competent jurisdiction, except that this Covenant shall not be discharged in respect of any Parcel to the extent that the Grantor is entitled to complete the development and continue to use such Parcel for the uses permitted under the Bylaws or under section 911 of the *Local Government Act* or successor legislation.
- 5.7 At the Grantor's expense, the Grantor must do everything necessary to secure priority of registration and interest for this Agreement and the Section 219 Covenant it creates over all registered and pending charges and encumbrances of a financial nature against the Lands.
- 5.8 Time is to be the essence of this Agreement.
- 5.9 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and permitted assigns.
- 5.10 The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.
- 5.11 Wherever the singular, masculine and neuter are used throughout this Agreement, the same is to be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.
- 5.12 No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.

5.13 This Agreement is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia.

6.0 Priority Agreements

~~6.1. Terrapin Mortgage Investment Corp., as the registered holder of charges by way of Mortgage and Priority Agreement against PID 024-573-418, PID 024-573-426, PID 024-573-477 and PID 024-573-493 which said charges are registered in the Land Title Office at Victoria, British Columbia, under #EM109692 and #EM109693 respectively, for and in consideration of the sum of One Dollar (\$1.00) paid by the Grantee to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Grantee, its successors and assigns, that the within S. 219 Covenant shall be an encumbrance upon PID 024-573-418, PID 024-573-426, PID 024-573-477 and PID 024-573-493 in priority to the said charge in the same manner and to the same effect as if it had been dated and registered prior to the said charge.~~

6.1
6.2.

Arthur Services Ltd. as the registered holder of a charge by way of Mortgage against the Land which said charge is registered in the Land Title Office at Victoria, British Columbia, under #ES87867 for and in consideration of the sum of One Dollar (\$1.00) paid by the Grantee to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Grantee, its successors and assigns, that the within S. 219 Covenant shall be an encumbrance upon the Land in priority to the said charge in the same manner and to the same effect as if it had been dated and registered prior to the said charge.

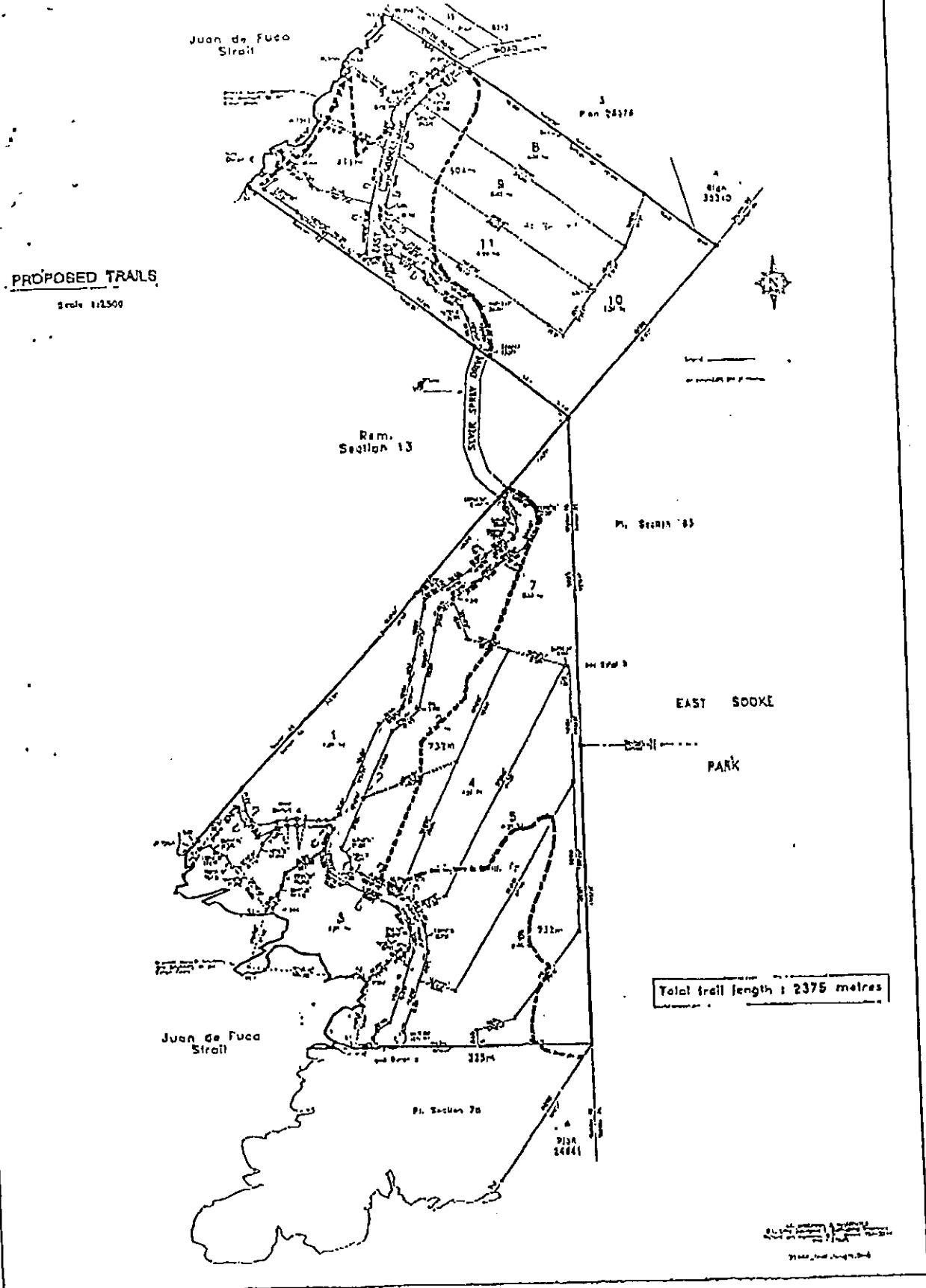
6.2
6.3

Royal Bank of Canada as the registered holder of a charge by way of Mortgage and Assignment of Rents against PID 024-573-396, PID 024-573-434, PID 024-573-442, PID 024-573-451, PID 024-573-469, and PID 024-573-485, which said charges are registered in the Land Title Office at Victoria, British Columbia, under #ET18263 and #ET18264 respectively, and is the registered holder of a charge by way of Mortgage registered against the Land under #ET63907, for and in consideration of the sum of One Dollar (\$1.00) paid by the Grantee to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Grantee, its successors and assigns, that the within S. 219 Covenant shall be an encumbrance upon the above described properties in priority to the said charges in the same manner and to the same effect as if it had been dated and registered prior to the said charges.

The Grantor and the Grantee hereby acknowledge that this Agreement has been duly executed and delivered by the parties executing Form C (pages 1 and 2) attached hereto.

14

SCHEDULE "A"



Certified Correct this 9th day of May 2002.

M.S. Manson

M.S. Manson B.C.L.S.

SCHEDULE "B"

15

REFERENCE PLAN OF COVENANT OVER LOT 1, PLAN VIP69361, SECTION 78, SOOKE DISTRICT

(PREPARED PURSUANT TO SECTION 92(1) OF THE LAND TITLE ACT)
B.C.G.S. 92B.032

PLAN _____

Deposited in the Land Title Office at Victoria, B.C., this
_____ day of _____, 2002.



Registrar

Legend

- Sq. M. denotes square metres
- All distances shown are in metres
- Standard Iron Post set
- Standard Iron Post found
- rk denotes Iron Post in rock
- Bearings are astronomic and derived from Plan VIP69361
- This plan lies within the Capital Regional District.

Remainder
Section 13

1

SILVER SPRAY DRIVE

Plan VIP69361

Area = 0.372 ha

I, Michael S. Manson, a British Columbia Land Surveyor, of Victoria, in British Columbia, certify that I was present at and personally supervised the survey as represented by this plan and that the survey and plan are correct. The survey was completed on the

9th day of May, 2002.

Michael S. Manson
B.C.L.S.

J.E. ANDERSON & ASSOCIATES
B.C. Land Surveyors - Consulting Engineers
Victoria and Nanaimo, B.C. phone 727-2214
File : 21689

21689_SYA_COVENANT.DWG

SCHEDULE "C"

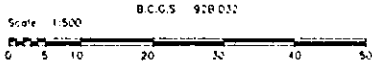
16

REFERENCE PLAN OF COVENANT OVER LOTS 9 AND 11, PLAN VIP69361, SECTION 83, SOOKE DISTRICT

(PREPARED PURSUANT TO SECTION 99(1)(4) OF THE LAND TITLE ACT)

PLAN _____

Deposited in the Land Title Office at Victoria, B.C., this
_____ day of _____, 2002

