

## DISCLOSURE STATEMENT

DEVELOPER:

NAME:

Bulmers Pointe Limited Partnership

ADDRESS FOR SERVICE IN BRITISH COLUMBIA:

c/o Roco Development Ltd.  
Cassidy & Company  
330 – 522 Seventh Street  
New Westminster, British Columbia V3M 5T5

BUSINESS ADDRESS:

Suite 900, 600 – 6<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 0S5

REAL ESTATE BROKERAGE:

NAME:

Ross Lake at RE/MAX RHC Realty

BUSINESS ADDRESS:

601 Baker Street  
Nelson, British Columbia V1L 4J3

DATE: July 31, 2007

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

## **RIGHT OF RESCISSION**

**UNDER SECTION 21 OF THE *Real Estate Development Marketing Act*, THE PURCHASER OR LESSEE OF A DEVELOPMENT UNIT MAY RESCIND (CANCEL) THE CONTRACT OF PURCHASE AND SALE OR CONTRACT TO LEASE BY SERVING WRITTEN NOTICE ON THE DEVELOPER OR THE DEVELOPER'S BROKERAGE, WITHIN 7 DAYS AFTER THE LATER OF THE DATE THE CONTRACT WAS ENTERED INTO OR THE DATE THE PURCHASER OR LESSEE RECEIVED A COPY OF THIS DISCLOSURE STATEMENT.**

**A PURCHASER MAY SERVE NOTICE OF RESCISSION BY DELIVERING A COPY OF THE NOTICE IN PERSON OR BY REGISTERED MAIL TO**

- (a) THE DEVELOPER AT THE ADDRESS SHOWN IN THE DISCLOSURE STATEMENT RECEIVED BY THE PURCHASER,**
- (b) THE DEVELOPER AT THE ADDRESS SHOWN IN THE PURCHASER'S PURCHASE AGREEMENT,**
- (c) THE DEVELOPER'S BROKERAGE, IF ANY, AT THE ADDRESS SHOWN IN THE DISCLOSURE STATEMENT RECEIVED BY THE PURCHASER, OR**
- (d) THE DEVELOPER'S BROKERAGE, IF ANY, AT THE ADDRESS SHOWN IN THE PURCHASER'S PURCHASE AGREEMENT.**

**THE DEVELOPER MUST PROMPTLY PLACE PURCHASERS' DEPOSITS WITH A BROKERAGE, LAWYER OR NOTARY PUBLIC, WHO MUST PLACE THE DEPOSITS IN A TRUST ACCOUNT IN A SAVINGS INSTITUTION IN BRITISH COLUMBIA. IF A PURCHASER RESCINDS THEIR PURCHASE AGREEMENT IN ACCORDANCE WITH THE ACT AND REGULATIONS, THE DEVELOPER OR THE DEVELOPER'S TRUSTEE MUST PROMPTLY RETURN THE DEPOSIT TO THE PURCHASER.**

**THE DEVELOPER MARKETS THE PROPOSED DEVELOPMENT UNITS UNDER THE DISCLOSURE STATEMENT FOR A PERIOD OF NO MORE THAN 9 MONTHS FROM THE DATE THE DISCLOSURE STATEMENT WAS FILED WITH THE SUPERINTENDENT, UNLESS AN AMENDMENT TO THE DISCLOSURE STATEMENT THAT SETS OUT PARTICULARS OF A SATISFACTORY FINANCING COMMITMENT IS FILED WITH THE SUPERINTENDENT DURING THAT PERIOD.**

**ANY PURCHASE AGREEMENT USED BY THE DEVELOPER, WITH RESPECT TO ANY DEVELOPMENT UNIT OFFERED FOR SALE OR LEASE BEFORE THE PURCHASER'S RECEIPT OF AN AMENDMENT TO THE DISCLOSURE STATEMENT THAT SETS OUR PARTICULARS OF A SATISFACTORY FINANCING COMMITMENT, CONTAINS THE FOLLOWING TERMS:**

- (a) IF AN AMENDMENT TO THE DISCLOSURE STATEMENT THAT SETS OUT PARTICULARS OF A SATISFACTORY FINANCING COMMITMENT IS NOT RECEIVED BY THE PURCHASER WITHIN 12 MONTHS AFTER THE INITIAL DISCLOSURE STATEMENT WAS FILED, THE PURCHASER MAY AT HIS OR HER OPTION CANCEL THE PURCHASE AGREEMENT AT ANY TIME AFTER THE END OF THAT 12 MONTH PERIOD UNTIL THE REQUIRED AMENDMENT IS RECEIVED BY THE PURCHASER;**
- (b) THE AMOUNT OF THE DEPOSIT TO BE PAID BY A PURCHASER WHO HAS NOT YET RECEIVED AN AMENDMENT TO THE DISCLOSURE STATEMENT THAT SETS OUT PARTICULARS OF A SATISFACTORY FINANCING COMMITMENT IS NO MORE THAN 10% OF THE PURCHASE PRICE; AND**
- (c) ALL DEPOSITS PAID BY A PURCHASER, INCLUDING INTEREST EARNED IF APPLICABLE, WILL BE RETURNED PROMPTLY TO THE PURCHASER UPON NOTICE OF CANCELLATION FROM THE PURCHASER.**

