

**FORM 2
DISCLOSURE STATEMENT**

**0738635 B.C. LTD. and
0739796 B.C. LTD.**

"Paradise Cove Oceanfront Estates"

Powell River, British Columbia

A. NAME/ADDRESS:

Developer's Full Legal Name:	0738635 B.C. Ltd. and 0739796 B.C. Ltd.
Address for Service:	c/o Whyard Villani Barristers & Solicitors #103 – 7020 Duncan Street Powell River, BC V8A 1V9
Business Address:	
Name & Business Address in BC of Real Estate Brokerage, if any:	If the Developer uses a Real Estate Brokerage on behalf of the Developer it will be LandQuest Realty Corp., (Jason Zroback, Realtor), of 101 – 313 6th Street, New Westminster, BC V3L 3A7. The Developer will not necessarily list exclusively with LandQuest and reserves the right to use its own employees to market the bare land strata lots. The Developer's employees are not licenced under the <i>Real Estate Services Act</i> and are not acting on behalf of the Purchaser.

B. DATE OF DISCLOSURE STATEMENT: May 26, 2008.

C. DISCLAIMER AND RESCISSION NOTICE:

This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether the Disclosure Statement contains a misrepresentation or otherwise fails to comply with the requirements of the *Real Estate Development Marketing Act*. It is the responsibility of the developer to disclose plainly all material facts, without misrepresentation.

This Disclosure Statement relates to a development property that is not yet completed. Please refer to section 7.2 for information on the purchase agreement. That information has been drawn to the attention of _____ who has confirmed that fact by initialling in the space provided here:

D. RIGHT OF RESCISSION:

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

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

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

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

E. RESCISSION RIGHTS PURSUANT TO POLICY STATEMENT 5 OR 6, *REAL ESTATE DEVELOPMENT MARKETING ACT*: N/A

F. ADDITIONAL RESCISSION RIGHTS APPLICABLE TO THIS OFFERING: N/A

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EXHIBITS

Exhibit 1 & 1A.....	Preliminary Layout Approval attaching Plan (1) and Final Conceptual Plan (1A)
Exhibit 2.....	Proposed Building Scheme
Exhibit 3.....	Form V Proposed Schedule of Unit Entitlement
Exhibit 4.....	Form W Proposed Schedule of Voting Rights
Exhibit 5.....	Form Y Proposed Notice of Different Bylaws
Exhibit 6.....	Estimated Operating Budget for the Strata Lots
Exhibit 7.....	Proposed Restrictive Covenant Prohibiting Development in certain locations.
Exhibit 8.....	Proposed Restrictive Covenant – Limiting Access
Exhibit 9.....	Proposed Access Easement Terms
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1. The Developer

- 1.1. 0738635 B.C. Ltd. was incorporated in British Columbia on October 25, 2005 under Certificate of Incorporation Number 0738635 and 0739796 B.C. Ltd. was incorporated in British Columbia on November 7, 2005 under Certificate of Incorporation Number 0739796, (referred to in this disclosure document as the "Developers" and referred to individually as a "Developer")
- 1.2. The Developers were incorporated specifically for the purpose of developing the property subject to this disclosure document and which is proposed to be developed into six bare land strata lots and one bare land subdivision lot. The Developers have no other assets except the development property.
- 1.3. The registered and records office of 0738635 B.C. Ltd. is at the law offices of Whyard Villani at #103 – 7020 Duncan Street, Powell River, BC V8A 1V9. The registered and records office of 0739796 B.C. Ltd. is 1300 – 1111 West Georgia Street, Vancouver, BC V6E 4M3.
- 1.4. The directors of 0738635 B.C. Ltd. are Brian Kawasaki and Penelope Kawasaki. The director of 0739796 B.C. Ltd. is William S. Chornobay.
- 1.5.
 - (1) Mr. Bill Chornobay, a principal of 0739796 B.C. Ltd., is a Canadian businessman with over twenty years experience in business including acquisitions and corporate development management and finance. He currently serves on the board of a publicly traded company where he has been involved for over ten years. Brian Kawasaki, a principal of 0738635 B.C. Ltd. has not been involved previously in property development but, with a Ph. D. in Physics, has more than twenty years experience in industry at a senior executive level and has managed large hardware development projects in fibre optics communications for companies such as Northern Telecom, Digital Equipment Corporation and JDS Uniphase. Penny Kawasaki, also a principal of 0738635 B.C. Ltd. has no previous experience in property development but with a Masters degree in Education and Applied Psychology, has over twenty five years experience as a psycho-educational consultant and college clinical counsellor and operates a small private practice. The Paradise Cove development is the first joint venture development project of 0739796 B.C. Ltd. and 0738635 B.C. Ltd.
 - (2) To the best of the Developers' knowledge neither of the Developers nor any principal holder of either Developer nor any director or officer of the Developers or their principal holders have, within the ten years before the date of the Developers' declaration attached to the disclosure statement, been subject to any penalties or sanctions imposed by a court or regulatory authority, relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud.
 - (3) To the best of the Developers' knowledge neither of the Developers nor any principal holder of either developer nor any director or officer of the Developers

or their principal holders have, within the five years before the date of the Developers' declaration attached to the disclosure statement, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or have been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

- (4) To the best of the Developers' knowledge, neither of the Developers nor any director, officer or principal holder of the Developers or any director or officer of the principal holder within the five years prior to the date of the Developers' declaration attached to the disclosure statement, has been a director, officer or principal holder of any other developer that, while that person was acting in that capacity, that other developer:
 - (a) was subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud, or
 - (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under 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 its assets.

1.6. The Developers are not aware of any existing or potential conflicts of interest among the Developers, managers, any directors, officers or principal holders of the Developers and manager, any directors and officers of the principal holders, and any person providing goods or services to the Developers, manager or holders of the development units in connection with the development which could reasonably be expected to affect the purchaser's purchase decision except as follows:

- (a) Jason Zroback, the Developers' realtor, is, pursuant to an agreement with the Developers for the provision of management services, entitled, in addition to regular real estate commission, to 5% of any surplus remaining after sale of all the development units and payment of all encumbrances and expenses relating thereto. In this respect, and should Mr. Zroback at any time act as a dual agent, he will provide a purchaser with all required disclosures under the Real Estate Council Rules and *Real Estate Services Act*.
- (b) The Developer, 0739796 B.C. Ltd., will be designated by the Developers as the Approving nominee for approval of development of a Strata Lot as set out in the Design Guidelines and Approval Process (attached as Exhibit 12 hereto), and will be entitled to charge an approval fee to the Strata Lot owner. The approval fee will be negotiated and agreed to in the Contract of Purchase and Sale but will not exceed \$2,000.00 plus applicable taxes. The Developers reserve the right to set

an increased approval fee for the Approver for any Lots that have not been sold within a year from date of registration of the Strata Plan.

2. **General Description**

2.1. General Description of the Development

The development consists of six waterfront bare land strata lots to the south of Sunshine Coast Highway 101, all as shown on proposed plan attached hereto as part of Exhibit 1A. All six bare land strata lots are being marketed by the Developers. The civic location of the development is currently numbered as 14611 Highway 101, 14619 Highway 101 and 14645 Highway 101, approximately 30.5km south from Powell River, BC on the Sunshine Coast Highway 101 and approximately 1.2km from the BC Ferry Terminal at Earl's Cove, adjacent to Saltery Bay Provincial Park. The six bare land strata lots are accessed by a gated entrance from Highway 101 and each of the lots slopes gently towards the ocean; they are partially cleared and have levelled, prepared sites.

2.2. Permitted Use

There is no current zoning applicable to the six bare land strata lots but they are in the Agricultural Land Reserve, which restricts the use of the lots under the *Agricultural Land Commission Act* and its regulations. In addition the development property will be subject to the restrictions set out in building scheme attached as Exhibit 2 to this disclosure document and each may be subject by contract to the Design Guidelines and Approval Process as set out on Exhibit 12. The bare land strata lots may not be used for commercial or other purposes not ancillary to residential purposes without the unanimous consent of all the owners of the bare land strata lots.

2.3. Building Construction

The Developer will not construct improvements on the bare land strata lots. No building permits are currently required in the Powell River Regional District. The proposed building scheme in form attached as Exhibit 2 will apply to and affect construction on the subdivision lot, as will the Design Guidelines and Approval Process as set out on Exhibit 12 if that is incorporated into a purchaser's contract.

2.4. Phasing

The bare land strata lots will not be created in phases.

3. **Strata Information:**

3.1. Unit Entitlement – Unit Entitlement is the means by which the owner of a Strata Lot is assessed a portion of the Strata Corporation expenses. The unit entitlement for each bare land Strata Lot is the same for each bare land Strata Lot which means each bare land Strata Lot will bear equal responsibility for the common property expenses, regardless of size of the lot. A schedule of Proposed Unit Entitlement is attached as Exhibit 3

3.2. Voting Rights

Each strata lot shall be entitled to one vote. Attached as Exhibit 4 is a copy of the Form W Schedule of Voting Rights applicable to the strata lots.