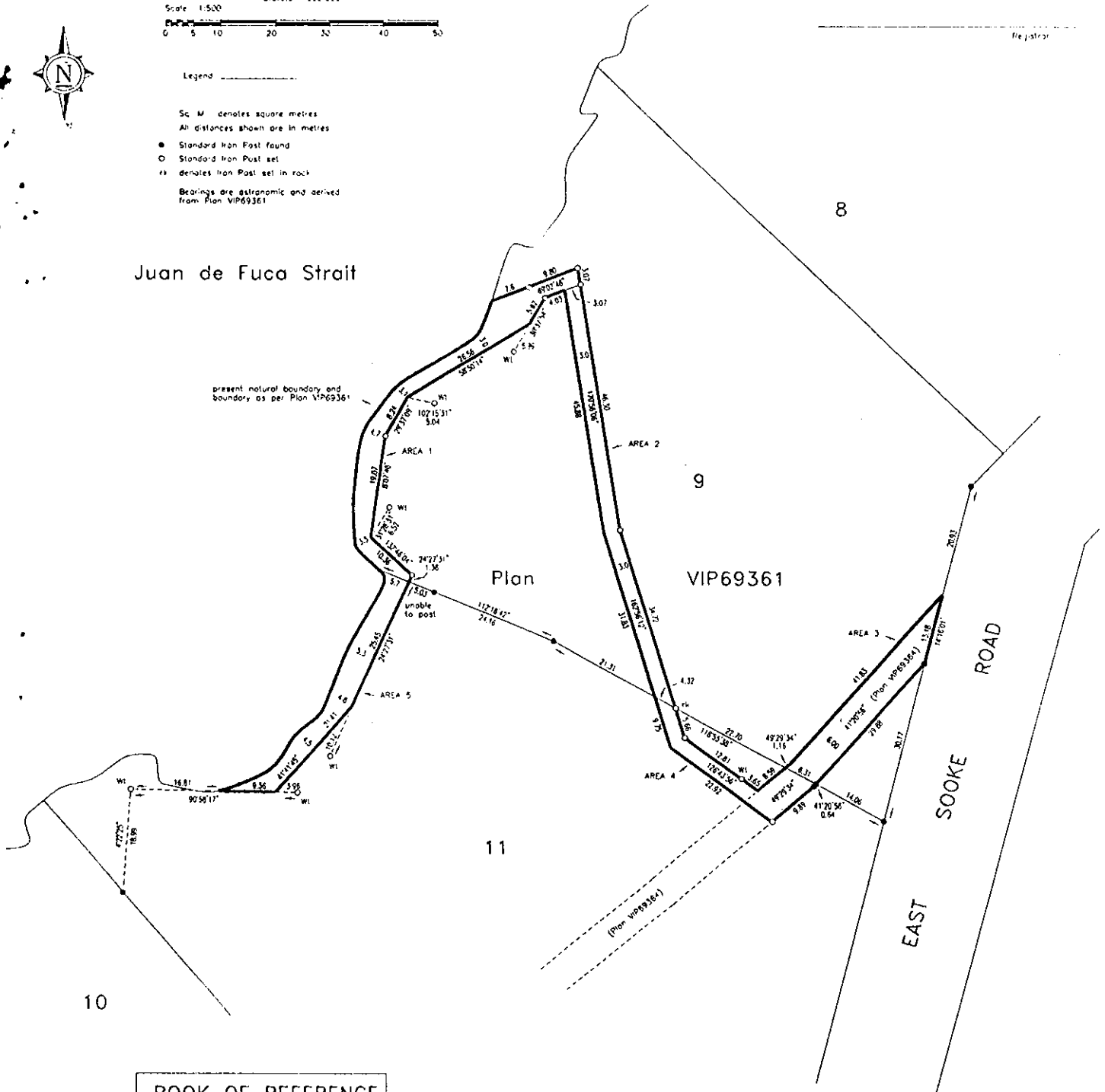


Legend

- Sq. M. denotes square metres
- All distances shown are in metres
- Standard Iron Post found
- Standard Iron Post set
- ⊕ denotes Iron Post set in rock
- Bearings are astronomic and derived from Plan VIP69361

Juan de Fuca Strait

present natural boundary and boundary as per Plan VIP69361



10

BOOK OF REFERENCE		
AREA	LOT	SIZE (Sq. M.)
1	9	302
2	9	238
3	9	219
4	11	134
5	11	215

I, Michael S. Manson, a British Columbia Land Surveyor, of Victoria, in British Columbia, certify that I was present at and personally supervised the survey as represented by this plan and that the survey and plan are correct. The survey was completed on the

9th day of May, 2002

Michael S. Manson
B.C.L.S.

J.E. ANDERSON & ASSOCIATES
B.C. Land Surveyors - Consulting Engineers
Victoria and Nanaimo, B.C. phone 727-2214
File: 21689
21689_FRENSHIP_BEACH_COVENANT.DWG

This plan lies with the
Capital Regional District.

END OF DOCUMENT

File: 11047.001

26 JUN 2002 09 56

ET071316

VIP73877

LAND TITLE ACT

01 02/06/26 09:57:24 01 VI 399070
PLANS \$50.00**FORM 11(a)**

Section 99 (1) (e), (j) and (k)

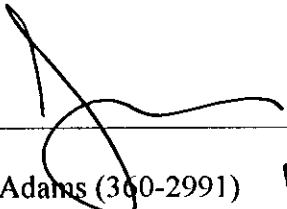
**APPLICATION FOR DEPOSIT OF REFERENCE
OR EXPLANATORY PLAN (Charge)**

I, Jack Angus of Patterson Adams, Barristers and Solicitors (No. 10270), 402-707 Fort St., P.O. Box 1231, Victoria, B.C., V8W 2T6, apply on behalf of SILVER SPRAY INVESTMENTS INC. (Inc. No.: 526957) of 1100-1185 West Georgia Street, Vancouver, BC V6E 4E6, the registered owner, to deposit Reference Plan of Covenant over Lots 9 and 11, Plan VIP69361, Section 83, Sooke District.

We enclose:

1. The Reference Plan.
2. The reproductions of the plan required by Section 67(u).
3. Fees of \$50.00.

Dated at the City of Victoria, in the Province of British Columbia, this 24th day of June, 2002.



Jack Angus
of Patterson Adams (360-2991)
Barristers and Solicitors
402-707 Fort St., P.O. Box 1231
Victoria, B.C., V8W 2T6

BURNS SERVICES

File: 11047.001

26 JUN 2002 09 56

ET071317

VIP73878

LAND TITLE ACT

FORM 11(a)

Section 99 (1) (e), (j) and (k)

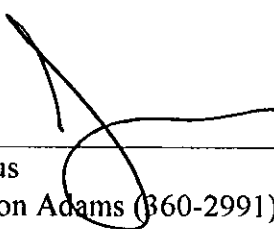
01 02/06/26 09:57:26 01 VI
PLANS397070
\$50.00**APPLICATION FOR DEPOSIT OF REFERENCE
OR EXPLANATORY PLAN (Charge)**

I, Jack Angus of Patterson Adams, Barristers and Solicitors (No. 10270), 402-707 Fort St., P.O. Box 1231, Victoria, B.C., V8W 2T6, apply on behalf of SILVER SPRAY INVESTMENTS INC. (Inc. No.: 526957) of 1100-1185 West Georgia Street, Vancouver, BC V6E 4E6, the registered owner, to deposit Reference Plan of Covenant over Lot 1, Plan VIP69361, Section 78, Sooke District.

We enclose:

1. The Reference Plan.
2. The reproductions of the plan required by Section 67(u).
3. Fees of \$50.00.

Dated at the City of Victoria, in the Province of British Columbia, this 24th day of June, 2002.



Jack Angus
of Patterson Adams (360-2991)
Barristers and Solicitors
402-707 Fort St., P.O. Box 1231
Victoria, B.C., V8W 2T6

BURNS SERVICES

Exhibit T

RESTRICTIVE COVENANT FB133435

-2 JAN 2008 14 27

FB133435

LAND TITLE ACT

FORM C

(Section 221)

Province of British Columbia

GENERAL INSTRUMENT - PART 1

Fee: \$65.65

Page 1 of 5

1. APPLICATION:

PATTERSON ADAMS, Barristers and Solicitors (360-2991)
402 - 707 Fort Street, Victoria, BC, V8W 2T6, No. 10270 File: 11047.013 DBA/jem


Per: 

BURNS SERVICES 01/10 10:19:21 01 VI Agent 788472
DEFECT 7 WITHDR \$30.00

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:

(PID) (LEGAL DESCRIPTION)
027-296-687 Lot 4, Section 78, Sooke District, Plan VIP83919

3. NATURE OF INTEREST:

DESCRIPTION	DOCUMENT REFERENCE (page and paragraph)	PERSON ENTITLED TO INTEREST
Restrictive Covenant over Part in Plan VIP 84332 	Part 2 attached	Owner of Lot 3, Section 78, Sooke District, Plan VIP83919

4. TERMS: Part 2 of this instrument consists of (select one only)

- (a) Filed Standard Charge Terms D.F. No. GH 08/01/02 14:29:17 01 VI 787630
- (b) Express Charge Terms Annexed as Part 2 CHARGE \$65.65
- (c) Release There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in item 7 of in a schedule annexed to this instrument. If (c) is selected, the charge described in item 3 is released or discharged as a charge on the land described in item 2.

5. TRANSFEROR(S):


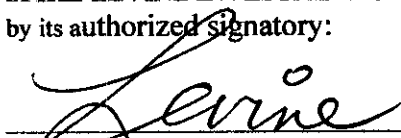
SPIKE LEVINE INVESTMENTS INC. (Inc. No. A55736), 1704 - 63 St. Claire Avenue West, Toronto, ON M4V 2V9

6. TRANSFEREE(S):

LANDUS DEVELOPMENT GROUP INC. (Inc. No. BC0748811), 1450-1075 West Georgia Street, Vancouver, BC V6E 3C9

7. ADDITIONAL OR MODIFIED TERMS: n/a

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer's Signature(s)  HAROLD HENRY COHEN BARRISTER & SOLICITOR COHEN & ASSOCIATE 1 ST. CLAIR AVENUE EAST SUITE 801 TORONTO, ONTARIO, CANADA M4T 2V7	Execution Date Y M D 2007 12 12	Transferor(s) Signature(s) SPIKE LEVINE INVESTMENTS INC. by its authorized signatory:  Michael Levine PRESIDENT
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1979 c. 116 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

\\Davidsassistant\my documents\Clients\Home Equity\11047.013 Subdivision of Lots C, D, F & H, Plan VIP77650\Covenant\Sec. 221 Covenant.doc

LAND TITLE ACT
FORM D
EXECUTIONS CONTINUED

Officer's Signature(s)

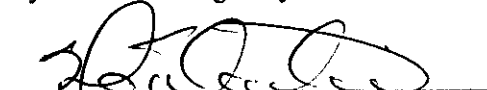
Execution Date

Party(ies) Signature(s)



Y	M	D
2007	12	28

LANDUS DEVELOPMENT GROUP INC.
by its authorized signatory:


Michael Thornton

ROGER D. McCONCHIE
Barrister & Solicitor
Suite 290 - 889 Harbourside Drive
North Vancouver, B.C. V7P 3S1

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

\\Davidsassistant\my documents\Clients\Home Equity\11047.013 Subdivision of Lots C, D, F & H, Plan
VIP77650\Covenant\Sec. 221 Covenant.doc

LAND TITLE ACT
FORM C
(Section 221)

PROVINCE OF BRITISH COLUMBIA
GENERAL INSTRUMENT - PART 2

WHEREAS:

- A. The Transferor is the registered owner of that certain parcel or tract of land more particularly described in Item 2 of Part 1 of this Form C (the "Transferor's Land");
- B. The Transferee is the registered owner of that certain parcel or tract of land situate in the District of Sooke, Province of British Columbia more particularly described as Lot 3, Section 78, Sooke District, Plan VIP83919 (the "Transferee's Land");
- C. Section 221 of the *Land Title Act* permits the registration of a restrictive covenant that the land or any specified portion thereof is not to be built upon or is not to be used in a particular manner;
- D. The Transferor proposes to construct a building on the Transferor's Land and has agreed to preserve the view from the Transferee's Land;
- E. The Transferee has requested and the Transferor has agreed to grant a restrictive covenant over the Transferor's Land upon the terms and conditions as hereinafter set forth.