## TABLE OF CONTENTS

<b>DEFINITION OF TERMS .....</b>	<b>5</b>
<b>PART 1 THE DEVELOPER .....</b>	<b>5</b>
1.1 <u>INCORPORATION DETAILS</u> .....	5
1.2 <u>ASSETS OF DEVELOPER</u> .....	5
1.3 <u>DEVELOPER'S REGISTERED AND RECORDS OFFICE</u> .....	5
1.4 <u>DIRECTORS OF DEVELOPER</u> .....	6
<b>PART 2 GENERAL DESCRIPTION .....</b>	<b>6</b>
2.1 <u>GENERAL DESCRIPTION OF THE DEVELOPMENT</u> .....	6
2.2 <u>PERMITTED USE</u> .....	6
2.3 <u>BUILDING CONSTRUCTION</u> .....	6
<b>PART 3 STRATA INFORMATION.....</b>	<b>7</b>
3.1 <u>UNIT ENTITLEMENT</u> .....	7
3.2 <u>VOTING RIGHTS</u> .....	7
3.3 <u>COMMON PROPERTY AND FACILITIES</u> .....	7
3.4 <u>LIMITED COMMON PROPERTY</u> .....	7
3.5 <u>BY-LAWS AND RULES AND REGULATIONS</u> .....	8
3.6 <u>PARKING</u> .....	8
3.7 <u>BUDGET</u> .....	8
3.8 <u>UTILITIES AND SERVICES</u> .....	9
3.9 <u>STRATA MANAGEMENT CONTRACTS</u> .....	10
3.10 <u>INSURANCE</u> .....	10
3.11 <u>RENTAL DISCLOSURE STATEMENT</u> .....	11
<b>PART 4 TITLE AND LEGAL MATTERS .....</b>	<b>11</b>
4.1 <u>LEGAL DESCRIPTION</u> .....	11
4.2 <u>OWNERSHIP</u> .....	11
4.3 <u>EXISTING ENCUMBRANCES AND LEGAL NOTATIONS</u> .....	11
4.4 <u>PROPOSED ENCUMBRANCES</u> .....	12
4.5 <u>OUTSTANDING OR CONTINGENT LITIGATION OR LIABILITIES</u> .....	12
4.6 <u>ENVIRONMENTAL MATTERS (FLOODING, SOIL, OTHER)</u> .....	12
<b>PART 5 CONSTRUCTION AND WARRANTIES .....</b>	<b>13</b>
5.1 <u>CONSTRUCTION DATES</u> .....	13
5.2 <u>WARRANTIES</u> .....	13
<b>PART 6 APPROVALS AND FINANCES .....</b>	<b>14</b>
6.1 <u>DEVELOPMENT APPROVAL</u> .....	14
6.2 <u>CONSTRUCTION FINANCING</u> .....	14
<b>PART 7 MISCELLANEOUS .....</b>	<b>14</b>
7.1 <u>DEPOSITS</u> .....	14
7.2 <u>PURCHASE AGREEMENT</u> .....	14
7.3 <u>DEVELOPERS COMMITMENTS</u> .....	14
7.4 <u>OTHER MATERIAL FACTS</u> .....	15
7.5 <u>EXHIBITS</u> .....	15

## DEFINITION OF TERMS

“Act” means the Strata Property Act S.B.C. 1998 c.43 as amended.

“Bare Land Strata Lot” or “Bare Land Strata Lots” means the bare land strata lots which are the subject of this Disclosure Statement.

“Common Asset”, “Common Expenses”, “Common Property” and “Limited Common Property” have the meanings ascribed to them in the Act.

“Developer” means Bulmers Pointe Limited Partnership.

“Development” means the residential bare land strata project which is the subject of this Disclosure Statement.

### Part 1 THE DEVELOPER

#### 1.1 Incorporation Details

The Development is beneficially owned by the Developer which is a limited partnership registered in Alberta. The Developer is registered as a limited partnership in British Columbia under No. 07-0442390.

The General Partner of the Developer is Roco Development Ltd. (the “General Partner”) which is an Alberta company extra-provincially registered in British Columbia under No. A0070012.

Legal title to the Development is held in trust for the Developer by R.W. Brinkerhoff Holdings Ltd. (the “Trustee”) which is an Alberta company registered extra-provincially in British Columbia under No. A0062148.

#### 1.2 Assets of Developer

The Developer is a sole purpose limited partnership registered in Alberta created specifically for the Development and it has no other assets other than the property which is the subject of the Development.

#### 1.3 Developer’s registered and records office

The principal office in Alberta for the Developer is Suite 900, 600 – 6<sup>th</sup> Avenue SW, Calgary, Alberta and the mailing and delivery address in British Columbia is c/o Roco Development Ltd., Cassidy & Company, 330 – 522 Seventh Street, New Westminster, British Columbia V3M 5T5.

The mailing address in Alberta for the General Partner is Suite 900 – 600 6<sup>th</sup> Avenue SW, Calgary, Alberta T2P 0S5 and the mailing and delivery address of its attorney in British Columbia is Cassidy & Company, 330 – 522 Seventh Street, New Westminster, British Columbia V3M 5T5.

The mailing address in Alberta for the Trustee is 1750, 530 – 8<sup>th</sup> Avenue SW, Calgary, Alberta T2P 3S8 and the mailing and delivery address of its attorney in British Columbia is Gowling LeFleur Henderson LLP, 2300 – 1055 Dunsmuir Street, Vancouver, British Columbia V7X 1J1.

#### 1.4 Directors of the General Partner of the Developer

The director of the General Partner of the Developer is Patrick Ryan O'Connor.

## **Part 2 GENERAL DESCRIPTION**

#### 2.1 General Description of the Development

The Development is a development consisting of 34 Bare Land Strata Lots.