3.3. Common Property and Facilities

The common property consists of the entrance access and electronic gate, the road access shown as common property on the plan attached as Exhibit 1A and the road to Paradise Cove over Lot 2 and the parking lot and area immediately surrounding Paradise Cove set aside as park for the strata owners as shown on Plan attached as Exhibit 1A. Each strata owner has access to the gate by a remote entry device (supplied), security key code to be programmed and intercom system allowing programming via telecommunication device installed in the gate.

3.4. Limited Common Property

There is no limited common property in the development.

3.5. Bylaws

The Strata Corporation's Bylaws will be the Schedule of Standard Bylaws contained in the *Strata Property Act* subject to the amendments contained in proposed Notice of Different Bylaws Form Y attached as Exhibit 5, attached.

3.6. Parking

There is no general area of the common property set aside for parking except for the occasional use parking area near Paradise Cove. Each strata lot has a cleared site with level access suitable for parking for the owner of the strata lot. Subject to the building restrictions and restrictions contained within any easement on the strata lot the owner of a strata lot may develop other areas on his/her strata lot for parking ancillary to residential purposes.

3.7. Budget

The Strata Corporation will be responsible for the electricity and telephone related to the access gate and for maintenance and upkeep of the common property road and Paradise Cove parking and park area, and for all risk liability on assets on the common property (being the gate system), and general liability insurance policies on the common property. All utilities required to service any particular strata lot are the responsibility of the owner of the lot. A copy of the estimated operating budget for the strata corporation is attached as Exhibit 6.

3.8. Utilities and Services – Applicable to Subdivision Lot and Strata Lots

- i) Water: Each strata lot has a drilled well capable of satisfying residential water supply for such lot. Although the well is drilled there is no pump, housing, piping or other operational apparatus, all of which is the responsibility of the owner of a strata lot.

- ii) Electricity: Electricity has been provided to the property line of each strata lot, except as to strata lot 2, which is already serviced with telephone and power. Hook-up to a strata lot is the responsibility of the owner of the strata lot, not the Developers.
- iii) Sewerage: Each owner of the strata lots will be required to install a septic tank and field, in compliance with health regulations;
- iv) Natural Gas: There is no natural gas available to the strata lots.
- v) Fire Protection: Fire protection is provided by the Malaspina Volunteer Fire Departments, based at Black Point, BC, approximately 15.5km away from the development. There are no fire hydrants close to the development.
- vi) Telephone: Except for strata lot 2 which is already serviced with telephone, telephone lines are in place to each strata lot; connection and connection fees are the responsibility of the owner, not the Developers.
- vii) Access: Access to the strata lots is from Highway 101 through the common property gated entrance. No direct access is permitted to Highway 101 from any of the strata lots. There is a proposed road dedication on the portion of the Strata Lots adjacent to Highway 101 and along the western boundary of proposed Strata Lot 1, across proposed Strata Lots 1 and 2, as shown marked "Proposed Road Dedication" on Exhibit 1A. The Developer is not responsible to develop this road. Internally, strata lot 4 will be subject to a private easement for access in favour of strata lot 5 and strata lot 5 will be subject to a private easement for access in favour of strata lot 6.

3.9. Strata Management Contracts

The Developer will manage the Strata Corporation at no cost until the first annual general meeting of the Strata Corporation at which time the Strata Corporation may elect to self manage or to retain a strata manager.

3.10. Insurance

The Strata Corporation will obtain all risk insurance for the entrance gate and general liability insurance only for the common property. There is no insurance for the bare land strata lots which are the responsibility of the owner of the lot.

3.11. Rental Disclosure Statement

The Developer does not intend to rent the bare land strata lots.

4. Title and Legal Matters

4.1. Legal Descriptions:

- i) Legal description of the Development Property:
Currently Parent Property is:
Parcel Identifier: 007-892-357 Block B District Lot 4121 Plan 14224
Parcel Identifier: 007-892-365 Block C District Lot 4121 Plan 14224
Parcel Identifier: 007-892-373 Block D District Lot 4121 Plan 14224
- ii) Upon subdivision plan being filed the legal descriptions are anticipated to be:

For the strata lots: Strata Lots 1-6 inclusive, Strata Plan _____
[PIDs and Plan number to be provided on filing of the strata plan]

4.2. Ownership

0738635 B.C. Ltd. and 0739796 B.C. Ltd. are the registered owners of and beneficial owners of Blocks C and D of the Development Property. 0738635 B.C. Ltd. and 517769 B.C. Ltd. are the registered owners of Block B of the Development Property. However, 517769 B.C. Ltd. is a bare legal trustee only, holding its interest on behalf of 073976 B.C. Ltd., who is the beneficial owner of that interest and 517769 B.C. Ltd. is required to convey its interest according to the instructions of 073976 B.C. Ltd.

4.3. Existing Encumbrances and Legal Notations

Parcel Identifier: 007-892-357 Block B District Lot 4121 Plan 14224

- (i) Legal Notation: *This Title may be affected by the Agricultural Land Commission Act; see Agricultural Land Reserve Plan No. 4 Deposited 12/12/1974*
- (ii) Right of Way: No 248922M – British Columbia Hydro and Power Authority.
- (iii) Statutory Right of Way: NoBA342144 – British Columbia Hydro and Power Authority;
- (iv) Statutory Right of Way: No BA342145 – Telus Communications Inc.
- (v) Mortgages: CA171241, CA352521 and CA552296; Priority Agreements: BA342146 (granting BA342144 priority over CA171241); BA342147 (granting BA342145 priority over CA171241); registered owners of all charges: Susumu Brian Kawasaki and Penelope Kawasaki as Joint Tenants.

Parcel Identifier: 007-892-365 Block C District Lot 4121 Plan 14224

- i) Legal Notation: *This Title may be affected by the Agricultural Land Commission Act; see Agricultural Land Reserve Plan No. 4 Deposited 12/12/1974*
- ii) Right of Way: No 248922M – British Columbia Hydro and Power Authority;

- iii) Statutory Right of Way: No BA342148 – British Columbia Hydro and Power Authority;
- iv) Statutory Right of Way: No.342149 – Telus Communications Inc.
- v) Mortgages: CA171241, CA352521 and CA552296; Priority Agreements: BA342150 (granting BA342148 priority over CA171241); BA342151 (granting BA342149 priority over CA171241); registered owners of all charges: Susumu Brian Kawasaki and Penelope Kawasaki as Joint Tenants.

Parcel Identifier: 007-892-373 Block D District Lot 4121 Plan 14224

- i) Legal Notation: *This Title may be affected by the Agricultural Land Commission Act; see Agricultural Land Reserve Plan No. 4 Deposited 12/12/1974;*
- ii) Right of Way: No. 248922M – British Columbia Hydro and Power Authority;
- iii) Statutory Right of Way: No. BA342148 – British Columbia Hydro and Power Authority;
- iv) Statutory Right of Way: No. BA342149 – Telus Communications Inc.
- v) Mortgages: CA171241, CA352521 and CA552296; Priority Agreements: BA342150 (granting BA342148 priority over CA171241); BA342151 (granting BA342149 priority over CA171241); registered owners of all charges: Susumu Brian Kawasaki and Penelope Kawasaki as Joint Tenants.

4.4. Proposed Encumbrances:

- (i) A Building Scheme will be registered against the strata lots, proposed terms as set out on Exhibit 2.
- (ii) The six strata lots will also be subject to a restrictive covenant under s.219 of the *Land Title Act*, in favour of the Ministry of Transportation, prohibiting building location or construction, mobile home location and storage of goods in certain areas, proposed terms as set out on Exhibit 7.
- (iii) The six strata lots will all be subject to a restrictive covenant under s. 219 in favour of the Ministry of Transportation restricting access to Highway 101, proposed terms as set out on Exhibit 8.
- (iv) Strata lot 4 will be subject to an easement for access and for works and services over a portion of strata lot 4 in favour of strata lot 5. A portion of strata lot 5 will be subject to an easement for access over strata lot 5 in favour of strata lot 6. The proposed terms of the access easements and works and services easement are set out on Exhibit 9. The approximate location of the easements is shown on the plan attached as part of Exhibit 1A.

4.5. Outstanding or Contingent Litigation or Liabilities

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

4.6. Environmental Matters

To the best of the Developers knowledge, the development property is not at foreseeable risk of flooding. Strata lots 1-6 have a drainage system composed of artesian pools and creeks. There are no known environmental matters adversely affecting the development property.

5. **Construction and Warranties**

5.1. Construction Dates

The strata plan creating the six strata lots is expected to be registered within nine months of date of this disclosure statement. All servicing (construction of the road, drilling of wells, delivery of electrical and telephone lines to each strata lot, construction of the gated access to the six strata lots and landscaping for the common area of the strata adjacent to Paradise Cove) has already been completed. The Developer will not be constructing anything further on the six strata lots.

5.2. Warranties

There are no construction or other warranties applicable to the development.