NOW THEREFORE in consideration of the sum of One Dollar (\$1.00) of lawful money of Canada now paid by the Transferee to the Transferor, the receipt and sufficiency of which is hereby acknowledged by the Transferor, and the covenants and agreements herein contained, the parties hereto agree as follows:

- 1. No building or other structure (the "Building") shall be constructed on or within that part of the Transferor's Land shown outlined in heavy dark line on an Explanatory Plan of Covenant over Lot 4, Plan VIP83919, Section 78, Sooke District prepared by Michael S. Manson, B.C.L.S. and dated December 10, 2007, a copy of which is attached hereto as Schedule "A" (the "Covenant Area") where the height of the highest roof ridge of the Building exceeds 67 metres above the geodetic datum.
- 2. No Building shall be constructed on or within the Covenant Area unless a vegetation screen comprised of trees and other vegetation is planted between the Building and that part of the boundary of the Transferee's Land which is adjacent to the northerly boundary of the Covenant Area.
- 3. If any section of this Covenant or any part of any section is found to be illegal or unenforceable, that part or section, as the case may be, will be considered separate and severable, and the remaining parts or sections, as the case may be, will not be affected and will be enforceable to the fullest extent permitted by law.
- 4. The restrictions and covenants herein contained shall be covenants running with the Land, shall be perpetual and shall be registered in the Victoria Land Title Office pursuant to Section 215 of the *Land Title Act* as covenants in favour of the Transferee, and as a first charge against the title to the Land.
- 5. The burden of this covenant shall run with the Transferor's land and the benefit shall be appurtenant to the Transferee's Land.

6. This agreement and everything herein contained shall be binding upon the parties hereto, their successors and assigns.
7. Wherever the singular or masculine is used throughout this indenture, the same will be construed as meaning the plural or the feminine or body corporate or politic where the context as the parties hereto so require.
8. Any notice that is required or permitted to be given pursuant to this agreement shall be sufficiently given if mailed by prepaid post or delivered to the address of the Transferee given on the first page hereof. The notice shall be deemed to have been received if mailed on the third business day following the date of mailing and if delivered upon the date of delivery.

Page 5 of 5

EXPLANATORY PLAN OF COVENANT OVER LOT 4, PLAN VIP83919, SECTION 78, SOOKE DISTRICT

(PREPARED PURSUANT TO SECTION 99(1) OF THE LAND TITLE ACT)

B.C.S. 92B.032



Legend

Sq. M. denotes square metres
All distances shown are in metres
Bearings are astronomic and derived from Plan VIP83919

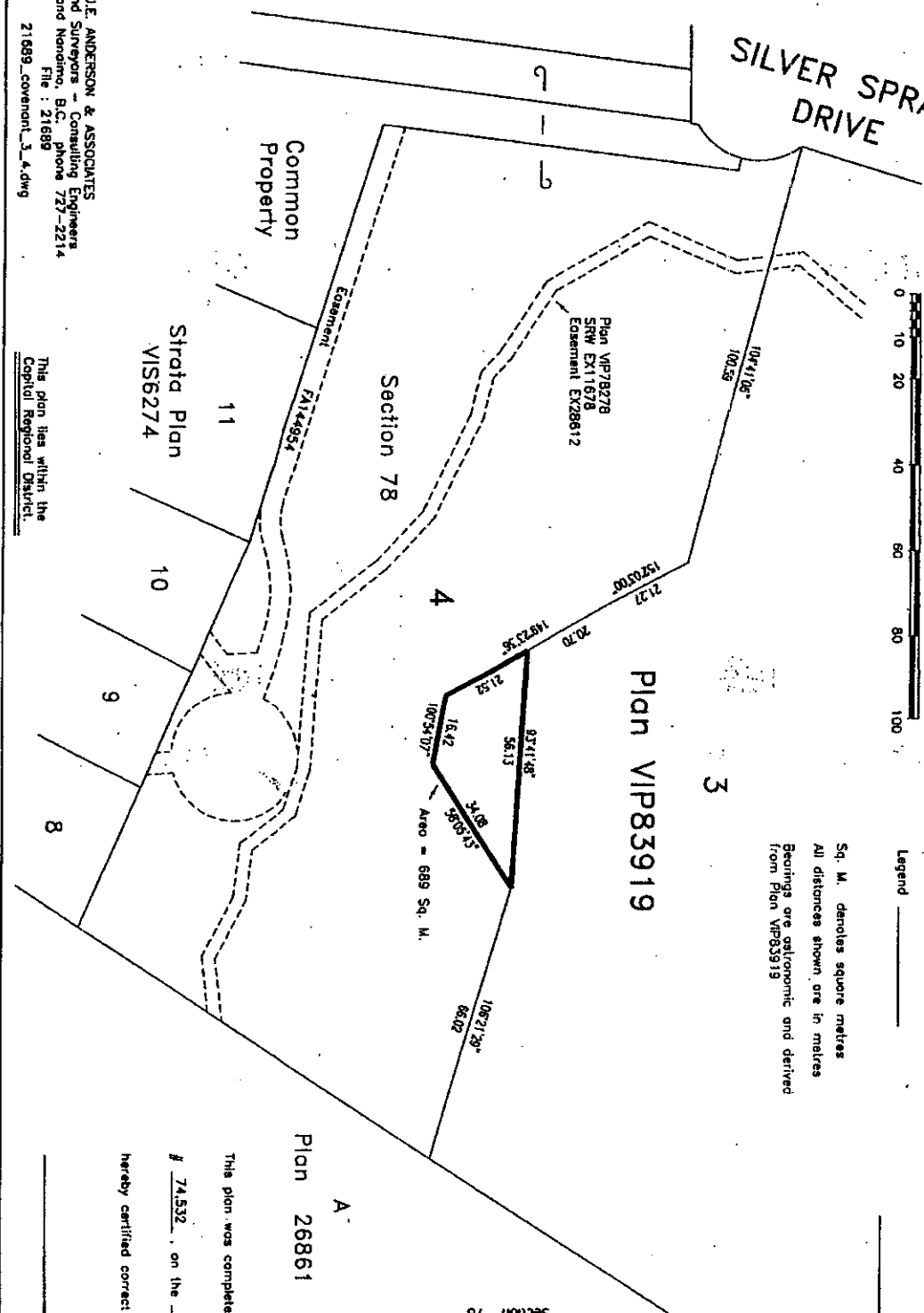
Registrar

Deposited in the Land Title Office of Victoria, B.C., this
day of _____, 2007.

PLAN VIP84332

Schedule "A"

SILVER SPRAY DRIVE



J.E. ANDERSON & ASSOCIATES
B.C. Land Surveyors - Consulting Engineers
Victoria and Nanaimo, B.C. phone 727-2214
File : 21689
21689_covenant_3_4.dwg

This plan lies within the
Capitol Regional District.

Plan 26861

This plan was completed and checked, and the checklist filed under # 74532, on the 10th day of December, 2007, and is hereby certified correct in accordance with Land Title Office records.

Michael S. Monson B.C.L.S.

END OF DOCUMENT

File: 11047.013

-2 JAN 2008 14 27

FB133435

LAND TITLE ACT

FORM 11(a)

Section 99 (1) (e), (j) and (k)

VIP84332

Plan # ID 27296687

APPLICATION FOR DEPOSIT OF REFERENCE OR EXPLANATORY PLAN (Charge)

GN 08/01/02 14:29:08 01 VI
PLANS

787630
\$54.00

Plan (as)

I, JAN MACLEAN, Legal Assistant to David Adams of Patterson Adams, Barristers and Solicitors (No. 10270), 402-707 Fort St., P.O. Box 1231, Victoria, B.C., V8W 2T6, apply on behalf of Spike Levine Investments Inc. (Inc. #A55736), to deposit an Explanatory Plan of Covenant over Lot 4, Plan VIP83919, Section 78, Sooke District.

We enclose:

- 1. The reference/explanatory plan.
- 2. The reproductions of the plan required by Section 67(u).
- 3. Fees of \$_____.

Dated at the City of Victoria, in the Province of British Columbia, this 2nd day of January, 2008.

Jan MacLean

Jan MacLean
of Patterson Adams (360-2991)
Barristers and Solicitors
402-707 Fort St., P.O. Box 1231
Victoria, B.C., V8W 2T6

BURNS SERVICES

Exhibit U

PROPOSED BUILDING SCHEME

LAND TITLE ACT
FORM 35
(section 220(1))

DECLARATION OF BUILDING SCHEME

Nature of Interest Charge: **STATUTORY BUILDING SCHEME**

Herewith Fees of: \$ _____

Address of person entitled to apply to register this Building Scheme:

LANDUS DEVELOPMENT GROUP (2014) INC.
1700 – 1075 WEST GEORGIA STREET, Vancouver, British Columbia V6E 3C9

Full name, address, and telephone number of person presenting application:

COX, TAYLOR – *Barristers and Solicitors*
Burnes House, Third Floor, 26 Bastion Square, Victoria, British Columbia V8W 1H9
(250) 388-4457

Signature of Solicitor

I, **Michael V. Thornton**, Director of **LANDUS DEVELOPMENT GROUP (2014) INC.** (the "Developer"), declare that:

1. The Developer is the registered owner in fee simple of the lands described in Schedule A to this Instrument (the "**Lots**").
2. The Developer hereby creates a Building Scheme relating to the Lots.
3. A sale of any of the Lots will be subject to the restrictions enumerated in Schedule B of this instrument.
4. The restrictions will be for the benefit of all Lots.