The Developer is marketing 33 Bare Land Strata Lots under this Disclosure Statement. One lot (Strata Lot 34) will be owned by the Strata Corporation (the "Caretaker's Lot").

The civic location of the Development is in proximity to Argenta, British Columbia on Argenta – Johnsons Landing Road adjacent to Kootenay Lake.

Attached as Exhibit "A" is a sketch plan for the Development showing the layout of the Development and the dimensions and areas of the Bare Land Strata Lots which are the subject of this Disclosure Statement.

#### 2.2 Permitted Use

The Development is unzoned. The Bare Land Strata Lots may be used for residential purposes.

#### 2.3 Building Construction

A building permit is required from Regional District of Central Kootenay (the "Regional District"). The issuance of a building permit is subject to compliance with the Riparian Area Review described in Section 4.6(b).

The Developer will register a statutory building scheme in the form attached as Exhibit "B" against title to the Bare Land Strata Lots.

**Part 3**  
**STRATA INFORMATION**

3.1            Unit Entitlement

The Unit Entitlement of each Bare Land Strata Lot is a figure indicating its share in the Common Property of the Development and the Common Expenses and liabilities of the Strata Corporation.

Attached as Exhibit "C" is the proposed Form V indicating the method of calculating Unit Entitlement.

3.2            Voting Rights

Each Bare Land Strata Lot will have one vote in the Strata Corporation.

3.3            Common Property and Facilities

- (a)    Common Property in the Development (excluding limited common property).

The common property will consist of roads and services and a garden ("Common Garden") and greenspace area. The Developer may construct a helicopter pad on the Common Property.

- (b)    Common Facilities in the Development.

There are no common facilities in the Development.

The Developer may apply for a water lot lease in Kootenay Lake adjacent to the Development to construct boat moorage for the Development and sublease boat slips to Purchasers. The Developer has not determined whether it will proceed with such application.

- (c)    Common Assets in the Development.

The Caretaker's Lot will be owned by the Strata Corporation and will be transferred to it upon registration of the Strata Plan for the Development. The Developer will construct on the Caretaker's Lot, at its cost, a residence for a caretaker (the "Caretaker's Residence"). The caretaker will be retained by the Strata Corporation as an independent contractor to oversee the property and carry out such duties as may be prescribed from time to time by the Strata Corporation.

3.4            Limited Common Property

None.

3.5 By-Laws and Rules and Regulations

The bylaws proposed by the Development are the Standard Bylaws contained in the Act, except for those amendments set out in Form Y which is attached as Exhibit "D".

3.6 Parking

Owners will park on their respective Bare Land Strata Lots and there will be no visitors parking on the Common Property.

3.7 Budget

The following expenses are paid by the Strata Corporation and their cost will be prorated to the owners of the Bare Land Strata Lots and included in the monthly assessment:

- Road Maintenance
- Snow Removal
- Landscaping
- Common Garden
- Septic System
- Water
- Caretakers Lot (taxes)
- Caretaker expenses
- Administrative/Meeting
- Insurance
- Management

An estimated budget for Phase 1 for a typical full year of operating expenses of the Strata Corporation, based on estimated current costs, is attached as Exhibit "E". The estimated costs are based on costs experienced by existing comparable projects and projections by the Developer.

Exhibit "E" also sets out the estimated monthly assessment for each Bare Land Strata Lot.

The Developer will establish the contingency reserve fund by making a contribution to the fund at the time of the first conveyance of a Bare Land Strata Lot to a purchaser. The amount of the contribution shall be 5% of the Strata Corporation's interim budget.

Under Section 7 of the Act, the Developer must pay the Strata Corporations' expenses up to the end of the month in which there is the first conveyance of a Bare Land Strata Lot to a purchaser.



Under Section 14 of the Act, after that month and before the first annual budget take effect, if the Strata Corporation's expenses exceed the estimated expenses in the interim budget then the developer must pay the excess to the Strata Corporation. In addition to paying the amount of the excess expenses, where those excess expenses are more than 10% or 20% of the amounts estimated in the interim budget, Section 3.1(l) of the Regulations to the Act requires a developer to respectively pay to the Strata Corporation a further amount equal to either 2 or 3 times the amount of the excess.

Each Purchaser will be responsible to pay for real property taxes levied against his or her Bare Land Strata Lots as well as for hydro, water, cablevision, and telephone services provided directly to the Bare Land Strata Lot.

Each Purchaser will pay for his or her share of costs relating to water and sewage disposal which will form part of monthly assessments in the manner contemplated in Sections 3.8(a) and (c) respectively.

### 3.8 Utilities and Services

(a) Water – Water will be provided to the Development by a water utility (“Water Utility”) to be incorporated and duly licensed by the Developer. The water system (“Water System”) will be constructed by the Developer at its cost. Each owner will pay an annual fee (the “Annual Water Fee”) to the Water Utility such fee being prescribed by the Comptroller of Water Rights. Water will be pumped from Kootenay Lake to a treatment building which will contain a 50,000 gallon reservoir. The water will be treated and distributed to the Development. The Water System will be constructed to the boundary of each Bare Land Strata Lot. The estimated date for completion of construction of the Water System is July 1, 2008. The Developer will, if required, register a statutory right of way over the Common Property and Bare Land Strata Lots to construct, maintain, operate and repair the Water System (the “Water System Right of Way”) concurrently with registration of the strata plan for the Development.

After 50% of the Bare Land Strata Lots are transferred to Purchasers, the Utility will apply for an exception from the regulation requiring the Utility to establish a Revenue Deficit Trust Fund (the “Fund”) of 2 years' approved operation, maintenance and general expenses whereupon the Fund will be returned to the Developer.