6. **Approvals and Finances**

6.1. Development Approval

The approving officer has issued a Preliminary Layout Approval ("PLA"), dated January 22, 2008 for the subdivision plan creating the six strata lots. A copy of the PLA is attached as Exhibit 1.

6.2. Construction Financing

Construction financing was obtained by way of private mortgage financing from Susumu Brian Kawasaki and Penelope Kawasaki, who have registered mortgages in place on the development property. Arrangements have been made to provide a partial discharge of these mortgages over a lot to a purchaser of such strata lot upon completion of the sale and the Developers' solicitor will provide an undertaking to discharge these mortgages from title on completion of a sale in accordance with the Standard Form Contract attached as Exhibit 10.

7. **Miscellaneous**

7.1. Deposits

Purchasers deposits will be held in trust by either Land Quest Realty Corp. or a British Columbia lawyer, or notary public and the deposit and all other money received from a purchaser will be held in trust by that person in the manner required under the *Real Estate Development Marketing Act*. There is no deposit protection contract.

7.2. Purchase Agreement

- (i) A copy of the Developers' form of purchase agreement is attached as an Exhibit to the disclosure statement as Exhibit 10.
- (ii) The Agreement may be terminated and the deposit returned to the Purchaser if the subdivision plan creating the bare land strata lots has not been registered by the date stipulated in the contract.
- (iii) Whether or not the subdivision plan creating the strata lots has been registered by the stipulated time in the agreement, the Developers or purchasers are not required to agree to an extension. The Developers may, at their option seek a fee or increased purchase price in order to agree to an extension if the subdivision plan creating the strata lots has been registered but an extension is requested by a Purchaser.
- (iv) A Purchaser may assign its purchase agreement to a new Purchaser without the requirement of the Developers' written consent and without payment of an assignment fee.
- (v) Whether or not deposit monies accrue interest and whether the interest is paid to the Purchaser or Developer will be a matter of negotiation on any particular sale and the agreed terms, if any, will be incorporated into the agreement before it is signed.
- (vi) The Agreement will, unless otherwise agreed to by the Developers in writing, contain within it terms under which the Purchaser will enter into a written agreement on completion to be bound by all the terms and conditions of the Paradise Cove Design Guidelines and Approval Process and further agrees if the strata lot is sold by the Purchaser prior to completion of construction that the Purchaser will cause the new buyer to enter into an agreement with the Developers on the same terms and conditions and will indemnify the Developers for any failure to do so. See also 7.4 of this Disclosure Document.

7.3. Developers' Commitments

There are no commitments of the Developer that will remain to be met after completion of sale of the six strata lots.

7.4. Other Material Facts

The Developers caution prospective purchasers that the Paradise Cove Design Guidelines and Approval Process have not been and will not be registered on title to any of the Strata Lots at the Land Title Office and accordingly do not run with the land. Further, nothing in the Paradise Cove Design Guidelines and Approval Process is to be construed or implied as imposing on the Developers any obligation to impose the Paradise Cove Design Guidelines and Approval Process on any particular Strata Lot, nor to enforce the provisions of same nor provisions contained in any conveyance or other agreement for sale of any of the Strata Lots. This provision will be incorporated into the purchase contract.

There are no other facts known to the Developers that affect or could reasonably be expected to affect the value, price or use of a strata lot or the development property.

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.

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 the 26 day of May, 2008.

0738635 B.C. LTD.

by its authorized signatory(ies):

Brian Kawasaki
Brian Kawasaki

Penelope Kawasaki
Penelope Kawasaki

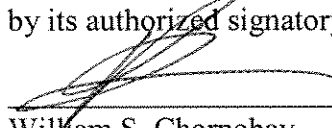
Directors of 0738635 B.C. Ltd.

Brian Kawasaki
Brian Kawasaki

Penelope Kawasaki
Penelope Kawasaki

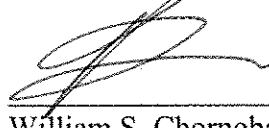
0739796 B.C. LTD.

by its authorized signatory(ies):



William S. Chornobay

Directors of 0739796 B.C. Ltd.



William S. Chornobay

SOLICITOR'S CERTIFICATE

CANADA)	IN THE MATTER OF the <i>Real Estate Act</i> and the
)	Disclosure Statement of 0738635 B.C. Ltd. and 0739796
PROVINCE OF)	B.C. Ltd.. in respect to property legally described as:
)	
BRITISH COLUMBIA)	Parcel Identifier: 007-892-357 Block B District Lot 4121 Plan 14224
)	Parcel Identifier: 007-892-365 Block C District Lot 4121 Plan 14224
)	Parcel Identifier: 007-892-373 Block D District Lot 4121 Plan 14224

TO WIT:

I, **MILDA KAREN-BYNG**, Solicitor, a member of the Law Society of British Columbia, having read over the above-described Disclosure Statement dated the 26 day of May, 2008, having made any required investigations in public offices, and having reviewed same with the Developer named therein, DO HEREBY CERTIFY that the facts contained in items 4.1, 4.2 and 4.3 of the said Disclosure Statement are correct, AND I make this solemn Declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED before me at the City
of Powell River, in the Province of British
Columbia this 26 day of May, 2008

A Commissioner for taking Affidavits within British Columbia

WILLIAM E. WHYARD
BARRISTER & SOLICITOR
#103 - 7020 DUNCAN STREET
POWELL RIVER, BC V8A 1V9



MILDA KAREN-BYNG

BRITISH
COLUMBIAMinistry of
Transportation**PROPOSED SUBDIVISION
PRELIMINARY LAYOUT APPROVAL**

Emery & Rae Land Surveying Ltd.
4507 Manson Avenue
Powell River, BC
V8A 3N3

Your File #8821

Our File 01-006-23782

Date (yyyy/mm/dd) 2008/01/22

REVISED

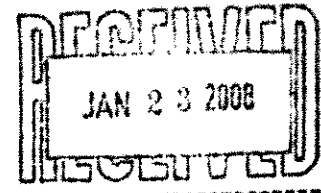
Proposed Subdivision of:
Blocks B, C, and D, District Lot 4121, New Westminster Group 1 District, Plan 14224

Your proposal for a 6 lot bare land strata subdivision, and 1 lot fee simple subdivision has received preliminary layout approval, subject to the following condition(s):

1. Applicant to submit a road closure application to close the existing road dedication shown in blue on the attached "Schedule A". This closure application is to be submitted and approved prior to submission of final subdivision documents.
2. All relevant documentation, covenants, final plans, fees, TX55 form and written confirmations shall be submitted in one package to this office.
3. Applicant to be aware of BC Hydro's letter of November 7, 2006.
4. Applicant to comply with layout dated December 5, 2007 prepared by Emery and Rae Land Surveying Ltd and numbered 8821-22. Road to be dedicated as shown in yellow on attached Schedule "A". Road to be closed as shown in blue on attached "Schedule A". Width of dedication for frontage roads to be 15 meter. Width of dedication for other roads to be 20 meter with a flare to 32 meter for access to water. Six (6) meter by six (6) meter corner cut-offs to be provided at all intersecting road dedications as shown in pink on the attached Schedule A.
5. Applicant to prove potable water for proposed strata lots 1-6 and fee-simple lot 1 in the quantity of 2270 litres per day and that proposed supply meets the standards of the Canadian Drinking Water Guidelines. Certification of potability shall accompany final plans to this office.
6. The appropriate Signature Block must be placed on the Subdivision Plan for the Approving Officer's signature, pursuant to BC Regulation 75/78, being bare land strata plan.
7. Applicant to obtain Agricultural Land Commission approval for all components of the subdivision prior to submission of final plans. Confirmation of approval to accompany final plans to this office.
8. Applicant to enter into a Restrictive Covenant pursuant to Section 219 of the Land Title Act to be registered against proposed Strata Lots 1 – 6 in favor of the Minister of Transportation to prohibit building construction, mobile home location, or storage of goods damageable by floodwaters within fifteen (15) meters of the natural boundary of the Sea, and prohibiting any building used for habitation, business, or storage of goods damageable by floodwaters to be located at an elevation such that the underside of the floor system is less than one point five (1.5) meters above the natural boundary of the Sea. Covenant to have priority over all financial charges. Appropriate notation to appear on final plans.
9. Applicant to be aware of Vancouver Coastal Health Authority's letter dated February 5, 2007 with regard to construction of drinking water wells.

Local District Address

Lower Mainland District – Powell River Sub Office
6953 Alberni Street
Powell River, BC, V8A 2B8



January 22, 2008
Emery & Rae Land Surveying Ltd.