EXECUTIONS

Officer Signature	Execution Date	Party's Signature						
_____	<table border="1" style="border-collapse: collapse; width: 100%;"><tr><td style="width: 33%; text-align: center;">Y</td><td style="width: 33%; text-align: center;">M</td><td style="width: 33%; text-align: center;">D</td></tr><tr><td style="height: 40px;"> </td><td> </td><td> </td></tr></table>	Y	M	D				<p>LANDUS DEVELOPMENT GROUP (2014) INC. by its authorized signatory:</p> _____
Y	M	D						

CONSENT AND PRIORITY AGREEMENT OF CHARGEHOLDERS

I, _____, Authorized Signatory for **ROYAL BANK OF CANADA**, registered owner of Mortgage CA4030696, consent to registration of the above Declaration of Building Scheme and agree that it will have priority over the said charges.

Officer Signature

Execution Date

Y	M	D

Party's Signature

ROYAL BANK OF CANADA, by its authorized signatories:

OFFICER CERTIFICATION: Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

SCHEDULE A
THE LOTS

TO BE ADDED.

SCHEDULE B
SCHEDULE OF RESTRICTIONS

1. No part of the colour of the exterior surface of any dwelling on a Lot shall be changed without the written consent of the Developer.
2. No Lot (save and except Strata Lots 33 to 37, inclusive, 84, 85, and 88 to 119, inclusive) will be used for the purpose of carrying on an occupation, business, craft or profession, conducted for profit (the "**Business**"), unless:
 - (a) the Business is conducted by a resident of the Lot;
 - (b) no more than two non-residents of the Lot are employed in the Business;
 - (c) customers of the Business do not regularly attend the Strata Lot;
 - (d) the Business is conducted entirely within the interior of a dwelling unit on the Lot; and
 - (e) the Lot is use for a purpose other than:
 - (i) the production, storage or sale of food or beverages,
 - (i) weddings,
 - (ii) fitness training, and
 - (iii) manicures, pedicures, facials, massage, hair care , or as a spa.
3. No Lot shall contain a garbage disposal unit which is directly or indirectly connected to a water system, sewer system, or a waste water treatment facility.
4. The Developer will have the right and power, in its absolute discretion, from time to time, by any deed or deeds in writing, to waive or vary or release any of the foregoing restrictions with regards to any Lot or Lots affected thereby, subject or not to any different restrictions, provided always that the Developer is the registered owner of that Lot or those Lots. If all the said restrictions are so waived with regard to any Lot, then no benefit of the said restrictions will accrue to such Lot in relation to any other Lot or Lots in the building scheme. For the purposes of this clause and Section 220(3) of the *Land Title Act*, all of the Lots remain undisposed of at this time.

Exhibit V

PURCHASE AGREEMENT

Strata Lot:	Cottage Unit Number:
-------------	----------------------

AGREEMENT OF PURCHASE AND SALE

Vendor: **SookePoint Group of Companies**, being a joint venture between Landus Development Group Inc., Homeshare Equity Inc., 655063 British Columbia Ltd., 655064 British Columbia Ltd., 655065 British Columbia Ltd. S.M.S. Trading Ltd. and NuEnterprises Ltd. (together, the **"Vendor"**)

Telephone: 604.681.3565 Veronica Ext 216
 Email: Veronica@SookePoint.com
 Email: Michael@SookePoint.com
 203 - 5955 Fraser St., Vancouver BC V5W 2Z6

Purchaser: Full Name(s) _____ Address _____ City _____ Province _____ Postal Code _____ SIN or ID# _____ DOB: _____ Tel: (H) _____ (C) _____ Email: _____	Full Name(s) _____ Address _____ City _____ Province _____ Postal Code _____ SIN or ID# _____ DOB: _____ Tel: (H) _____ (C) _____ Email: _____
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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

Strata Lot: Provided that the Developer elects to proceed, the Strata Lot will be the interior of the strata lot to be constructed in a development known as "SOOKEPOINT" (the **"Development"**) to be located on a parcel of land legally described as PID: 028-633-075 Lot B, Section 78, Sooke District, Plan VIP89003 (the **"Property"**), shown on the preliminary strata plan (the **"Preliminary Plan"**) attached as Exhibit **B** to the Disclosure Statement filed with the Superintendent of Real Estate, as amended to the date hereof (collectively, the **"Disclosure Statement"**). On the Completion Date, the Vendor will be the beneficial owner of the Property; title will be legally held by Landus Development Group (2014) Inc. (the **"Registered Owner"**) as bare trustee for the Vendor. The Registered Owner will, on the Completion Date, convey title to the Purchaser in the manner provided in Section 3. The Strata Lot will be located in the area substantially as shown as preliminary strata lot on the Preliminary Plan.

Purchase Price:	\$	The Purchase Price excludes Tax (as defined in section 7.4).
Initial Deposit:	\$	An amount equal to 5% of the Purchase Price payable upon presentation of this Agreement by the Purchaser to the Vendor.
Second Deposit:	\$	A further deposit of an amount equal to 5% of the Purchase Price, payable within thirty (30) days of acceptance of this Agreement by the Vendor.
Third Deposit:	\$	A further deposit of an amount equal to 5% of the Purchase Price, payable upon the 10 th day following delivery of the Amendment to the Purchaser advising that the Vendor has secured the Building Permit.
Fourth Deposit:	\$2,000.00	A further deposit of \$2,000, payable 30 days prior to the anticipated completion date, for which the Vendor will give 14 days notice in writing or via email.

INITIALS		
Purchaser	Purchaser	Vendor

Strata Lot: Cottage Unit Number:

(the Initial Deposit, the Second Deposit , the Third Deposit and the Fourth Deposit, when paid, are collectively called the "Deposit"). All deposits comprising the Deposit, will be payable by cheque, certified cheque or bank draft to "Cox Taylor In Trust".

The Purchase Price includes the appliances specified on the Feature Sheet attached to this Agreement.

The Buyer hereby acknowledges there will be a privacy wall along :

- the left side
- the right side
- both sides of the building
- _____

and that external walkway access to the Strata Lot may be through a trellis arbour which is situate on common property and which form a shared amenity managed by the Strata Corporation.

Parking Stall(s): The Purchase Price will include the right to the exclusive use of one parking stall when they are in residence, such parking stall to be allocated to the Purchaser as contemplated in the Disclosure Statement in a location as determined by the Vendor.

Irrevocable Acceptance: The Vendor and the Purchaser specifically confirm that this Agreement is executed under seal. It is agreed and understood that except as expressly provided in this Agreement, both the Purchaser's and the Vendor's acceptance is irrevocable, including without limitation, during the period prior to the date specified for the Purchaser or the Vendor to either:

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

Receipt for Disclosure Statement: The Purchaser acknowledges that prior to the execution of this Agreement, the Purchaser received a copy of the Disclosure Statement and was given a reasonable opportunity to read and understand the Disclosure Statement and the execution by the Purchaser of this Agreement will constitute a receipt in respect thereof. The Purchaser also acknowledges that such Disclosure Statement relates to a development property that is not yet completed.

THE TERMS AND CONDITIONS ATTACHED HERETO AS SCHEDULE "A" AND TERMS AND CONDITIONS CONTAINED IN ALL OTHER ATTACHED SCHEDULE(S) AND ADDENDA FORM PART OF THIS AGREEMENT TO PURCHASE AND AGREEMENT OF PURCHASE AND SALE. READ THEM CAREFULLY BEFORE YOU SIGN.

The Purchaser hereby agrees and, if this Agreement is accepted by the Vendor, agrees to purchase from the Vendor the Strata Lot on the terms set out above and the Schedules hereto which form a part of this Agreement. This Agreement will be open for acceptance by the Vendor on presentation until 5 o'clock p.m. on _____, 20__.

Date: _____, 20__.

--

Witness Signature

--

Witness Name (please print)

--

Purchaser Signature

--

Purchaser Signature

The Vendor hereby accepts the Purchaser's Agreement herein and agrees to sell the Strata Lot to the Purchaser on the terms set out above and in the Schedules attached hereto.

Date: _____, 20__.

SOOKEPOINT GROUP OF COMPANIES

Per: _____
Authorized Signatory

SCHEDULE A

INITIALS		
Purchaser	Purchaser	Vendor

1.0 PURCHASE PRICE AND PAYMENT

1.1 Payment of Purchase Price by Purchaser.

- (a) The Purchaser will pay the Initial Deposit, the Second Deposit, the Third Deposit and the Fourth Deposit in the amounts and at the times stipulated on page 1 of this Agreement.
- (b) The Deposit will be paid to **Cox Taylor In Trust** (the "**Vendor's Solicitor**"), and held and paid in accordance with section 1.2. The Purchaser will pay the balance of the Purchase Price on the Completion Date by certified solicitor's trust cheque or bank draft as provided in section 7.10 and in accordance with section 3.6.