The shares in the Water Utility will be transferred to the Strata Corporation by the Developer after the Fund is returned to the Developer.

(b) Electricity – Electrical service (“Electrical Service”) will be provided by BC Hydro, by means of an above ground or underground electrical distribution line which will be constructed by the Developer, at its cost, to the boundary of each Bare Land Strata Lot.

(c) Sewage – The Developer will construct or cause to be constructed, at its cost, on the Common Property an onsite septic disposal system (the “Septic Facility”) which will

treat sewage from the Bare Land Strata Lots and will at its cost, obtain all required approvals for the construction and operation of the Septic Facility.

The Strata Corporation will own, operate, maintain, repair and replace the Septic Facility.

Each Owner will be required to install on its Bare Land Strata Lot, at its cost and prior to commencement of construction of improvements on any Bare Land Strata Lot, a 1000 gallon septic holding tank (the "Tank") designed by the Developer or its consultants together with a chamber and pump with controls in accordance with applicable governmental and regulatory standards. Liquid waste will be pumped by the Septic System to a drainage field on the Common Property. Solid waste will be pumped out of the Tank by each Owner, at its cost, as and when required from time to time.

The estimated date for completion of construction of the Septic Facility is July 1, 2008.

The Developer will, if required, register an easement over the Common Property and Bare Land Strata Lots where required to provide access to the Developer to construct, maintain, operate and repair the Septic Facility (the "Septic Facility Easement") concurrently with registration of the strata plan for the Development.

(d) Natural gas – Natural gas is not provided.

(e) Fire protection – Fire protection is not provided however fire hydrants shall be installed by the Developer, at its cost, on the Common Property.

(f) Telephone – Telephone and other communication services ("Telephone Service") will be provided by Telus by means of an underground telecommunications distribution line which will be constructed by the Developer, at a location to be determined by the Developer.

(g) Cablevision – Cablevision and related communication services are not available and will not be provided.

(h) Access – Access to the Development is by way of public road and by way of roads to be constructed on the Common Property.

### 3.9 Strata Management Contracts

The Developer will manage the Strata Corporation and its affairs until the first annual general meeting at which time the Strata Corporation will decide upon the ongoing management of the Strata Corporation.

The Strata Corporation will retain the Caretaker as contemplated in paragraph 3.3(c).

### 3.10 Insurance

The Developer will obtain insurance on the Common Property and Common Assets.

The Developer will obtain liability insurance to insure the strata corporation against liability for property damage and bodily injury in an amount of \$5,000,000.

Each Purchaser will be responsible for insuring the improvements constructed on, and contents within, his Bare Land Strata Lot and to provide public liability and property damage in amounts determined from time to time by the Strata Corporation with the Strata Corporation as a named insured.

### 3.11 Rental Disclosure Statement

A developer will not restrict the rental of Bare Land Strata Lots in the Development. The Developer will file a Form J, Rental Disclosure Statement with the Superintendent of Real Estate and a copy is attached as Exhibit "F".

## **Part 4 TITLE AND LEGAL MATTERS**

### 4.1 Legal description:

Nelson Trail Assessment Area  
PID: 016-430-565 District Lot 7827 Kootenay District

(the "Lands").

### 4.2 Ownership

The Developer is the beneficial owner of the Lands.

Legal title to the Lands is held by R.W. Brinkerhoff Holdings Ltd. in trust for the Developer.

### 4.3 Existing Encumbrances and Legal Notations

#### (a) Existing encumbrances:

None

#### (b) Legal Notations

(i) Section 102 Forest Act See DF W15482 Filed 06/08/1987 Forest (Notices) Reg. This was a notice establishing a right of way for Salisbury Bulmer Forest Service Road in 1987 under the Forest Act.

(ii) Re: Clauses (E) and (F) Sec. 23 (1) Land Title Act See DF. S19151 Filed 28/07/1983 Highways (Notices) Regulations. This was the establishment of a

public highway for Argenta-Johnsons Landing Road 10 in 1983 pursuant to the Highway Act.

4.4 Proposed Encumbrances:

(i) such Section 219 Covenants, Statutory Rights of Way, Restrictive Covenants and Easements as may be required under the PLA referred to in Section 6.1 (including without limitation, the Water System Right of Way and Septic Facility Easement) or as may otherwise be required by the Developer in conjunction with the Development.

(ii) the Comptroller of Water Rights may require the Developer to register a Rent Charge in favour of the Water Utility to secure payment of the Annual Water Fee.

4.5 Outstanding or Contingent Litigation or Liabilities

None.

4.6 Environmental Matters (flooding, soil, other)

The Developer undertook:

(a) The Approving Officer requested that a geotechnical study be completed to assess the alluvial fan hazard that could originate from Bulmer Creek. This report dated June 6, 2007 (the "Geotechnical Report") was completed by Golder Associates and is available for review by Purchasers.

The Geotechnical Report provides 2 options for dealing with the alluvial fan hazard:

(i) the Developer would complete a hydrologic study for the Bulmer Creek fan area. This study would determine the location of suitable building sites. It would specify foundation types for the proposed houses and where there was the potential for flooding from an alluvial fan event the study would recommend basement elevations be raised at least 1m above the existing ground level;

(ii) the Developer would construct mitigative works in the Bulmer Creek channel above the Argenta Johnson's Landing road. These mitigative works would keep debris material from an alluvial fan event in the channel of Bulmer Creek and would allow house foundations to be constructed so they were 0.3m above the existing ground level. Should the mitigative works be approved the Developer would create a local Regional District service area for the lots and the Regional District would be responsible for completing annual inspections and maintenance of the mitigative works.