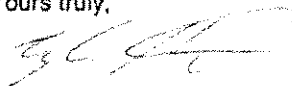
10. Access to each lot to be constructed and/or upgraded in a location acceptable to the District Manager, Transportation prior to final subdivision approval. All lots south of the highway to access from the internal strata road network.
11. Applicant to enter into a Restrictive Covenant pursuant to Section 219 of the Land Title Act registered against proposed Strata Lots 1-6 and fee-simple lot 1 in favor of the Minister of Transportation to establish the condition "No direct access to Highway 101". Covenant to have priority over all financial charges. Appropriate notation to appear on final plans.
12. The internal access road to the strata lots shall be constructed within a fifteen (15) meter wide common right-of-way using good engineering practice to suitable finished road width of a minimum of seven (7) meters and that is sufficient to accommodate emergency vehicle traffic (i.e. ambulance, fire trucks, utilities, drainage, snow removal, etc.). Construction of the strata road is to be completed prior to submission of final plans.

The approval granted is only for the general layout of the subdivision and is valid for one year from the date of this letter. However, if at any time there is a change in legislation, regulations or bylaws this preliminary layout approval is automatically cancelled.

Submission of Final Plans (Mylar and 5 prints) to be accompanied by a current Tax Certificate (FIN 55), together with a plan examination fee of \$ 100.00 plus \$ 100.00 per lot created by the plan and made payable in the form of a cheque to the Minister of Finance. The fee for the fee-simple lot is \$50.00.

If you have any questions please do not hesitate to call Tyler Lambert at (604)485-3610.
(Name of Technician)

Yours truly,



Ministry of Transportation

cc: B.C. HYDRO & POWER AUTHORITY
POWELL RIVER REGIONAL DISTRICT
VANCOUVER COASTAL HEALTH AUTHORITY

PARADISE COVE ESTATES
 CONCEPTUAL PLAN OF PROPOSED DEVELOPMENT
 OF BLOCKS B, C AND D, DISTRICT (Tra 4121,
 PLAN 14224 INTO:
 (A) BARE LAND STRATA PLAN OF PORTIONS SOUTH
 OF HIGHWAY No. 101 AND
 (B) FEE SIMPLE SUBDIVISION OF PORTIONS NORTH
 OF HIGHWAY No. 101.

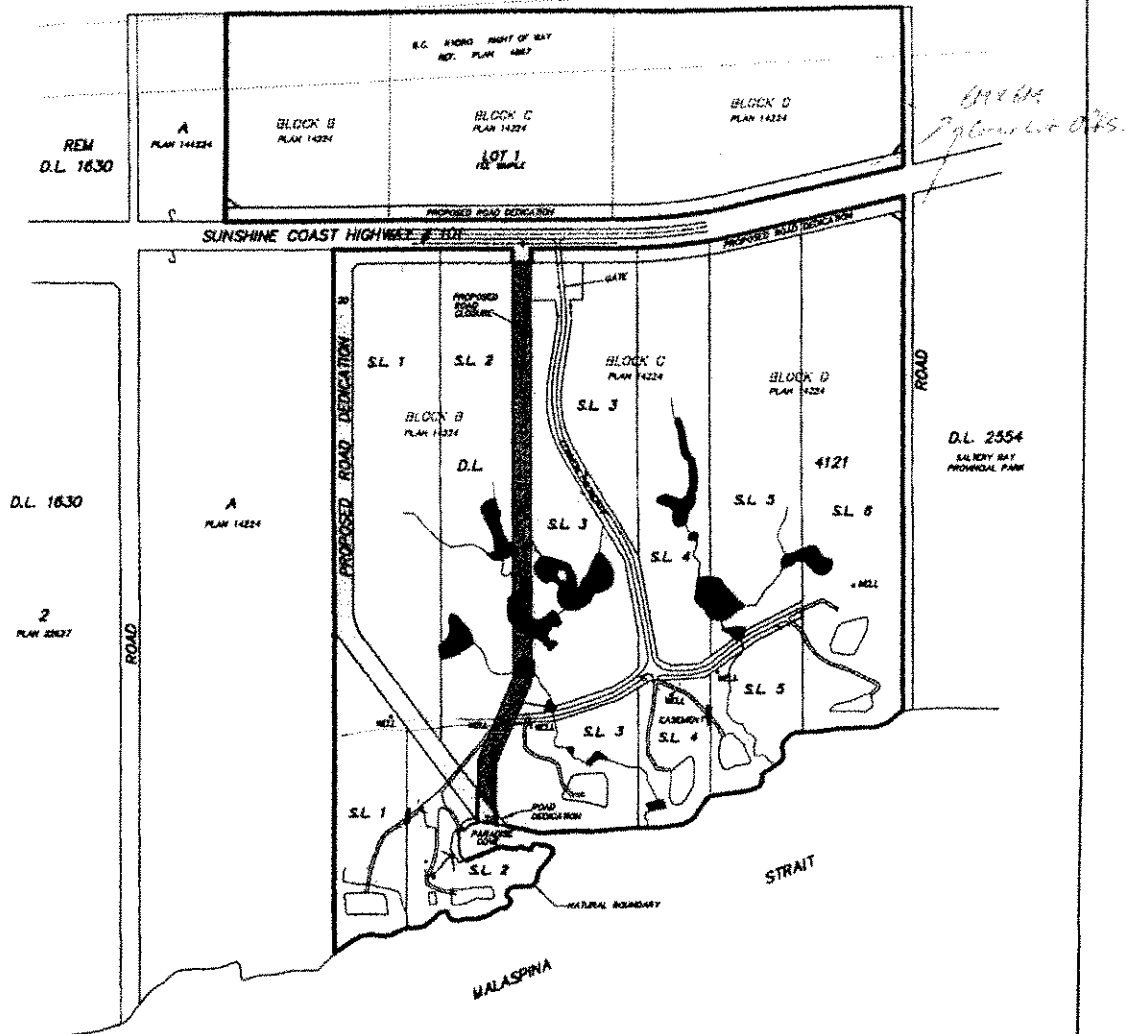
SCALE = 1:2000

DATE OF PROPOSAL
 DECEMBER 3, 2007

"Schedule A"



D.L. 2554



CHERRY AND RAE
 LAND SURVEYING LTD.
 B.C. AND CANADA
 LAND SURVEYORS
 4507 Manson Avenue
 POWELL RIVER, B.C.
 V8A 3K3
 Telephone (804) 485-4203
 E-MAIL: emergency@cherryandrae.net
 F.R.C. 9821-22