1.2 Payment of the Deposit by the Vendor's Solicitor.

In respect of the Deposit, the Vendor's Solicitor is authorized:

- (a) to invest such amount in an interest-bearing account of any Canadian chartered bank or other reputable financial institution selected by the Vendor's Solicitor; and
- (b) unless precluded by Court order, to pay the Deposit:
 - (i) to the Purchaser 10 business days after receipt by the Vendor's Solicitor of:
 - (1) a copy of the written notice to the Vendor from the Purchaser or the solicitor for the Purchaser (the "**Purchaser's Solicitor**") cancelling the Agreement resulting from acceptance of this Agreement (the "**Agreement**") in accordance with sections 2.2 and evidence that such notice was given to the Vendor; or
 - (2) a copy of the written notice to the Purchaser or the Purchaser's Solicitor from the Vendor cancelling the Agreement in accordance with sections 2.4 or 4.1 and evidence that such notice was given to the Purchaser or the Purchaser's Solicitor;
 or, if no such notice and evidence have been received, then:
 - (ii) to the Vendor on account of the Purchase Price concurrently with the completion of the purchase and sale contemplated by the Agreement;
 - (iii) to the Purchaser as liquidated damages and as the Purchaser's sole remedy if the purchase and sale contemplated by the Agreement is not completed by reason of the Vendor's default hereunder; or
 - (iv) to the Vendor if the Purchaser is in breach of any covenant or obligation hereunder, or the purchase and sale contemplated by the Agreement is not completed by reason of the Purchaser's default hereunder, upon receipt of the written certification from the Vendor required in accordance with section 18(4) of REDMA, without prejudice to any other right or remedy of the Vendor and subject to section 7.7. If the Purchaser is in breach of any of the covenants or obligations hereunder, the Vendor may, at its election, retain the Deposit and accrued interest thereon as liquidated damages (being a genuine pre-estimate of the minimum amount of damages the parties agree the Vendor is expected to suffer as a result of termination), without prejudice to Vendor's other remedies, including a right to recover additional damages. For greater certainty, for the purposes of section 18(4) of REDMA, if the Purchaser fails to pay a subsequent deposit when required, the Vendor may elect to cancel the Agreement and, if the Vendor makes such election, the amount of the Deposit is forfeited to the Vendor. The Purchaser further acknowledges and agrees that the Vendor's Solicitor is entitled to rely on the Vendor's statement that the Purchaser is in breach of a covenant or obligation hereunder and may pay the Deposit to the Vendor under this paragraph 1.2(b)(iv) notwithstanding the Vendor's knowledge of any adverse claim to the Deposit including a claim by the Purchaser.

The interest, if any, accrued on the Deposit will be for the account of the Purchaser.

Notwithstanding the foregoing, in the event the Vendor enters into a Deposit Protection Contract (as defined in REDMA), the Vendor's Solicitor will pay the Deposit to the Vendor upon receipt of the original or a true copy of the Deposit Protection Contract from an insurer. In such case, the Vendor may use the Deposit for purposes related to the Development, including, without limitation, the construction and marketing of the Development, in accordance with the provisions of REDMA.

2.0 COMPLETION OF THE PURCHASE AND SALE

2.1 Completion Date.

The completion of the purchase and sale of the Strata Lot will take place on the date (the "**Completion Date**") to be specified by the Vendor which is not less than 10 Business Days after the day the Vendor or the Vendor's Solicitor notifies the Purchaser or the Purchaser's Solicitor (the "**Completion Notice Date**") that:

- (a) an Occupancy Permit (as defined in section 2.3) has been or is expected to be issued; and
- (b) a strata plan in respect of the Phase (the "Strata Plan") has been or is expected to be fully registered in the Land Title Office.

INITIALS		
Purchaser	Purchaser	Vendor

The Purchaser acknowledges that the Completion Date Notice may be based on the Vendor's estimate as to when an Occupancy Permit is to be issued and the Strata Plan is to be fully registered. The Purchaser agrees that if the Occupancy Permit has not been issued and the Strata Plan not fully registered prior to the Completion Date, the Completion Date will be automatically extended to the date which is the Business Day following the day on which such events have occurred and time shall remain of the essence, without compensation to or consent from the Purchaser. Notwithstanding the foregoing, the Vendor may in its sole and absolute discretion extend any Completion Date for any reason by delivery of written notice to the Purchaser or the Purchaser's Solicitors without compensation to or consent from the Purchaser, even after the Completion Date has been specified by the Vendor as set out above.

The Purchaser acknowledges that the estimated target dates for completion of construction of the phases of the Development (the "Target Dates") set out in the Disclosure Statement are distinct from and could be earlier or later than the Completion Date. The Target Dates relate to the possible date on which construction work is expected to complete and accordingly is subject to availability of labour, materials, fuel and other supplies, approvals by governmental authorities, weather and other acts of God and accordingly may change from time to time without further notice or compensation to the Purchaser.

2.2 Right to Cancel - Purchaser.

If by (the "Cancellation Option Date"), or if a later date results from:

- (a) an agreement in writing between the parties to a later date;
- (b) the application of section 5.3;
- (c) the Vendor's exercise of its option by notice to the Purchaser to extend the Cancellation Option Date for up to 120 days, in addition to any extension pursuant to subparagraph (a) and (b) above and whether or not any delay described in section 5.3 has occurred,

then by such later date, if the Occupancy Permit has not been issued and the Strata Plan has not been deposited for registration in the Land Title Office, the Purchaser will have the right to cancel the Agreement by giving 10 Business Days' written notice to the Vendor provided that such notice is received by the Vendor before the earlier of:

- (d) the date of issuance of the Occupancy Permit; and
- (e) the date the Strata Plan is deposited for registration in the Land Title Office,

but in no event later than 30 days following the Cancellation Option Date. In such case, the Deposit and any interest that may have accrued thereon will be paid in accordance with section 1.2 and, subject to section 7.1, the Agreement will be null and void effective as of the date of receipt of the notice by the Vendor and there will be no further obligations as between the Vendor and the Purchaser.

The Buyer may also cancel this Agreement:

- (i) where entitled to do so in accordance with Section 21 of the *Real Estate Development Marketing Act*;
- (a) if it has not received from the Seller, within twelve (12) months from the date the original Disclosure Statement was filed with the British Columbia Superintendent of Real Estate, a Disclosure Statement amendment setting out the particulars of a building permit issued by the District of Sooke for the Development, unless prior to delivering a notice of cancellation the Buyer has received a Disclosure Statement amendment from the Seller;
- (b) within seven (7) days following receipt of a Disclosure Statement setting out particulars of the building permit issued by the District of Sooke, if the layout or size of the Property, the construction of a major common facility or the general layout of the Development is materially changed by the issuance of the building permit;
- (c) if it has not received from the Seller, within twelve (12) months from the date the original Disclosure Statement was filed with the British Columbia Superintendent of Real Estate, a Disclosure Statement amendment setting out particulars of a satisfactory financing commitment, unless prior to delivering a notice of cancellation the Buyer has received the Disclosure Statement amendment from the Seller.

2.3 Occupancy Permit.

For the purposes of this Agreement, "Occupancy Permit" will mean the permission by the District of Sooke (the "District") for occupation of the Strata Lot which refers to the occupation of the Strata Lot, but not necessarily any other strata lot in the Development or the common property (the "Common Property") within the Development. In the event the Occupancy Permit is a conditional certificate issued by the District, the Vendor will provide the Purchaser with an unconditional Occupancy Permit issued by the District for the Strata Lot or the Phase as soon as is reasonably practical.

2.4 Right to Cancel - Vendor.

- (a) If the final building permit for the Phase of the Development including the Strata Lot has not been issued by March 25, 2017 (or if a later date results from the application of section 5.3, then by such later date), the Vendor will have the right to cancel the Agreement by giving 10 Business Days' written notice to the Purchaser or the Purchaser's Solicitor.
- (b) If construction of the Phase of the Development including the Strata Lot has not commenced within one hundred twenty days from the date specified in Section 2.4(a) above (or if a later date results from the application of section

INITIALS		
Purchaser	Purchaser	Vendor

5.3, then by such later date), the Vendor will have the right to cancel the Agreement by giving 10 Business Days' written notice to the Purchaser or the Purchaser's Solicitor. For the purposes of this subsection 2.4(b), the construction of the Development will be deemed to have commenced once the pouring of the concrete for the foundation for the Development has commenced.

If by the Cancellation Option Date, subject to the Vendor's option exercisable by written notice to the Purchaser to extend the Cancellation Option Date for up to 120 days on or before the Cancellation Option Date, in addition to any extension pursuant to subparagraph (i) and (ii) below and whether or not any delay described in section 5.3 has occurred, or if a later date results from: (i) an agreement in writing between the parties to a later date; (ii) the application of section 5.3; and/or (iii) the Vendor's exercise of its option to extend the Cancellation Option Date as described in the first sentence of this section, then by such later date, if the Vendor has not deposited the Strata Plan for registration in the Land Title Office or the District has not issued the Occupancy Permit, the Vendor will have the right to cancel the Agreement by giving 10 Business Days' written notice to the Purchaser or the Purchaser's Solicitor.

- (c) In the event the Vendor redesigns the Development in such a manner that the layout, location, design and/or estimated area of the Strata Lot is, in the Developer's sole opinion, significantly different than is indicated or described in the Disclosure Statement, the Vendor will have the right to cancel the Agreement by giving 10 Business Days' written notice to the Purchaser or the Purchaser's Solicitor.
- (d) In the event the Vendor is unable to secure financing for construction of the Strata Lot, on or before March 25, 2017, on terms which the Vendor, in its absolute discretion considers appropriate, the Vendor will have the right to cancel the Agreement by giving 10 Business Days' written notice to the Purchaser or the Purchaser's Solicitor.

In the case of cancellation of the Agreement pursuant to this section 2.4, subject to section 7.1, the Agreement will be null and void effective as of the date of receipt of the notice by the Purchaser or the Purchaser's Solicitor, the Vendor will repay to the Purchaser all amounts paid hereunder in accordance with section 1.2 and there will be no further obligations as between the Vendor and the Purchaser.

3.0 CLOSING PROCEDURE

3.1 Preparation of Closing Documents.

The Purchaser will cause the Purchaser's Solicitor to prepare and to deliver to the Vendor's Solicitor at least five Business Days prior to the Completion Date the following:

- (a) a Form A Freehold Transfer, as prescribed under the *Land Title Act* in respect of the Strata Lot (the "Transfer"); and
- (b) a Vendor's statement of adjustments prepared in accordance with this Agreement.