The Developer reserves the right to complete either option to solve the alluvial fan hazard issue.

The Developer anticipates that the Approving Officer may impose conditions relating to building set backs or areas where no construction is permitted. If this occurs, the Developer will file an amendment to this Disclosure Statement disclosing such information.

A copy of the Geotechnical Report is available from the Developer for inspection by each Purchaser.

(b) a study to determine the impact of the Development on the existing riparian habitat which study resulting in a report prepared by Masse & Miller Consulting Ltd. and dated May, 2007 (the "Riparian Area Review").

The Riparian Assessment identifies riparian zones from a minimum of 12 metres from the high water mark to 30 metres where no development is to take place.

The Riparian Area Review has been accepted by the Department of Fisheries and Oceans.

The Developer will register against title to the Bare Land Strata Lots a Section 219 Covenant which will create riparian set backs where no construction can occur in compliance with the Riparian Assessment recommendations.

As noted in Section 2.3, where an application of a building permit is made by a Purchaser to the Regional District, the Developer anticipates compliance with some or all of the terms of the Riparian Assessment.

A copy of the Riparian Assessment is available from the Developer for inspection by each Purchaser.

(c) The Developer will undertake a Hydrology Study which will detail safe building areas and engineering guidelines for building foundations. When completed, this study will be available for review by Purchaser.

## **Part 5 CONSTRUCTION AND WARRANTIES**

### **5.1            Construction Dates**

Construction of the Development has commenced and the estimated date for substantial completion of construction is December 31, 2007 provided the Common Garden and Caretaker's Residence is estimated to be completed by December 31, 2008.

### **5.2            Warranties**

None.

**Part 6**  
**APPROVALS AND FINANCES**

6.1            Development Approval

The Developer has obtained the Preliminary Layout Approval and a copy is attached as Exhibit "G".

6.2            Construction Financing

The Developer has obtained a commitment for a Mortgage in the principal amount of \$2,150,000.

This commitment for the Mortgage provides that the advances beyond \$1,430,000 are conditional upon the Developer entering into 2 purchase agreements with purchasers (the "Funding Condition").

The Developer anticipates satisfying the Funding Condition and any other conditions to the advance of the Construction Facility by August 31, 2007.

The lender under the Mortgage will provide a partial discharge of the Mortgage upon payment of net sales proceeds from the sale of any Bare Land Strata Lot.

**Part 7**  
**MISCELLANEOUS**

7.1            Deposits

Deposits received from Purchasers will be held in trust by the Developer's real estate brokerage and such monies will be held in trust by this person in the manner required by the Real Estate Development Marketing Act until the strata plan for the development is deposited in the applicable Land Title Office, the Bare Land Strata Lot is capable of being lawfully occupied and a Form A Transfer transferring title of the Bare Land Strata Lot to the Purchaser is registered in the applicable Land Title Office.

7.2            Purchase Agreement

The Developer proposes to use the form of Purchase Agreement attached as Exhibit "H" with such amendments it elects to make, in its sole discretion.

7.3            Developer's Commitments

None.

7.4 Other Material Facts

(a) **First Annual General Meeting:** Under Section 16 of the Act, the Developer must hold the first Annual General Meeting within 6 weeks of the earlier of the date on which 50% plus one of the Bare Land Strata Lots have been conveyed to Purchasers and the date that is 9 months after the first conveyance of a Bare Land Strata Lot to a Purchaser. If that meeting is not held by then, Section 3 of the Regulations to the Act requires the Developer to pay to the Strata Corporation \$1000 for a delay of up to 30 days and a further \$1000 for each additional delay of 7 days.

(b) **Documents to be delivered to the Strata Corporation:** Sections 20(2) and 35 of the Act list all of the documents that a developer must provide to the Strata Corporation at the first Annual General Meeting. The documents set out in Section 20(2) of the Act include copies of:

- (i) all contracts entered into by the Strata Corporation;
- (ii) any Disclosure Statement filed under the *Real Estate Development Marketing Act* and any Rental Disclosure Statement;
- (iii) the registered strata plan from the Land Title Office; and
- (iv) names and addresses of contractors, subcontractors and persons primarily responsible for supplying labour or materials to the Development.

(c) **Material Contracts:**

None.

7.5 Exhibits

- “A” Sketch Plan
- “B” Statutory Building Scheme
- “C” Form V Unit Entitlement
- “D” Form Y Bylaws
- “E” Proposed Budget
- “F” Form J Rental Disclosure Statement
- “G” Preliminary Layout Approval

"H"

Purchase Agreement

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 defenses available under Section 22 of the Act.

**DECLARATION**

**THE FOREGOING STATEMENTS DISCLOSE, WITHOUT MISREPRESENTATION ALL MATERIAL FACTS RELATING TO THE DEVELOPMENT REFERRED TO ABOVE AS REQUIRED BY THE *REAL ESTATE DEVELOPMENT MARKETING ACT* OF BRITISH COLUMBIA AS OF July 31, 2007.**

**BULMERS POINTE LIMITED PARTNERSHIP**  
by its General Partner, Roco Development Ltd.:

Per:   
Authorized Signatory and Director

Directors of General Partner

  
**Patrick Ryan O'Connor**



**SOLICITOR'S CERTIFICATE**

In the matter of the *Real Estate Development and Marketing Act* and the Disclosure Statement of Bulmers Pointe Limited Partnership (the "Developer") dated July 31, 2007.