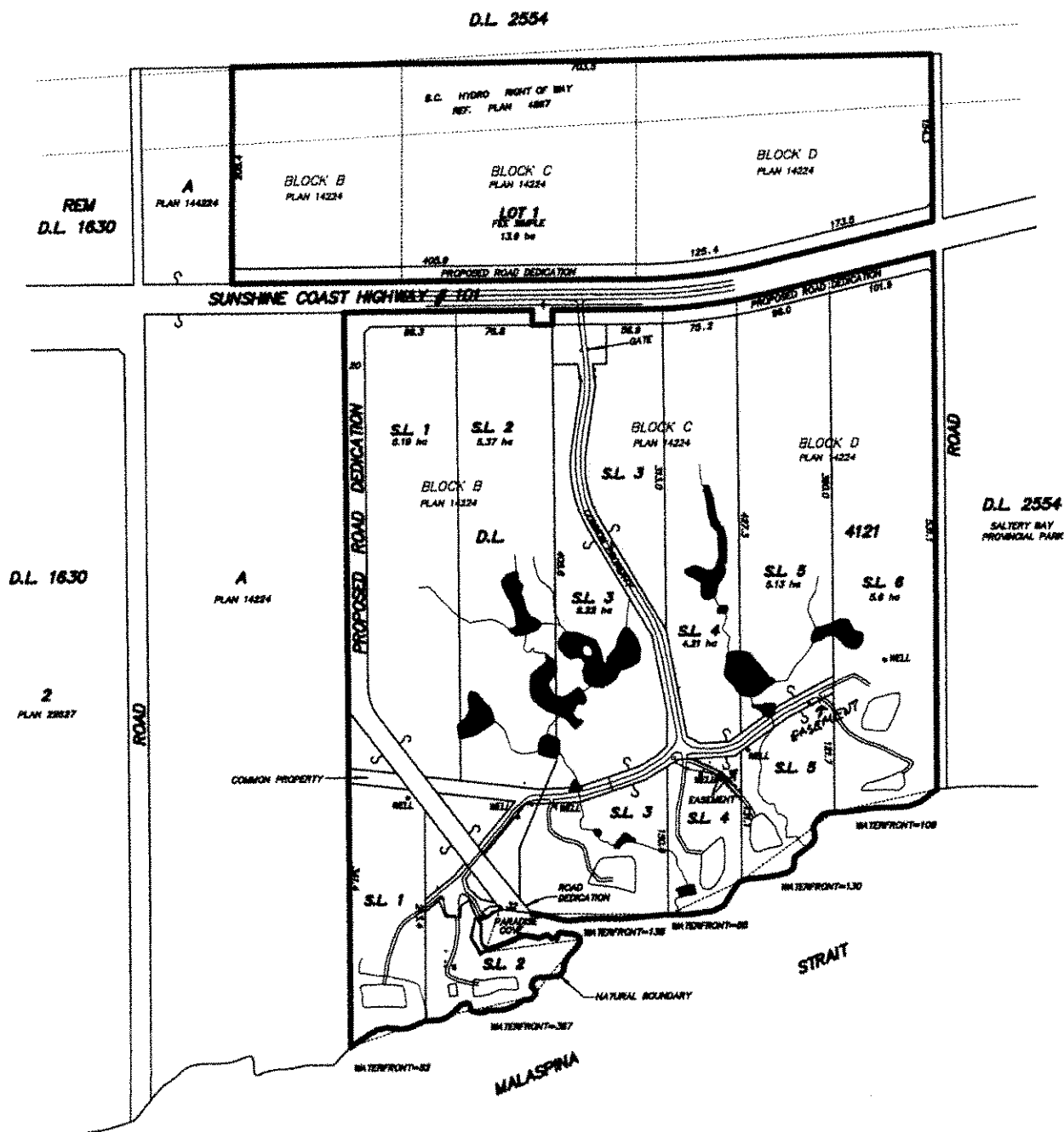
□ = Dedication

■ = Close

DATE OF PROPOSAL
MAY 7, 2008

EXHIBIT 1A

SCALE = 1:30000



EMERY AND RAE
LAND SURVEYING LTD.
B.C. AND CANADA
LAND SURVEYORS
4507 Marston Avenue
POWELL RIVER, B.C.
V8B 3N3
Telephone (604) 485-4203
E-MAIL: emeryrae@telus.net
FAX: 8821-22

SCHEDULE OF RESTRICTIONS

1. There shall be no commercial or industrial activity permitted on any of the Lots unless approved in advance in writing by the registered owners of all the Lots subject to this Building Scheme; owners shall have no obligation to provide approval.
2. No derelict motor vehicles, boats, motor homes, recreational vehicles or other derelict vehicles or equipment shall be parked anywhere on any of the Lots. No temporary structure trailer or manufactured home shall be permitted on a Lot except as incidental to and used during construction being carried out in accordance with the requirements of this Schedule of Restrictions.
3. No debris, vegetation, garbage or offensive matter of any description shall be permitted to accumulate on a Lot.
4. No building shall be erected or placed on a Lot unless it is completed within three years from the date of commencement of construction. "Completed" means completion of all exterior finishing including siding, stucco and like finishing material and includes placement of windows, doors and exterior painting; and shall also include the completion of driveways, porches, sun decks, and other like annexures.
5. No business signs, billboards, placards or advertising of any kind is permitted except For Sale or For Rent signs of the owner or owner's realtor, during the period when a dwelling is offered for sale or for rent, and signage for consultants, contractors and lenders during construction on a Lot.

END OF DOCUMENT

Strata Property Act
FORM V
SCHEDULE OF UNIT ENTITLEMENT

Re: Strata Plan of Blocks B, C and D, District Lot
4121, Plan 14224, Group 1, N.W.D.

STRATA PLAN CONSISTING ENTIRELY OF RESIDENTIAL STRATA LOTS

The unit entitlement for each residential strata lot is one of the following (check appropriate box), as set out in the following table:

- ☐ (a) the habitable area of the strata lot, in square metres, rounded to the nearest whole number as determined by a British Columbia Land Surveyor as set out in Section 246 (3)(a)(i) of the Strata Property Act.

Certificate of British Columbia Land Surveyor

I, _____, a British Columbia Land Surveyor, certify that the following table reflects the habitable area of each residential strata lot.

Date: _____ (mm,dd,yy)

 Signature

OR

- ☒ (b) 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.

OR

- ☐ (c) a number that is approved by the Superintendent of Real Estate in accordance with Section 246 (3)(a)(iii) of the Strata Property Act.

 Signature of Superintendent of Real Estate

Strata Lot No.	Sheet No.	Habitable Area in m ²	Unit Entitlement	% of Total Unit Entitlement **
SL 1			200	16.66
SL 2			200	16.66
SL 3			200	16.66
SL 4			200	16.66
Total number of Lots:			Total unit entitlement:	

- * expression of percentage is for informational purposes only and has no legal effect
 ** not required for a phase of a phased strata plan

Date: _____ (mm,dd,yy)

B. Kawasaki P. Kawasaki
 Signature of Owner Developer

 Signature of Superintendent of Real Estate
 (if submitted under Section 264 of the Act)

Strata Property Act
FORM V

EXHIBIT 3

SCHEDULE OF UNIT ENTITLEMENT

(Sections 245(2), 246, 264)

Re: Strata Plan of Blocks B, C and D, District Lot
4121, Plan 14224, Group 1, N.W.D.

STRATA PLAN CONSISTING ENTIRELY OF RESIDENTIAL STRATA LOTS

The unit entitlement for each residential strata lot is one of the following (check appropriate box), as set out in the following table:

- ☐ (a) the habitable area of the strata lot, in square metres, rounded to the nearest whole number as determined by a British Columbia Land Surveyor as set out in Section 246 (3)(a)(i) of the Strata Property Act.

Certificate of British Columbia Land Surveyor

I, _____, a British Columbia Land Surveyor, certify that the following table reflects the habitable area of each residential strata lot.

Date: _____ (mm,dd,yy)

Signature

OR

- ☒ (b) 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.

OR

- ☐ (c) a number that is approved by the Superintendent of Real Estate in accordance with Section 246 (3)(a)(iii) of the Strata Property Act.

Signature of Superintendent of Real Estate

Strata Lot No.	Sheet No.	Habitable Area in m ²	Unit Entitlement	% of Total Unit Entitlement **
525			200	16.66
526			200	16.66
Total number of Lots:			Total unit entitlement: 1200	100.

- * expression of percentage is for informational purposes only and has no legal effect
** not required for a phase of a phased strata plan

Date: 03/26/08 (mm,dd,yy)

R. Kawachi P. Kawachi
Signature of Owner Developer

Signature of Superintendent of Real Estate
(if submitted under Section 264 of the Act)

**Strata Property Act
FORM W**

SCHEDULE OF VOTING RIGHTS

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

Re: Strata Plan [the registration number of the strata plan], being a strata plan of

Parcel Identifier:

The strata plan is composed of 0 nonresidential strata lots, and 6 bare land residential strata lots.

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

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

OR

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

OR

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

Signature of Superintendent of Real Estate


Strata Lot No.	Type of Strata Lot (Residential or Nonresidential)	Sheet No.	Number of Votes
1	RESIDENTIAL		1
2	RESIDENTIAL		1
3	RESIDENTIAL		1
4	RESIDENTIAL		1
5	RESIDENTIAL		1
6	RESIDENTIAL		1
Total number of strata lots: 6			Total number of votes: 6

Date: May ____, 2008

0738635 B.C. LTD.

Per:


Brian Kawasaki


Penelope Kawasaki

0739796 B.C. LTD.

Per:

William S. Chornobay

Strata Property Act

FORM Y

OWNER DEVELOPERS' NOTICE OF DIFFERENT BYLAWS

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

Re: Strata Plan _____ being a strata plan of _____

PID: _____ *Strata Lots 1-6, Strata Plan* _____

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

1. Bylaw number 3(4) of the Schedule of Standard Bylaws does not apply and is deleted.
2. The following Bylaws are added as 3(4), 3(5), 3(6) and 3(7) to the Schedule of Standard Bylaws:
 - 3(4) An owner of a strata lot must not alter, interfere with or cause damage to the drainage system of artesian pools and creeks (the "Drainage System") on the owner's strata lot without the consent of the Strata Corporation.
 - 3(5) An owner of a strata lot is responsible to repair any damage to or blockage of the Drainage System on the owner's strata lot to ensure the safety and prevention of loss or damage to any other strata lot. If an owner fails to do so a person authorized by the Strata Corporation may enter the strata lot as set out in section 7 of the Schedule of Standard Bylaws to do such things as are necessary to carry out the owner's obligations under this bylaw and the owner of the strata shall be responsible for and pay upon demand any expenses incurred by the Strata Corporation in so doing. These rights of the Strata Corporation are permissive only and nothing in these bylaws shall be construed or implied as imposing on the Strata Corporation any obligation to the defaulting strata lot owner or to any other strata lot owner to carry out the owner's duties under these bylaws.
 - 3(6) No trees reasonably needed for the privacy of an adjoining strata lot shall be removed or cut down on a strata lot without the prior written approval of the Strata Corporation.
 - 3(7) An owner of a strata lot must manage and contain garbage and compost in a manner to discourage access by wildlife.

- 3(8) The parking lot on the Common Property adjacent to Strata Lot 2 is for occasional short-term recreational use only. An owner of a strata lot must not park or permit parking on the parking lot other than for such use.