3.2 Return of Closing Documents.

On or before the Completion Date, the Vendor's Solicitor will deliver to the Purchaser's Solicitor the following:

- (a) the Transfer, duly executed by the Vendor and in registerable form;
- (b) the Vendor's statement of adjustments approved by the Vendor; and
- (c) any documents relating to the allocation of the parking stall(s), as the case may be, duly executed as required.

3.3 Vendor's Interest.

The Purchaser acknowledges that it has been advised by the Vendor and confirms and agrees that:

- (a) the Vendor is solely responsible for the construction, marketing and sale of the Development; and
- (b) the Purchaser will at all times deal with the Vendor in respect of the transactions contemplated herein.

3.4 Acceptance and Registration of Transfer.

The Purchaser agrees to accept the Transfer in satisfaction of section 6 of the *Property Law Act* (British Columbia) and the parties agree that the Transfer and this Agreement together will be deemed to effect a transfer of the Vendor's beneficial interest in the Strata Lot to the Purchaser. The Purchaser's Solicitor will be responsible for submitting the Transfer to the Land Title Office and upon acceptance of the Transfer for registration at the Land Title Office and upon receipt of a satisfactory post-lodging index search in the Land Title Office showing that the Transfer will be registered subject only to the encumbrances contemplated in the Disclosure Statement and section 3.5 and any financing arranged by the Purchaser, the Purchaser will cause the Purchaser's Solicitor to pay and deliver the balance of the funds necessary to complete the purchase and sale of the Strata Lot as set out on the Vendor's statement of adjustments (the "Closing Funds") to the Vendor's Solicitor on the Completion Date.

3.5 Vendor's Construction Financing and Builders Lien Claims.

The Transfer may be subject to: (a) the Vendor's financing arranged in connection with the construction of the Development; and (b) any builders lien claims, provided that the Vendor's Solicitor undertakes to clear title of all such encumbrances within a reasonable period of time after receiving the Closing Funds.

3.6 Purchaser's Financing.

If the Purchaser is relying upon a new mortgage (the "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

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Transfer and the New Mortgage have been lodged for registration in the 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 New Mortgage for registration; and
- (c) made available to the Vendor a lawyer's or notary's undertaking to pay the Purchase Price upon the lodging of the Transfer and the New Mortgage and the advance by the new mortgagee of the proceeds from the New Mortgage.

4.0 RISK, ADJUSTMENT AND POSSESSION

4.1 Risk.

The Strata Lot and all other items included in the purchase contemplated herein will be and remain at the risk of the Vendor until 12:01 a.m. (Pacific time) on the Completion Date and thereafter at the risk of the Purchaser. In the event of material damage to the Strata Lot and/or the Development as determined by the Vendor occurring before such time the Vendor may, at the Vendor's option, by written notice to the Purchaser or the Purchaser's Solicitor, cancel the Agreement. In such case, the Deposit and any interest accrued thereon will be paid in accordance with section 1.2 and, subject to section 7.1, the Agreement will be null and void effective as of the date of receipt of the notice by the Purchaser or the Purchaser's Solicitor and there will be no further obligations as between the Vendor and the Purchaser. In the event the Vendor does not cancel the Agreement pursuant to this section 4.1:

- (a) the Purchaser will complete the purchase on the Completion Date; and
- (b) the amount of any insurance proceeds in connection with loss or damage to the Strata Lot occurring prior to the passing of risk and not applied by the Vendor or the insurer to the cost of repairs, will be assigned and will be payable to the Purchaser.

For the purpose of this section 4.1, "material damage" means loss or damage to or destruction of the Strata Lot and/or the Development to such an extent that, in the reasonable opinion of the Vendor, the repair thereof cannot be substantially completed within 60 days.

4.2 Adjustments.

The Purchaser will assume and pay all taxes, rates, assessments, maintenance fees and other charges and will be entitled to receive all income relating to the Strata Lot from and including the date following the Completion Date and all adjustments, both incoming and outgoing of whatsoever nature in respect of the Strata Lot will be made as of such date and the balance of the Purchase Price due on the Completion Date will be adjusted accordingly. If the amount of any such taxes, rates or assessments have been levied in respect of a parcel greater than the Strata Lot, the portion thereof which will be allocated to the Strata Lot will be determined as follows:

- (a) if such parcel includes the Property and other land, the amount will be prorated as to the Property in the proportion that the permitted buildable square footage of the Property bears to the permitted buildable square footage of the whole of such parcel; and
- (b) if such parcel is in respect of the Property only, the amount applicable to the Strata Lot will be prorated in the proportion that either:
 - (i) the unit entitlement figure assigned to the Strata Lot bears to the aggregate unit entitlement figure for all strata lots in the Development, as shown on the Form V under the *Strata Property Act* (British Columbia) (the "SPA"); or
 - (ii) the value assigned to the Strata Lot bears to the aggregate value of all strata lots in the Development, to be calculated by the Vendor based on the relative market value of the strata lots as determined by the Vendor, acting reasonably, with reference to the Vendor's initial price list for the strata lots,

as determined by the Vendor in its sole and absolute discretion.

4.3 Possession.

So long as the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Strata Lot have been paid in full, the Purchaser will have vacant possession of the Strata Lot at 12:01 p.m. (Pacific time) on the day following the Completion Date.

5.0 CONSTRUCTION

5.1 Construction.

The plans and specifications (the "Plans") for the Strata Lot are the development permit plans and the working drawings prepared for the Development, subject to such modifications as may be determined by the Vendor from time to time, changes required by the District or other approving authorities or as otherwise permitted herein or accepted by the Vendor's Architect (as defined hereinafter) upon certification of substantial completion of the Development. The Vendor acknowledges that the Plans will include a microwave, exhaust/hood fan, electric range/oven, dishwasher and refrigerator, washer/dryer, flooring throughout living areas and carpeting in bedroom areas, unless noted otherwise in the floor plans. The Purchaser acknowledges

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that any 'sliding walls' advertised as part of the strata lots in the Development are patio doors and are only included in those strata lots which show such sliding walls on the plans for that strata lot.

The Vendor will construct and complete the Development and Strata Lot in a good and workmanlike manner substantially in accordance with the Plans, subject to any changes required by the District or other approving authorities. Notwithstanding the foregoing, the Vendor reserves the right to:

- (a) make minor modifications and changes to building design, specifications, features, layout, ceiling heights, column size and location, floor plans, the size and the number and location of windows and doors within the Strata Lot and the Development, add, reduce or relocate elevators, assign cross-over floors for emergency access and make such other such minor modifications as, in the sole opinion of the Vendor and/or the architect retained by the Vendor, any entity affiliated with the Vendor or the project manager (collectively, the "**Vendor's Architect**"), are desirable or reasonable; and
- (b) use materials, fixtures, finishes, or appliances other than as prescribed in the Plans, provide that alternative materials, fixtures, finishes, or appliances are, in the sole opinion of the Vendor's Architect, of a quality reasonably comparable to those prescribed in the Plans,

all without notice or compensation to or consent from the Purchaser.

5.2 Warranty Coverage.

The Vendor affirms the construction warranty coverage set out in the Disclosure Statement and the Purchaser acknowledges and agrees that such construction warranty coverage is the sole warranty to be provided by the Vendor or another entity in connection with the Strata Lot and/or the Development.

5.3 Delay.

If the Vendor is delayed from completing the Strata Lot, depositing the Strata Plan for registration in the Land Title Office or performing any other obligation herein 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, earthquake, act of God, delay or failure by carriers or contractors, unavailability of supplies or materials, breakage or other casualty, climatic conditions, terrorist attack, interference of the Purchaser, or any other event beyond the control of the Vendor (other than lack of money), then the dates set forth in sections 2.2 and 2.4 and any date by which the Vendor must perform such obligation under the Agreement will be extended for a period equivalent to such period of delay.

5.4 Access.

Subject to the inspection referred to in section 5.5, in order to ensure compliance with the Vendor's safety guidelines for the construction site, neither the Purchaser nor the Purchaser's agents or representatives will under any circumstances be permitted to inspect the Strata Lot or to enter the construction site prior to the Completion Date.

5.5 Deficiencies.

Prior to the Completion Date, the Vendor or a representative of the Vendor (the "**Vendor's Rep**") together with the Purchaser will inspect the Strata Lot at a reasonable time designated by the Vendor by written notice to the Purchaser. At the conclusion of such inspection, a conclusive list (the "**Deficiencies List**") of any defects or deficiencies (the "**Deficiencies**") will be prepared by the Vendor's Rep, is to be executed by both the Vendor and the Purchaser, and the Purchaser will be deemed to have accepted the physical condition of the Strata Lot subject only to the Deficiencies List. On or before the Completion Date, the Vendor will provide the Purchaser or the Purchaser's Solicitor with a copy of the Deficiencies List. 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, if any, are to be rectified after the Completion Date. The Vendor, its representatives and sub-contractors will have the right to enter the Strata Lot for a period of 30 Business Days following the Completion Date, or such longer period as the Deficiencies might reasonably take to rectify, during normal working hours without notice in order to carry out the work necessary to rectify the Deficiencies and to inspect such work. If the Purchaser does not attend at the inspection in accordance with this paragraph or fails to sign the list of Deficiencies, the Purchaser will be deemed to be satisfied with and to have accepted the physical condition of the Strata Lot on the Completion Date. If there are any disputes between the Vendor and the Purchaser with respect to the Deficiencies List, the Purchaser must notify the Vendor in writing at least five days prior to the Completion Date. In such event, the Vendor will cause Vendor's Architect to prepare a conclusive list of any defects and deficiencies in the Strata Lot, and the Purchaser will be deemed to have accepted the physical condition of the Strata Lot subject only to the defects and deficiencies listed by the Vendor's Architect, if any, and will complete the purchase of the Strata Lot on the Completion Date. The Purchaser acknowledges and agrees that there will be no holdback from the Closing Funds in respect of the Deficiencies.