I, ANTHONY H.S. KNIGHT, Solicitor, a member of the Law Society of British Columbia, having read over the above described Disclosure Statement dated July 31, 2007 made any required investigations in public offices, and reviewed same with the Developer therein names, hereby certify that the facts contained in Paragraphs 4.1, 4.2 and 4.3 of the Disclosure Statement are correct.

DATED at Vancouver, British Columbia this 3<sup>rd</sup> day of August, 2007.

  
\_\_\_\_\_  
ANTHONY H.S. KNIGHT

EXHIBIT "A"

PROPOSED BARELAND STRATA SUBDIVISION OF  
PART OF DISTRICT LOT 7827, KOOTENAY  
DISTRICT

SCALE 1: 2000



Distances are in metres

LEGEND

TYPICAL 10 x 15 HOUSE SITE

SETBACK LINE

NOTE: DISTRICT LOT BOUNDARIES SUBJECT TO A LEGAL SURVEY  
PROPOSED STRATA LOT DIMENSIONS ARE APPROXIMATE ONLY

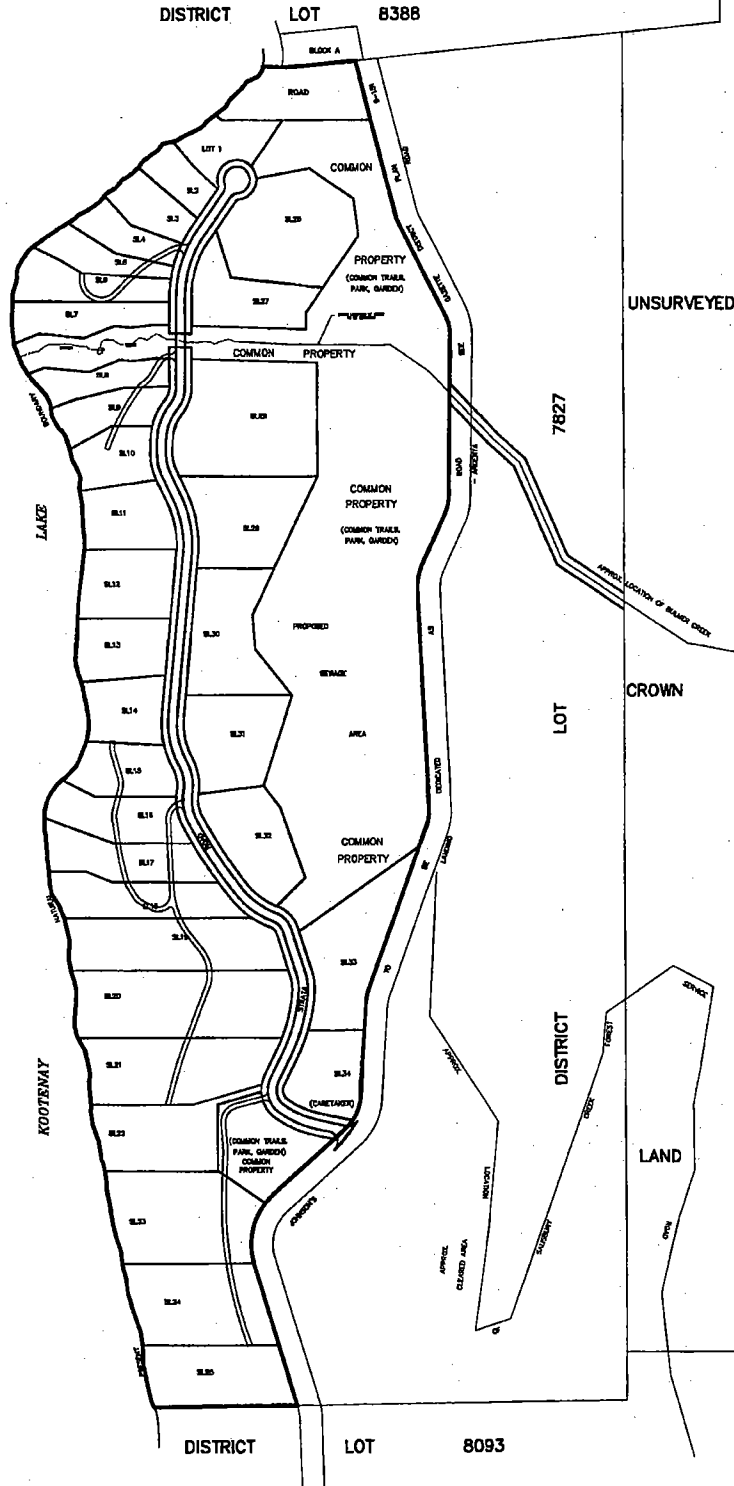


Exhibit "B"

LAND TITLE ACT

FORM 35

(SECTION 216(1))

DECLARATION OF BUILDING SCHEME

NATURE OF INTEREST:

CHARGE: BUILDING SCHEME WITH PRIORITY OVER MORTGAGE

HEREWITH FEE OF:

\$35.00

ADDRESS OF PERSON ENTITLED TO BE REGISTERED:

LANG MICHENER LLP
BARRISTERS & SOLICITORS
1500 - 1055 W. GEORGIA STREET
VANCOUVER, BRITISH COLUMBIA
V6E 4N7
Attention: A. H. S. Knight
(689 - 9111)

◆
Tel: ◆
Fax: ◆
Email: ◆

Signature of Solicitor

◆ (Inc. No. ◆), ◆, British Columbia ◆, DECLARES:

- 1. It is the registered owner in fee-simple of the land described in Schedule "A" hereto (hereinafter singularly called "Lot" and collectively "Lots").
2. It hereby creates a building scheme relating to the Lots.
3. A sale of any of the Lots is subject to the restrictions enumerated in the schedule attached or annexed hereto.
4. The restrictions shall be for the benefit of all Lots.