Dated at Powell River this ____ day of _____, 2008

Signature of Owner Developer

Signature of Owner Developer

ESTIMATED BUDGET OF OPERATING EXPENSES

STRATA LOTS 1 - 6

GENERAL

Insurance	\$ 1,700.00
Bank, Legal & Misc.	1,000.00

GATE

Hydro	\$ 2,900.00
Telus (intercom)	1,360.00

COMMON PROPERTY

Maintenance/Road & Common Property/ Snow Removal	\$ <u>6,000.00</u>
---	--------------------

Subtotal:	\$ 12,960.00
-----------	--------------

CONTINGENCY
FUND

(10 %)	<u>1,296.00</u>
--------	-----------------

\$ 14,256.00

UNIT NUMBER	UNIT ENTITLEMENT	OWNER ASSESSMENT
Strata Lot 1	200	\$ 2,376.00
Strata Lot 2	200	\$ 2,376.00
Strata Lot 3	200	\$ 2,376.00
Strata Lot 4	200	\$ 2,376.00
Strata Lot 5	200	\$ 2,376.00
Strata Lot 6	200	\$ 2,376.00

1. THE COVENANTOR COVENANTS AND AGREES with the Covenantee pursuant to s.219 of the *Land Title Act* that:
 - (a) Hereafter, no building, mobile home or unit, or modular home or structure shall be constructed, reconstructed, moved, extended or located within fifteen (15.0) metres of the natural boundary of the sea; and
 - (b) Hereafter, no area used for habitation shall be located within any building, mobile home or unit, or modular home or structure at an elevation such that the underside of the floor system or top of concrete slab is less than one point five (1.5) metres above the natural boundary of the sea. Nothing in paragraphs (a) or (b) extends to any building already in existence at date of this agreement.
 - (c) In this agreement "area used for habitation" means any room or space within a building or structure which is or may be used for human occupancy, commercial sales, business or storage of goods damageable by flood waters.
 - (d) In the case of a mobile home or unit, the ground level or top of concrete or asphalt pad on which it is located shall be no lower than the above-described elevation.
 - (e) The Covenantor shall, at the expenses of the Covenantor, do or cause to be done all acts reasonably necessary to grant priority to this Agreement over all charges and encumbrances which may have been registered against the title to the said lands in the New Westminster Land Title Office save and except those specifically approved in writing by the Covenantee or in favour of the Covenantee.
2. IT IS MUTUALLY UNDERSTOOD AND AGREED by and between the parties here that:
 - (a) Nothing contained or implied herein shall prejudice or affect the rights and powers of the Covenantee 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 Covenantor.
 - (b) The Covenants set forth herein shall charge the said lands pursuant to Section 219 of the *Land Title Act* and shall be covenants the burden of which shall run with the said lands. It is further expressly agreed that the benefit of all covenants made by the Covenantor herein shall accrue solely to the Covenantee and that this Agreement may only be modified or discharged by agreement of the Covenantee, pursuant to the provisions of Section 219(5) of the *Land Title Act*.
 - (c) Notwithstanding anything contained herein, the Covenantor shall not be liable under any of the covenants and agreements contained herein where such liability arises by reason of an act or omission occurring after the Covenantor ceases to have any further interest in the said lands;
 - (d) Wherever the expressions "Covenantor" and "Covenantee" are used herein, they shall be construed as meaning the plural, feminine or body corporate or politic where the context or the parties so require;
 - (e) This Agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors and assigns; and

- (f) The parties hereto shall do and cause to be done all things and execute and causes to be executed all documents which may be necessary to give proper effect to the intention of this Agreement.

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

Approving Officer of the Ministry
of Transportation and Highways

1. THE COVENANTOR COVENANTS AND AGREES with the Covenantee pursuant to s.219 of the *Land Title Act* that:
 - (a) No direct access to Sunshine Coast Highway 101 shall be permitted or constructed from any lot subject to this covenant. The only permitted access shall be the existing access from the common property adjacent to Strata Lot 3, as shown on Strata Plan ____; and
 - (b) The Covenantor shall, at the expenses of the Covenantor, do or cause to be done all acts reasonably necessary to grant priority to this Agreement over all charges and encumbrances which may have been registered against the title to the said lands in the New Westminster Land Title Office save and except those specifically approved in writing by the Covenantee or in favour of the Covenantee.
2. IT IS MUTUALLY UNDERSTOOD AND AGREED by and between the parties here that:
 - (a) Nothing contained or implied herein shall prejudice or affect the rights and powers of the Covenantee 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 Covenantor.
 - (b) The Covenants set forth herein shall charge the said lands pursuant to Section 219 of the *Land Title Act* and shall be covenants the burden of which shall run with the said lands. It is further expressly agreed that the benefit of all covenants made by the Covenantor herein shall accrue solely to the Covenantee and that this Agreement may only be modified or discharged by agreement of the Covenantee, pursuant to the provisions of Section 219(5) of the *Land Title Act*.
 - (c) Notwithstanding anything contained herein, the Covenantor shall not be liable under any of the covenants and agreements contained herein where such liability arises by reason of an act or omission occurring after the Covenantor ceases to have any further interest in the said lands;
 - (d) Wherever the expressions "Covenantor" and "Covenantee" are used herein, they shall be construed as meaning the plural, feminine or body corporate or politic where the context or the parties so require;
 - (e) This Agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors and assigns; and
 - (f) The parties hereto shall do and cause to be done all things and execute and causes to be executed all documents which may be necessary to give proper effect to the intention of this Agreement.

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

Approving Officer of the Ministry
of Transportation and Highways

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of One Dollar (\$1.00) now paid to the Grantor by the Grantee (the receipt and sufficiency whereof is hereby acknowledged), the parties hereto hereby covenant and agree each with the other as follows:

1. The Grantor hereby grants to the Grantee, for themselves and for their employees, licensees, agents and invitees, the right of way and easement over the Easement Area to enter, be on, leave and pass over the Easement Area with or without animals, vehicles or machinery:
 - (a) for the purpose of access to and egress from the Dominant Tenement; and
 - (b) to construct, install, repair, maintain, replace and reconstruct over the whole or any part of the Easement Area a street, road, lane, driveway or other way ("**Access**");
 - (c) to construct, install, repair, maintain, replace and reconstruct over the whole or any part of the Easement Area, hydroelectric, telephone, water and septic service, being conduits, ditches and/or other facilities in connection therewith (the "**Works**"); *Note: 1(c) is applicable to strata lot 4 only.*

The Grantee and the Grantor may, in the maintenance and upkeep of any existing road on the Easement Area, remove or deposit gravel fill or soil and may remove trees or other vegetation and obstructions, but only as required for reasonable use of the road.
2. Neither the Grantor nor the Grantee shall:
 - (a) do or permit or omit anything on their respective properties or the Easement Area that would interfere with the use of the Easement Area as authorized by this Agreement; and
 - (b) permit parked vehicles or other obstructions on the Easement Area in such a way as to impair Access by the Grantor to any part of the Servient Tenement nor by the Grantee to any part of the Dominant Tenement.
3. The Grantor and the Grantee agree with each other to notify the other in the event of any circumstances which might materially impair the security or condition of the Easement Area.
4. The costs of all road construction, road maintenance and road repair and all other costs associated with the Easement Area shall be borne by the Grantee.

THE GRANTOR HEREBY COVENANTS TO AND AGREES WITH THE GRANTEE, as follows:

5. That the Grantor will not, nor permit any other person to erect, place, install or maintain any building, structure, mobile home, concrete driveway or patio, pipe wire or other conduit on, over or under any portion of the Easement Area.
6. That the Grantor will not do nor knowingly permit to be done any act or thing which will interfere with or injure the Easement Area or the Works and in particular will not carry out any blasting on or adjacent to the Easement Area without the consent in writing of the Grantee, provided that such consent shall not be unreasonably withheld.

7. That the Grantor will not substantially diminish the soil cover over any of the Works installed in the Easement Area.
8. That the Grantor will from time to time and at all times upon every reasonable request and at the cost of the Grantee do and execute or cause to be made, done or executed all such further and other lawful acts, deeds, things, devices, conveyances and assurances in law whatsoever for the better assuring unto the Grantee of the rights hereby granted.
9. That the Grantee will not bury any debris or rubbish of any kind in excavations or backfill, and will remove shoring and like temporary structures as backfilling proceeds.
10. That the Grantee will thoroughly clean all land to which it has had access hereunder of all rubbish and construction debris created or placed thereon by the Grantee and will leave such land in a neat and clean condition.
11. The Grantee will, as far as reasonably possible, carry out all work in a proper and workmanlike manner so as to do as little injury to the Servient Tenement as possible.
12. That the Grantee will make good at its own expense all damage or disturbance which may be caused to the surface soil of the Servient Tenement in the exercise of its rights hereunder.
13. The Grantee will, as far as reasonably possible, restore any fences, lawn, flower beds, at its cost as nearly as may be reasonably possible to the same condition that they were in prior to any entry by the Grantee upon the Servient Tenement. PROVIDED HOWEVER that nothing herein contained shall require the Grantee to restore any trees or other surface growth but the Grantee shall leave such land in a condition which will not inhibit natural regeneration of such growth. The Grantee shall however, be entitled to remove at its own expense trees or growth which interferes with or injures the Works of the Grantee.
14. **IT IS MUTUALLY UNDERSTOOD AND AGREED** by and between the parties herein that:
 - (a) the Grantor and the Grantee will each indemnify and save harmless the other against all losses, damages, costs and expenses, including fees of solicitors and other professional advisors, arising out of any breach violation or non-performance of any term, condition, covenant or other provision of this Agreement.
 - (b) the covenants and the rights and obligations as set out in this Agreement shall run with the said lands;
 - (c) the benefit of all covenants made by the Grantor herein shall accrue solely to the Grantee and that this Agreement may only be modified or discharged by agreement of the Grantee;
 - (d) notwithstanding anything contained herein, a party shall not be liable under any of the covenants and agreements contained herein where such liability arises by reason of an act or omission occurring after the party ceases to have any further interest in the said lands;
 - (e) wherever the singular or masculine is used herein, the same shall be construed as meaning the plural, feminine or body corporate or politic where the context or the parties so require;

- (f) this Agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors and assigns; and
- (g) the parties hereto shall do and cause to be done all things and execute and cause to be executed all documents which may be necessary to give proper effect to the intention of this Agreement.