5.6 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 Solicitor on the Completion Date. The Lien Holdback will be held for the Purchaser, in trust, pursuant to the SPA and *Builders Lien Act* (British Columbia) (or successor statutes) solely in respect of lien claims registered in the Land Title Office against title to the Strata Lot in connection with work done or materials supplied at the request of the Vendor with respect to the Development. The Vendor's Solicitor is authorized to invest the Lien Holdback as permitted by section 1.2 and pay to the Vendor on the earlier of the date in which the time for filing a claim of lien under the *Builders Lien Act* (British Columbia) expires and the 56th day after the Strata Lot is conveyed to the Purchaser, the Lien Holdback

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plus interest, if any, accrued thereon, less the amount of any builders lien claims filed against the Strata Lot of which the Purchaser or the Purchaser's Solicitor notifies the Vendor's Solicitor in writing by 2:00 p.m. (Pacific time) on that day. The Purchaser hereby authorizes the Vendor to bring any legal proceedings required to clear title to the Strata Lot of any lien claims filed with respect thereto including payment of funds into Court if desired by the Vendor.

5.7 Phase, Suite and Strata Lot Numbers.

The Purchaser acknowledges and agrees that the phase, suite 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 address assigned to the Development as of the date hereof are subject to change at the discretion of the Vendor.

5.8 Finishing Details.

- (a) If at the option of the Vendor there are any details left to the choice of the Purchaser in the finishing of the Strata Lot, the Purchaser will, within 10 days after written notice from the Vendor to the Purchaser or the Purchaser's Solicitor requesting the same be given, inform the Vendor by written notice of his choice of such details. If no written notice is received by the Vendor from the Purchaser within such 10 day period, the Vendor will make the choice for the Purchaser in the Vendor's sole discretion and the Purchaser agrees to accept the Vendor's choice.
- (b) The Purchaser acknowledges and agrees that any natural materials used in the finishing of the Strata Lot, including without limitation, stone, granite and wood, may have conspicuous variations in colour, grain, vein, texture, pattern and size and any such variations are merely characteristics of the respective materials and will not be considered as deficiencies in the Strata Lot.

5.9 Parking Stalls and Storage Areas.

The Purchaser acknowledges and agrees that:

- (a) the parking stall(s) including the ones assigned to the Purchaser, will vary in size, shape and convenience of location; and
- (b) some parking stall(s), including the ones assigned to the Purchaser, may be partially obstructed by trellis arbours, planters, landscaping, electrical equipment, a fire hydrant or other facilities.

6.0 **ASSIGNMENT**

6.1 No Assignment by Purchaser.

The Purchaser will not sell or assign its rights, benefits and obligations under this Agreement without the prior written consent of the Vendor, which consent shall not be unreasonably withheld.

6.2 Definition of Related Individual.

For the purposes of this Agreement, "**Related Individual**" means:

- (a) a brother, sister, child, grandchild, parent or grandparent of the Purchaser;
- (b) a spouse of the Purchaser or of an individual described in subsections 6.2(a) above; or
- (c) a company in which the Purchaser or an individual described in subsections 6.2(a) or 6.2(b) above has a controlling interest.

6.3 Assignment to Related Individuals.

Subject to section 6.1 and receiving the Vendor's prior written consent, the Purchaser may assign its rights, benefits and obligations under this Agreement to a Related Individual or Related Individuals provided that:

- (a) the Completion Date Notice has not yet been received by the Purchaser;
- (b) if the Vendor receives the request for consent to the assignment more than 48 hours after acceptance of this Agreement by the Vendor, an assignment fee is paid by the Purchaser to the Vendor in an amount equal to \$500.00; and
- (c) the Related Individual and the Purchaser enter into an assignment agreement and a consent agreement, the forms of which will be provided by the Vendor, wherein: (i) the Related Individual agrees to assume all the obligations of the Purchaser under this Agreement; and (ii) the Deposit is assigned to and deemed to belong to the Related Individual as if the Deposit was paid by the Related Individual to the Vendor under this Agreement, and a copy of each such agreement is delivered to the Vendor.

6.4 Assignment to Third Party.

- (a) Subject to section 6.1 and receiving the Vendor's prior written consent, at any time after a sufficient number of the strata lots in the Development are sold (the "**Sales Requirement**"), as determined by the Developer in its sole discretion, but no later than one month prior to the estimated date for the completion of the construction of the Development (as set forth in the Disclosure Statement), the Purchaser may assign its rights, benefits and obligations under this Agreement to a person other than a Related Individual (the "**Third Party**") provided that:

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- (i) the total amount (the “**Assignment Price**”) the Third Party will pay to the Purchaser and the Vendor in respect of the assignment of the Agreement and the purchase of the Strata Lot, respectively, which amount includes the Purchase Price, is equal to or greater than the Purchase Price;
 - (ii) an assignment fee equal to \$750 plus Tax is paid by the Purchaser to the Vendor at the time the assignment agreement and consent agreement are executed by the Vendor; and
 - (iii) the Third Party and the Purchaser enter into an assignment agreement and a consent agreement, the forms of which will be provided by the Vendor, wherein: (1) the Third Party agrees to assume all the obligations of the Purchaser under the Agreement; and (2) the Deposit is assigned to and deemed to belong to the Third Party as if the Deposit was paid by the Third Party to the Vendor under this Agreement, and a copy of each such agreement is delivered to the Vendor.
- (b) Notwithstanding the Sales Requirement contained in subsection 6.4(a), but subject to section 6.1 and receiving the Vendor’s prior written consent, the Purchaser may assign its rights, benefits and obligations under this Agreement to a Third Party on the same terms and conditions as those contained in subsection 6.4(a) at any time between the dates that are six months and one month prior to the estimated date for the completion of construction of the Development (as set forth in the Disclosure Statement).

6.5 Liability of Purchaser.

In the event of an assignment in accordance with section 6.3 or 6.4, the Purchaser will remain fully liable under the Agreement and such assignment will not in any way relieve the Purchaser of its obligations under the Agreement.

6.6 Assignment by Vendor.

The Vendor will be entitled to sell and/or assign its rights, benefits and/or obligations under this Agreement without the consent of the Purchaser. In such case, the Purchaser acknowledges and confirms that: (a) the new developer will be the assignee of the Vendor; and (b) other entities involved in the development of the Development may sell and/or assign their interest in the Development, and the identity of the Vendor, the new developer and/or any other entities involved in the development of the Development are not material to the Purchaser in proceeding with the transaction contemplated herein.

7.0 **MISCELLANEOUS**

7.1 Limitation on Deposits

In accordance with the provisions of REDMA, the Vendor acknowledges that: (i) the amount of the deposit to be paid by the Purchaser who has not yet received the Amendment shall be no more than 10% of the Purchase Price; and (ii) all deposits paid by the Purchaser, including interest earned if applicable, will be returned promptly to the Purchaser upon notice of cancellation from the Purchaser given in accordance with section 2.2. If the Purchaser elects to terminate the Agreement as aforesaid, the Agreement will be null and void effective as of the date of receipt of the notice by the Vendor and there will be no further obligations as between the Vendor and the Purchaser.

7.2 Survival.

There are no representations, warranties, conditions or contracts or collateral representations, warranties, conditions or contracts, express or implied, statutory or otherwise, or applicable hereto (including without limitation, arising out of any marketing material such as advertisements, sales brochures, representative view sets, model displays, show room displays, photographs, illustrations or renderings provided to the Purchaser or made available to the Purchaser for viewing) other than those contained herein or in the Disclosure Statement, all of which will survive the Completion Date, registration of the Transfer and payment of the Purchase Price.

7.3 Costs.

The Purchaser will pay all costs (including legal fees, property transfer tax and all Tax (as defined below) in connection with the sale and purchase of the Strata Lot other than the costs of the Vendor incurred in clearing title to the Strata Lot.

7.4 Sales and Transfer Taxes.

In addition to the Purchase Price, the Purchaser will be liable for and will pay costs in connection with the sale and purchase of the Strata Lot (including property transfer tax and GST and any federal and provincial sales, goods and services, provincial or federal transition, harmonized sales, 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), other than the costs of the Vendor incurred in clearing title to the Strata Lot. Without limiting the generality of the foregoing, the Purchaser agrees that the Purchase Price does not include any applicable taxes, including goods and services tax (“**GST**”), or any other federal or provincial sales, service, value added, transition or other tax that may be applicable to the sale of the Strata Lot hereunder, and the equipment, appliances and any parking stall included in the Purchase Price, whether levied against the Purchaser, the Vendor or the Vendor’s nominee (collectively, “**Tax**”), all of which shall be payable by the Purchaser on the Completion Date in addition to the Purchase Price.

Notwithstanding the foregoing, if the Purchaser is a corporation which is registered for GST purposes and, on or before the Completion Date, the Purchaser provides the Vendor with a certificate as to the GST registered status of the Purchaser

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containing the Purchaser's GST registration number, the Purchaser will not be required to pay the GST to the Vendor but will be entitled to self-assess the GST and account for the same directly to CRA.

B.C. Transition Tax is not eligible on the Purchase Price, and the Seller is NOT a foreign supplier.

Disclosure regarding Taxes:	Purchase Price before Taxes	\$
	Taxes (5%)	\$
	Total Price (including Taxes)	\$

7.5 Common Areas.

The Purchaser acknowledges that the Development may include service facilities and equipment required in connection therewith such as transformers, power and communication conduits, fire protection systems and equipment, wastewater, mechanical and electrical systems and equipment, emergency generator systems and equipment, electrical room, vents, ducts, fans and other such facilities and equipment (collectively, the "Service Facilities"). The Service Facilities will be located within the Development as required by the District of Sooke or as recommended by the Vendor's consultants. The Purchaser acknowledges and agrees that:

- (a) the current Plans may not indicate the location of all the Service Facilities and that the Vendor reserves the right to relocate, add, delete or modify all or a portion of the Service Facilities as deemed necessary by the Vendor, without compensation to the Purchaser or the Strata Corporation;
- (b) the Vendor reserves the right to relocate, add, delete or modify any storage areas or rooms on the Common Property, without compensation to the Purchaser or the Strata Corporation;
- (c) certain Service Facilities may be located on the Common Property adjacent to the Strata Lot and located within or adjacent to limited common property of the Strata Lot. As a result, such Service Facilities may obstruct views, sight lines or light. As well, noise, vibration, light and/or odours emanating from such Service Facilities may be perceptible by the occupants of the Strata Lot.