Officer Signature(s)

Execution Date

Party(ies) Signature(s)

Name:

Table with 3 columns: Y, M, D. Value 07 in the Y column.

◆ by its authorized signatory(ies)

Name:

Lawyer /Notary Public

Name:

## SCHEDULE OF RESTRICTIONS

1. Unless specifically permitted in writing by Roco Development Ltd. (the “Company”) no person will commence any improvements of any sort, including, without limitation, any:

- (a) excavation or removal of any fill or ground cover;
- (b) application for development approval or a building permit;
- (c) construction of any buildings or other structures or improvements of whatsoever nature;
- (d) construction of docks or wharves adjacent to or within Kootenay Lake; or
- (e) landscape treatment;

(collectively or individually herein referred to as “Improvements”)

on any of the Lots without first complying with the provisions set out herein and in the Design Guidelines (as hereinafter defined) and obtaining all approvals contemplated hereunder from the Company.

2. Prior to making any Improvements, the plans and specifications (the “Plans and Specifications”) therefor shall be submitted to the Company along with the appropriate review fee (as provided for in the Design Guidelines), or its designated approving agent (“Designated Approving Agent”) from time to time (the Company and designated approving agent being hereinafter referred to as the “Company” where the context so requires) for the Company’s prior written approval.

3. The Company shall receive and consider the Plans and Specifications and a construction schedule in a timely manner and either grant or reject approval of such Plans, or make recommendations for alterations of such Plans, provided always that the Company shall not act arbitrarily.

4. Plans submitted to the Company shall be prepared in accordance with, and shall comply in all respects with, the Design Guidelines as determined and modified from time to time by the Company in its sole discretion (the “Design Guidelines”).

5. No alterations or modifications to any Improvements constructed on any Lot which has been approved by the Company pursuant to the terms hereof shall be made without the approval in writing of the Company and the approval criteria and procedures herein shall apply to all such alterations and modifications.

6. If any person commences construction of any Improvements on any of the Lots after complying with the requirements set out herein, such person shall not discontinue the construction of such Improvements but will continue diligently to complete the same in all

respects in accordance with the approved Plans and Specifications provided however that such person will not be in breach of this restriction if such construction is interrupted by reason of strike, lockout, labour dispute, act of God, inability to obtain labour or materials or both, enemy or hostile action, civil commotion, fire or other casualty provided that such person takes such steps as are available to it to minimize the effect of such occurrences and diligently recommences construction after each such occurrence.

7. Once commenced, all construction including all exterior finishing must be completed within 2 years from the date of commencement.

8. Following approval of the Plans and Specifications, no construction of Improvements will be commenced or carried out on any of the Lots except in:

- (a) accordance with the approved Plans and Specifications;
- (b) compliance with all applicable laws, ordinances, rules, regulations or orders of governmental or municipal authorities;
- (c) compliance with any building set back requirements of the Developer or any governmental or regulatory authority;
- (d) compliance with a Riparian Area Review prepared by Masse & Miller and dated May, 2007; and
- (e) compliance with a Geotechnical Report prepared by Golder & Associates and dated June 6, 2007.

9. The provisions hereof will be in addition to, but not in substitution for, any generally applicable laws, ordinances, rules, regulations or orders of governmental or municipal authorities.

10. The elevation of Kootenay Lake varies over the normal course of a year and:

- (a) the maximum elevation of Kootenay Lake since 1975 was 534.25 metres above sea level; and
- (b) Owners of Lots must take fluctuating elevations of Kootenay Lake into account when designing their Improvements and the minimum building elevation established by survey is 536.5 metres above sea level; and

11. No person carrying out any works upon any Lot shall damage roads, driveways, landscape elements, telephone lines, electrical distribution equipment or other utilities (the "Services") and if any damage occurs or is caused:

- (a) the Company may either repair such damage and charge the Owner of the Lot (an "Owner") all costs incurred inclusive of an administration fee of 15% of such costs or deliver written notice to the owner of the Lot to repair and replace the Services if so damaged; and

(b) if the Owner of the Lot refuses or neglects to repair or replace the Services, the Company may undertake such repairs and replacement and the Owner of the Lot shall indemnify the Company against the cost of all repairs (inclusive of an administration fee of 15% of such costs) which the Company shall make.

12. The Company shall have the irrevocable license from the date hereof until such date as the Approving Officer for the Ministry of Transportation (the "Approving Officer") issues the final acceptance certificates in respect of the subdivision in which the Lot is located ("Certificates"), to enter upon any Lot for the purpose of exercising its rights pursuant to paragraphs 9 and 10 and to perform any work which may be required by Approving Officer for the issuance of Certificates

13. Each Owner is hereby given notice that the Company is undertaking a subdivision and:

(a) with regard to the subdivision, there will be, from time to time, related construction noise, dust and dirt tracks on roadways in proximity to the Lots increased traffic flow, equipment, crew and other disturbances and inconveniences related to the long term subdivision plan;

(b) with regard to the construction, operation and maintenance, there will be, from time to time, noise, increased traffic flow, equipment, crew and other disturbances and inconveniences related to construction, operation and maintenance at various hours during any 24 hour period,

and such activities shall not constitute a nuisance.