15. **ACKNOWLEDGMENT OF BENEFICIAL OWNER** 0739796 B.C. Ltd. executes this agreement as beneficial owner of _____ to acknowledge it is bound by and consents to the grant of this easement.

IN WITNESS WHEREOF the parties have duly executed this Agreement by signing the Form C on the date set out therein.

CONTRACT OF PURCHASE AND SALE

PREPARED BY: Landquest Realty Corporation DATE: April 5, 2008
(BROKERAGE - PLEASE PRINT)
ADDRESS: #101 - 313 Sixth Street New Westminster PC: V3L 3A7 PHONE: 604-664-7630
PER: Jason Zroback MLS® No.: _____
(LICENSEE - PLEASE PRINT)

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

PROPERTY:

UNIT NO.	ADDRESS OF PROPERTY	
CITY/TOWN/MUNICIPALITY	POSTAL CODE	PID
LEGAL DESCRIPTION		

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

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

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

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

--	--	--	--

INITIALS

PROPERTY ADDRESS _____

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

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

4. **COMPLETION:** The sale will be completed on _____, yr. _____ (Completion Date) at the appropriate Land Title Office.
5. **POSSESSION:** The Buyer will have vacant possession of the Property at _____ a.m./p.m. on _____, yr. _____ (Possession Date) OR, subject to the following existing tenancies, if any: _____
6. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel, utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of _____, yr. _____ (Adjustment Date).
7. **INCLUDED ITEMS:** The Purchase Price includes any buildings, improvements, fixtures, appurtenances and attachments thereto, and all blinds, awnings, screen doors and windows, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, INCLUDING:

BUT EXCLUDING: _____

8. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on _____, yr. _____.
9. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies set out in Clause 5, if any, and except as otherwise set out herein.
10. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, cash or Lawyer's/Notary's or real estate brokerage's trust cheque.
11. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.

--	--	--	--

INITIALS

PROPERTY ADDRESS _____

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

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INITIALS

PROPERTY ADDRESS _____

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

A. the Seller has an Agency relationship with _____

BROKERAGE

and _____

LICENSEE

B. the Buyer has an Agency relationship with _____

Landquest Realty Corporation

BROKERAGE

and Jason Zroback

LICENSEE

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

BROKERAGE

and _____

LICENSEE

LICENSEE

having signed a Limited Dual Agency Agreement dated _____

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

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

A. fulfill or waive the terms and conditions herein contained; and/or

B. exercise any option(s) herein contained.

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

23. **OFFER:** This offer, or counter-offer, will be open for acceptance until _____ o'clock a.m./p.m. on _____

yr. _____

(unless withdrawn in

writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.

X
WITNESS

BUYER



PRINT NAME

X
WITNESS

BUYER



PRINT NAME

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

Seller's acceptance is dated _____, yr. _____

X
WITNESS

SELLER



PRINT NAME

X
WITNESS

SELLER



PRINT NAME



CONTRACT OF PURCHASE AND SALE ADDENDUM

MLS® NO.:

DATE: April 5, 2008

RE: ADDRESS:

LEGAL DESCRIPTION:

PID:

FURTHER TO THE CONTRACT OF PURCHASE AND SALE DATED

MADE BETWEEN

AS BUYER, AND

AS SELLER AND COVERING

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

THIS PURCHASE AND SALE IS SUBJECT TO REGISTRATION OF THE STRATA PLAN CREATING THE PROPERTY SUBSTANTIALLY IN ACCORDANCE WITH PLAN ATTACHED HERETO ON OR BEFORE, _____.

The Seller cautions prospective purchasers that the Paradise Cove Design Guidelines and Approval Process have not been and will not be registered on title to any of the Strata Lots at the Land Title Office and accordingly do not run with the land. Further, nothing in the Paradise Cove Design Guidelines and Approval Process is to be construed or implied as imposing on the Seller any obligation to impose the Paradise Cove Design Guidelines and Approval Process on any particular Strata Lot, nor to enforce the provisions of same or provisions contained in any conveyance or other agreement for sale of any of the Strata Lots.

X
WITNESS

BUYER

SEAL

PRINT NAME

X
WITNESS

BUYER

SEAL

PRINT NAME

X
WITNESS

SELLER

SEAL

PRINT NAME

X
WITNESS

SELLER

SEAL

PRINT NAME

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

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

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

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

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

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

Costs to be Borne by the Seller

- Lawyer or Notary Fees and Expenses:
- attending to execution of documents.
- Costs of clearing title, including:
- discharge fees charged by encumbrance holders.
- prepayment penalties.
- Real Estate Commission.
Goods and Services Tax.

Costs to be Borne by the Buyer

- Lawyer or Notary Fees and Expenses:
- searching title,
- investigating title,
- drafting documents,
- Land Title Registration fees.
- Survey Certificate (if required).
Costs of Mortgage, including:
- mortgage company's Lawyer/Notary.
- appraisal (if applicable),
- Land Title Registration fees.
Fire Insurance Premium.
Sales Tax (if applicable).
Property Transfer Tax.
Goods and Services Tax.

7. **RISK:** (Clause 16) The Buyer should arrange for insurance to be effective on the earlier of the Completion Date or the date the Buyer pays the balance of the funds into trust. The Seller should maintain the Seller's insurance in effect until the later of the date the Seller receives the proceeds of sale, or the date the Seller vacates the property.
8. **FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold residences. If your transaction involves:
 - a house or other building under construction
 - a lease
 - a business
 - an assignment
 - other special circumstances (including the acquisition of land situated on a First Nations reserve)additional provisions, not contained in this form, may be needed, and professional advice should be obtained. A Property Disclosure Statement completed by the Seller may be available.
9. **ALTERNATE DISPUTE RESOLUTION:** Parties to this contract may pursue alternate dispute resolution if a dispute arises after completion of the transaction. It is recommended that the parties first mediate the dispute. Failing agreement to mediate, or if the mediation fails, then disputes can be submitted to an arbitration under the *Commercial Arbitration Act*. BCREA member boards can provide guidance on the selection of mediation and arbitration services in your area.

DESIGN GUIDELINES & APPROVAL PROCESS

PARADISE COVE RESIDENTIAL GUIDELINES

1.0 GENERAL

Each Owner is responsible for complying with and meeting the Specific Criteria as well as the spirit and intent of the Design Guidelines as part of the sales agreement. The Specific Criteria includes, in particular, your Lot's Construction Envelope, the Province of British Columbia Building code, as well as approval by the entity designated by 0738635 B.C. LTD. and 0739796 B.C. LTD. (the "Developers") as the approving entity (the "Approver").

Regardless of the requirements of these guidelines, it remains the responsibility of the Owner to ensure that the construction of any building or structure on the site conforms with all Federal, Provincial, and Regional District laws, regulations, by-laws or other enactments and any encumbrances affecting the title to the property including, without limitation, utility rights of way, easements and restrictive covenants and all requirements outlined in the Statutory Building Scheme registered, or to be registered on title.

All aspects of the following Design Guidelines are subject to relaxations by the Approver upon written request from the Lot Owner. Relaxations will be considered for superior design that may not conform to one or more of the specific guidelines. Owners considering home designs that are not consistent with the Design Guidelines are recommended to consult with the Approver early in the design of their home to ensure that the design envisioned will be considered favourably by the Approver. Note that each request for a relaxation is considered on its own merits and existing relaxations shall not be considered as precedence for future development. The ability to provide a relaxation does not obligate the Approver to do so. Nothing in these guidelines is to be construed or implied as imposing on the Approver any obligation to enforce the provisions of same.

2.0 THE PROCESS

The approval process has been established to ensure that development conforms to and is respectful of the Design Guidelines. Approver's objective is to encourage architecture high quality and with attention to detail.