7.6 Strata Corporation Obligations.

The Purchaser acknowledges and agrees:

- (a) that the Strata Corporation will be bound by certain obligations of the Vendor, including without limitation, any agreements made or assumed from time to time by or on behalf of the Strata Corporation or as contemplated in the Disclosure Statement (collectively referred to as the "Strata Corporation Obligations"), in the place and stead of the Vendor;
- (b) that the Strata Corporation will assume all costs relating to the Strata Corporation Obligations;
- (c) at all times, to act in a manner consistent with the Strata Corporation Obligations; and
- (d) to not wilfully or negligently do, or omit to do, any act or thing which may put the Vendor or the Strata Corporation in breach of the Strata Corporation Obligations.

7.7 Time.

Time will be of the essence and unless all payments on account of the Agreement Price, together with adjustments thereto as provided herein and all other amounts payable hereunder are paid when due, the Vendor may at its option:

- (a) cancel the Agreement by written notice to the Purchaser or the Purchaser's Solicitor and in such event the amount theretofore paid by the Purchaser and any interest accrued thereon will be absolutely forfeited to the Vendor in accordance with section 1.2 without prejudice to its other remedies which amount the Vendor will be entitled to be paid upon written demand therefore by the Vendor; or
- (b) elect to complete the transaction contemplated herein, in which event the Purchaser will pay to the Vendor, in addition to the Purchase Price, interest on the unpaid portion of the Purchase Price and other unpaid amounts payable hereunder at the rate of 1.5% per month (18% per annum) calculated daily from the date upon which such portion and amounts were due to the date upon which such portion and amounts are paid.

The Vendor may so cancel the Agreement at any time during the continuance of the default by the Purchaser, even if the Vendor has previously elected not to cancel the Agreement. If the Purchaser's default continues beyond the extended date for completion established pursuant to subsection 7.7(b) the Vendor may thereafter elect to cancel the Agreement or permit a further extension pursuant to subsections 7.7(a) or 7.7(b) as applicable.

7.8 Business Day.

"Business Day" means a day which is not a Saturday, Sunday or legal holiday in British Columbia.

7.9 Notice.

Any notice to be given to the Purchaser will be well and sufficiently given if sent by airmail, postage prepaid or delivered by hand or transmitted by telecopy or e-mail to the Purchaser's Solicitor at their office or to the Purchaser and will be deemed to have been received if delivered or transmitted, when delivered or transmitted and if mailed, on the third Business Day after such mailing. The address for the Purchaser will be as set out on the first page of the Agreement or such other address as the Purchaser notifies the Vendor in writing. Any notice to be given to the Vendor will be well and sufficiently given if sent by airmail,

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postage prepaid or delivered by hand to the Vendor's Solicitor at their office or to the Vendor and will be deemed to have been received if delivered, when delivered and if mailed, on the third Business Day after such mailing. The address for the Vendor will be as set out on the first page of this Agreement or such other address as the Vendor notifies the Purchaser in writing.

7.10 Tender.

Any tender of documents or money under this Agreement may be made upon the solicitor acting for the party upon whom tender is desired and money must be tendered:

- (a) in the case of payments on account of the Deposit, by personal cheque, solicitor's cheque or bank draft; and
- (b) in the case of the balance of the Purchase Price, pursuant to section 1.1, by solicitor's certified cheque or bank draft.

The Vendor will not accept any Deposit or other payment on account of the Purchase Price by credit card or cash.

7.11 Currency.

All payments contemplated herein will be in Canadian funds and all references herein to dollar amounts are references to dollars in the lawful currency of Canada unless otherwise specified. If any payments are made in a currency other than Canadian currency, the funds received will be converted to Canadian funds by the Vendor's Solicitor and the Purchaser will be credited with the Canadian amount actually received by the Vendor's Solicitor at the date of conversion. The Vendor will not be responsible for any delay in converting such payments, fluctuations in exchange rates or bank fees or charges in connection with any conversion.

7.12 No Registration.

The Purchaser does not now have and will not have at any time hereafter, notwithstanding any default of the Vendor, any rights to register this Agreement, or any part of or right contained in this Agreement, against the Strata Lot, the Development or the Property in the Land Title Office.

7.13 No Solicitation.

The Purchaser covenants and agrees that, prior to the Completion Date, the Purchaser will not, and will not allow an agent on its behalf to, advertise or solicit offers from the public, including, without limitation, the entering into of any listing agreement under the multiple listing service of the Victoria Real Estate Board, in respect of the assignment of the Agreement or the sale or rental of the Strata Lot.

7.14 Further Acts.

The parties hereto will do all further acts and things and execute all such further assurances as may be necessary to give full effect to the intent and meaning of the Agreement.

7.15 Governing Law.

This Agreement will be governed and construed in accordance with the laws of the Province of British Columbia including the laws of Canada applicable therein.

7.16 Binding Effect.

This Agreement will ensure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns, as applicable.

7.17 Definitions.

Any terms not otherwise defined herein will have the meanings as set out in the Disclosure Statement.

7.18 Acknowledgements.

The Purchaser acknowledges, agrees and accepts that:

- (a) 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, other than those contained herein or in the Disclosure Statement, including without limitation, arising out of any marketing material including sales brochures, models including architectural models, representative view sets, show room displays, photographs, illustrations or renderings or any tweets, blogs, Facebook posts or pages, or any other social media (collectively, the "Marketing Information") provided to the Purchaser or made available for viewing;
- (b) the Strata Lot forms a part of a phased development and understands and accepts that the Purchaser may be inconvenienced by on-going construction activities which may, from time to time, result in noise, vibrations, odours, dirt, dust and such other irritants that are associated with construction projects similar to the Development;
- (c) construction with respect to other strata lots in the Development and/or the Common Property (in both or either of the phases) may still be proceeding after the Completion Date, and such construction will involve noise, dirt, dust, vibrations, the presence of construction and sales trailers and other machinery and activities normally associated with construction projects. In such event, the Vendor will cause such construction to be carried out in a manner which would minimize the interference with the Purchaser's access to the Strata Lot as much as reasonably possible; and

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(d) the Purchaser is aware that the Strata Lot is surrounded by other strata lots, Common Property and common facilities. There will be noise transmissions between other strata lots as well as from Common Property and common facilities within the Development and from the general environment external to the Development. The Purchaser hereby accepts that noise transmission is normal and hereby waives any claim the Purchaser has or may have against the Vendor, the District or other entities, as the case may be, in respect of noise transmission.

7.19 Configuration of Common Property.

The Purchaser acknowledges and agrees that the Purchaser is aware that the configuration of the Common Property located within the Development, including, without limitation, the configuration of the Parking Facility, is subject to change. The Purchaser acknowledges and confirms that the configuration of the Common Property located within the Development, including without limitation, the configuration of the Parking Facility, is not material to the Purchaser in proceeding with the transaction contemplated herein.

7.20 Invalidity.

If any provision of the Agreement is invalidated in whole or in part, the remaining terms of the Agreement will remain in full force.

7.21 No Waiver.

No failure to exercise or delay on the part of the Vendor in exercising any right under the Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right by the Vendor preclude any other or further exercise thereof or the exercise of any other right by the Vendor.

7.22 Proceeds of Crime Legislation.

The Vendor may in its sole discretion terminate this Agreement if the Vendor has reasonable grounds to suspect that any part of the transaction contemplated by this Agreement 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)* (the "**PCMLTFA**") and all regulations under the PCMLTFA (the "**Regulations**"; the PCMLTFA and the Regulations are collectively referred to herein as the "**Anti-Money Laundering Legislation**"), as amended from time to time. In the event of such termination, the Deposit will be absolutely forfeited to the Vendor thereon as liquidated damages (being a genuine pre-estimate of the minimum amount of damages the parties agree the Vendor is expected to suffer as a result of termination), without prejudice to the Vendor's other remedies, including a right to recover additional damages.

7.23 Personal Information

The Purchaser hereby consents to the collection, use and disclosure of personal information contained in the Agreement and the Agreement and otherwise collected by or on behalf of the Vendor and its agents, affiliates and service providers for the following purposes:

- (a) to complete the transaction contemplated by the Agreement;
- (b) to secure financing in respect of the construction of the Development;
- (c) to facilitate the completion of the Development;
- (d) to facilitate the management of the Development, including transferring management of the Development to a property manager;
- (e) 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;
- (f) to comply with the Anti-Money Laundering Legislation, rules and policies thereunder or relating thereto, and other applicable laws; and
- (g) to disclose such personal information to the Vendor's affiliates, business partners, contractors and suppliers, bankers, lawyers, accountants, insurers, warranty providers, utility providers, relevant governmental authorities or agencies (including the Land Title Office and Revenue Canada for Tax and T-5 interest income purposes) and other advisors and consultants in furtherance of any of the foregoing purposes.

The Purchaser also agrees to provide to the Vendor and the Vendor's agents and solicitors, promptly upon request, any additional personal information not contained herein that is required in order for such person to comply with the Anti-Money Laundering Legislation and rules and policies thereunder or relating thereto, and acknowledges that the foregoing consent applies to any such personal information. The Purchaser covenants and agrees to provide and to cause any third parties to provide the Vendor, the Vendor's listing agent and the Vendor's Solicitor with all of the information required to comply with the Anti-Money Laundering Legislation and rules and policies thereunder or relating thereto.

INITIALS		
Purchaser	Purchaser	Vendor