The Company shall act reasonably in any interference with any Owner's access to their Lot that may be required for such purposes so that such interference is as minimal (with respect to degree and duration) as is reasonable under the particular circumstances.

14. No mobile homes, tents, caravans or other temporary dwellings shall be permitted on any Lot at any time unless authorized in writing by the Company for the only purpose of accommodation that is required on site during the course of construction. Each request will be on a case by case basis by the Company, and if granted, shall automatically expire upon the completion of construction.

15. Septic disposal is provided by a Community Septic System (the "Septic System") and no other septic system shall be constructed and:

(a) each owner, at its own expense, will install a 1000 gallon concrete approved septic tank and be responsible for installing and managing a pump system to deliver septic effluent to the Septic System pursuant to the engineering requirements of the Company;

(b) holding tanks will be serviced and emptied by each Owner as required; and

(c) pursuant to the Waste Management Permit issued for the Septic System, the discharge of waste water must be controlled, and accordingly:

- (i) no Improvement erected on a Lot shall have a garburator or a toilet system other than a low flow toilet system which requires no more than 2.9 imperial gallons to flush; and
- (ii) no Owner may discharge any hot tub, swimming pool, ornamental pool or similar reservoir of water into the Septic System.

16. A Community Water System (the "Water System") will deliver treated water to each Lot and no other water system shall be constructed and no Improvement shall have shower heads and faucets on sinks installed other than low flow shower heads and mixing or aerator faucets.

17. No Improvements for commercial practices will be made on any Lot and no commercial businesses shall be operated on any Lot without the prior written consent of the Company.

18. No Improvement shall be used for any other purpose other than as a private residence or hobby area, except for arts, crafts and professional occupations engaged in solely by the residents of the Improvement.

19. Residential renting of the primary residence is permitted provided that guest houses can only be rented in conjunction with the rental of the primary residence and further provided that there is only one rental per Lot at any one time. In this context, a "rental" includes any visitor or guest that is paying or offering other consideration for use of the Lot and/or any Improvements on the Lot regardless of whether or not there is a written rental agreement in place with the Owner to govern such arrangements.

20. No Improvements shall be occupied by a person or persons until such Improvement is complete and final approval has been obtained from the Company and applicable regulatory authority.

21. All Owners, tenants, occupiers or visitors shall ensure that all domestic animals in their possession, care of control are leashed when on beaches, common property and otherwise are contained to their own Lot, except in the case of dogs, in which case all dogs are permitted to be off leash on all beaches and common property provided that: (i) the dog does not constitute a danger to the physical safety of persons other than the owner of the dog; (ii) the owner of the dog restricts the dog's access to Lots owned by other persons (other than on easements for the common trail system that traverse Lots); and (iii) the owner of the dog collects and disposes of the dog's refuse as part of its own household garbage disposal system, as and when it occurs on beaches, the common property and, in the case of easements referred to in the foregoing section (ii), on Lots owned by other persons.

22. No Owner, tenants, occupiers or visitors shall keep or permit to be kept animals of any kind or description whatsoever except for usual domesticated pets as particularly specified in the bylaws.

23. No pigeon coops or other facilities for birds or fowl are to be maintained or kept on any Lot and no farm animals or livestock are to be kept on any Lot.
24. No garden storage sheds or green houses shall be permitted on any Lots unless situated in yard areas with low visibility from the foreshore and any such sheds and green houses will be built which are architecturally compatible with the main residence and are subject to the Design Guidelines and approval by the Company.
25. Trash cans used by Owners on their Lots must be bear resistant and stored in enclosed or screened areas so that they remain undisturbed by wildlife or domestic animals. No garbage facilities or garbage collection services shall be provided by the Company. Each Owner is responsible for ensuring that all waste originating from its Lot including but not being limited to household garbage is disposed of regularly and in a legal manner. With respect to household garbage, this means transporting it to a municipal dump or other legally recognized waste disposal site outside of the Development and disposing of it there, including incurring any costs of so doing.
26. There shall be no littering on beaches or other common property. Owners, tenants, occupiers and visitors shall be responsible for collecting, removing and disposing of any garbage or other waste originating or emanating from them on any of the beaches or the common property as part of its own household garbage disposal system as and when it occurs and for the benefit of all other users of the beach or part of the common property concerned.
27. No composting is to be conducted by any person on any Lot. Owners, tenants, occupiers and visitors are expected to adopt "bear safe" practices and the Company reserves the right to prohibit or regulate any other activity or practice by any one or more Owner which may attract bears or other dangerous wildlife.
28. Construction of foreshore docks and temporary seasonal floating docks are not allowed under any circumstances. Mooring balls and swim platforms are allowed if they are approved by the Company and properly maintained.
29. No jet skis or other similar personal watercraft are permitted to be launched or docked on any beach or floating dock under any circumstances from or adjacent to the Common Property. Owners, tenants, occupiers and visitors are not permitted to operate a jet ski or other similar personal watercraft within 100 metres of the shoreline of the Development.
30. The common trail system and community forest is for non motorized use only except for construction, maintenance, safety or marketing purposes as instituted by the Company. Horses and horseback riding is not permitted on the Common Property.
31. In that the Development is in the wildfire interface area and may be subject to wildfires, each Owner shall review the Firesmart Manual as amended from time to time which is available from Ministry of Forests and each Owner will implement and maintain appropriate fire protection measures, at its sole expense, on their Lots and with respect to their own Improvements.