The Approver is responsible for reviewing and approving all development on your Strata Lot from concept to completion. This includes, but is not limited to:

- New construction and site development;
- Revisions to previously approved plans, prior to and during construction;
- Renovation, expansion, or refinishing of the exterior of any structure (refinishing in the same style and/or material does not require approval);
- Installation of any mechanical or other apparatus (i.e. air conditioners, satellite dishes, heat pumps, etc.) on the building exterior or within the property;
- Renovation, addition or deletion of any landscape feature including, but not limited to, fences, structures, walkways, paths, trees, shrubs, retaining walls, etc;

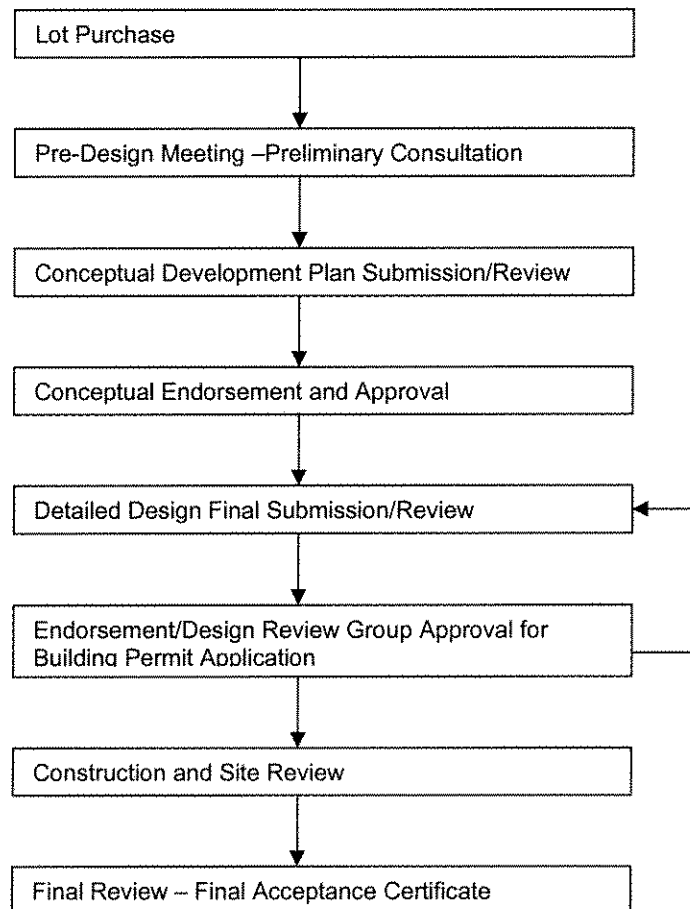
- Alteration of existing and/or approved drainage patterns (note that alteration may be subject to approval of the Strata Council);
- Removal or alteration (i.e. pruning) of any native plant material outside of the Construction Envelope, including trees, shrubs and understorey; and,
- Proposed amendment or expansion of the Construction Envelope.

The Approval process has been designed to encourage dialogue with Owners and their design team early in the evolution of their plans. The process is intended to be constructive, not adversarial or unnecessarily restrictive.

Design, by a qualified architect or residential designer, with engineering input (geotechnical, structural, mechanical, civil, etc.) and landscape architecture as required, is to respect the design framework outlined in the Design Guidelines.

A Design Coordination/Review process has been established to enable the Owner to work with and understand the intent of the Design Guidelines. This process includes the steps and flow chart outlined below.

REVIEW PROCESS



3.0 SITE PLANNING GUIDELINES

Site planning of your home site will be affected by the s.219 covenant in favour of the Ministry of Transportation. A plan that establishes the intended buildable footprint on the Strata Lot shall be submitted for approval. The footprint should be chosen so as to minimize obstruction of view from any neighbouring lot.

4.0 BUILDING DESIGN GUIDELINES

The buildings architecture should strive to celebrate the natural attributes of the site. Consider Pacific North West Modern Architecture with dominant horizontal lines. Strive to provide a smaller footprint that is stepped to follow the topography. Incorporate details that utilize natural rock and timber native to the coastal environment. Architectural elements used on the home may be extended to structures in the landscape (balcony roofs, screen panels, lighting, furnishings, etc.).

4.1 Building Size

There is no minimum requirement for the size of your building. The maximum building size is established by construction envelope, height restrictions and good design to create a comfortable human scale that fits within your lot.

4.2 Building Wall Articulation

Articulation of building facades provides variation in the plan and elevation of your home. Provide horizontal and vertical breaks in the wall planes, including balconies. Establish a rhythm of openings between solids and voids in the façade through design and proportion.

4.3 Building Height

Building height should take advantage of opportunities for views; be sensitive to adjacent Strata Lots; take advantage of the site slope and respect significant trees.

4.4 Roof Shape & Character

Roof shape and character is important to complement the natural attributes of the site. Design to emphasize a strong relationship with the surrounding ground plane.

4.5 Garages & Garage Doors

Garages and garage doors are not to be a visually dominant form. Vehicle corridors are to be discreetly situated, with particular care given to the design and orientation of the garage access and point of entry.

Garage doors shall not dominate the view from any neighbouring lot. This may be achieved by angling the garage doors away from a neighbouring lot or through creative architectural design.

4.6 Screen Walls

Screen walls provide privacy within the landscape at courtyards and patios. Design of screen walls shall be treated as an extension of the building architecture, constructed of materials and finishes that match or complement the main building.

4.7 Building Finishes

Finishing for the various building faces, walls and roofs must adhere to the following guidelines:

1. Non-reflective glazing is to be used.
2. Roofs may be high quality metal roofs such as: Copper, Zinc or Galvalume, flat concrete or fibre-cement tile, ULC-rated treated cedar shakes or ULC-rated treated cedar shingles (natural only), slate or other cut stone.
3. Recycled rubber shingles and earth roofs may be permitted by the Approver on a case-by-case basis at the sole discretion of the Approver, provided that they meet Fire Smart fire principles and are treated to meet ULC-rating requirements.
4. Asphalt shingles are not permitted.
5. It is the Owner's sole responsibility to ensure that cedar shakes and shingles are treated to meet ULC rating requirements upon installation and that properly maintained ULC-treatment is ongoing throughout the life of the structure.
6. Materials for walls may be stained wood, coloured fibre-cement siding, pre-finished or natural metals, tile, glass, stucco, architectural steel, architectural concrete and natural stone.
7. Garage doors shall be wood or insulated metal with moulding and panel detail, painted or stained to complement or match the building siding. Un-insulated metal or plastic doors are not permitted.
8. Window frames shall be wood or finished metal.

4.8 Building Colours

Earth tone colours and other colours compatible with the natural surrounding are encouraged. Owners should avoid garish colours, which contrast harshly with the landscape.

4.9 Exterior Lighting

Exterior lighting should be designed to enhance the coastal atmosphere. Lighting should not interfere or compete with enjoyment of the nighttime sky and "remote" character of the development.

1. Low intensity non-glare fixtures to provide adequate illumination for safety and aesthetic enhancement are permitted. No uncovered light fixtures or non-focused light fixtures are permitted.
2. Up lighting and/or down lighting of architectural features, walls and landscaping is permitted.

4.10 Building Accessories

Building Accessories are those various elements and appurtenances that are a natural part of a building. The following requirements are directed at how these elements may be used:

1. Antennae are restricted to interior attic applications only.
2. Satellite dishes may be used if discreetly located on or close to the building. Large ground mounted satellite dishes visible from an adjoining Strata Lot are prohibited.
3. Address identification, applied to a landscape or integrated architectural element, is suggested near the road by the driveway for delivery and emergency response

purposes. Any proposed address identification must be approved in writing by the Approver prior to installation.

4. Recreational facilities such as hot tubs and swimming pools may be considered, and are to be developed in a non-intrusive manner with screening for privacy from any adjacent Strata Lot.
5. Outbuildings such as saunas or maintenance sheds are to be developed to coordinate with the architectural motif and finish of the home, and must be approved by the Approver. Outbuildings are permitted outside the main building site provided they are non-intrusive.
6. Mechanical equipment such as air conditioning compressors, cooling towers or rooftop units shall not be visually exposed. Consideration should be given to alternatives that do not require exterior equipment placement or building wall penetration.

5.0 LANDSCAPE DESIGN GUIDELINES

It is important that the minimum possible disturbance occur to trees, understorey plants, ground cover and organic surface materials during the design and the construction of your home. Where possible, elements of the landscape should be allowed to "blend" into the built environment.

6.0 APPROVAL OF CONTRACTORS, SUBCONTRACTORS

All contractors and subcontractors who will carry out any construction, landscaping or development on a Strata Lot must first be approved by the Approver in writing. Approval will not be withheld for experienced contractors or subcontractors of sound financial background and with appropriate references and experience.

6.1 Approval Fee

Unless the Approver or an affiliate is the contractor of the Owner for the purpose of development of the Strata Lot, each Owner must pay to the Approver at the time of the Detailed Design Submission, an approval fee. The approval fee will be determined at the time of purchase of the Owner's Lot and will be incorporated into the Owner's purchase contract.