

DISCLOSURE STATEMENT AMENDMENT

Original Disclosure Statement filed December 22, 2009

Amendment filed May 4, 2010

Second Amendment filed January 28, 2011

“ARTISAN PARK”

NORTH COWICHAN, BRITISH COLUMBIA

NAME OF DEVELOPER: ARTISAN PROPERTIES LTD.

**ADDRESS OF DEVELOPER: ARTISAN PROPERTIES LTD.
103 - 3179 Jacklin Road
Victoria, B.C. V9B 3Y7**

**ADDRESS FOR SERVICE: 813 GOLDSTREAM AVENUE
VICTORIA, B.C. V9B 2X8**

**REAL ESTATE BROKER OF DEVELOPER: Shirley Zailo
ReMax Camosun
101 - 791 Goldstream Avenue
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DISCLAIMER

THIS DISCLOSURE STATEMENT HAS BEEN FILED WITH THE SUPERINTENDENT OF REAL ESTATE, BUT NEITHER THE SUPERINTENDENT OF REAL ESTATE, 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 THAT IS NOT YET COMPLETED. PLEASE REFER TO SECTION 7.2 FOR INFORMATION ON THE PURCHASE AGREEMENT. THAT INFORMATION HAS BEEN DRAWN TO THE ATTENTION OF (insert name of purchasers)

WHO HAS CONFIRMED THAT FACT BY INITIALLING IN THE SPACE PROVIDED HERE: _____

RIGHT OF RESCISSION

Under Section 21 of the *Real Estate Development Marketing Act*, the purchaser of 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.

The developer has obtained approval in principle to construct and create the strata lots in all phases of the Development from the Corporation of the District of North Cowichan. The Superintendent of Financial Institutions will permit marketing by the developer prior to obtaining the building permit for **Phase 4** from the Corporation of the District of North Cowichan for the Development on the following conditions:

- (a) the estimated date, as disclosed in the disclosure statement, for the issuance of a building permit, is 9 months or less from the date the developer filed the disclosure statement with the Superintendent;
- (b) the developer markets the proposed development units under the disclosure statement for a period of no more than 9 months from the date the disclosure statement was filed with the Superintendent, unless a disclosure statement amendment that sets out particulars of the issued building permit is filed with the Superintendent during that period;
- (c) any purchase agreement used by the developer, with respect to any development unit offered for sale or lease before the purchaser's receipt of a disclosure statement amendment that sets out particulars of the issued building permit, contains the following provisions:
 - (i) the purchaser may cancel the purchase agreement for a period of seven days after receipt of a disclosure statement amendment that sets out particulars of the issued building permit if the layout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the building permit;
 - (ii) if a disclosure statement amendment that sets out particulars of an issued building permit is not received by the purchaser within 12 months after the initial disclosure statement was filed, the purchaser may at his or her option cancel the purchase agreement at any time after the end of that 12 month period until the required amendment is received by the purchaser, at which time the purchaser may cancel the purchase agreement for a period of seven days after receipt of that amendment only if the layout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the building permit;
 - (iii) the amount of the deposit to be paid by a purchaser who has not yet received a disclosure statement amendment that sets out particulars of an issued building permit is now more than 10% of the price; and
 - (iv) all deposits paid by a purchaser, including interest earned if applicable will be returned promptly to the purchaser upon notice of cancellation from the purchaser.

DISCLOSURE STATEMENT AMENDMENT

"ARTISAN PARK"

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EXHIBITS

"A"	Proposed Strata Plans
"B"	Form P, Phased Strata Plan Declaration
"C"	Form V, Schedule of Proposed Unit Entitlement
"D"	Estimated Annual Budget of Operating Expenses
"E"	Estimated Monthly Assessments per Strata Lot
"F"	Form J, Rental Disclosure Statement
"G"	Contract of Purchase and Sale and Addendum
"H"	Strata Management Contract

1. THE DEVELOPER

1.1 Description of the Developer

The Developer is **ARTISAN PROPERTIES LTD.**, a Company Incorporated under the laws of British Columbia on November 28, 2003 under No. BC0682254.

1.2 Purpose of Incorporation

The developer was not incorporated specifically for the purpose of developing the strata lots within this Development and the developer has assets other than the development property itself.

1.3 Registered and Records Office of the Developer

The registered and records office of the developer is:

813 Goldstream Avenue
Victoria, B.C. V9B 2X8

1.4 Directors

The directors of the Company are:

Len Wansbrough
Kenneth Richard Stanton

1.5 Background of Developer, Directors, Officers and Principal Holders

To the best of the Developer's knowledge:

- (a) the Corporate Developer has developed prior properties, specifically 32 residential units located at 6101 Hammond Bay Road, Nanaimo, BC and 11 single family homes in Cowichan Bay, B.C. and Victoria, B.C. and has been involved in the development industry. The previous experience of the directors of the Developer are as follows:
 - (i) Len Wansbrough - is the project manager, and will provide administrative and financial services to the joint venture. He has been involved in the construction industry since 1983, and been involved in several projects including project management for a 32 unit single-family development in Nanaimo, and a 126-unit senior's supportive housing project in Langford, B.C. and a 40,000 square foot commercial development in Colwood, B.C.. He is also a licensed realtor under Haywood Properties Ltd.
 - (ii) Kenneth Richard Stanton - has been involved in construction since 1978;

- (b) neither the Developer nor any principal holder of the Developer nor any director or officer of the Developer or principal holder within the 10 years before the date of the Developer's declaration attached to the disclosure statement has been subject to any penalties or sanctions imposed by a Court or regulatory authority, relating to the sale, lease, promotion, or management of real estate or securities, or to the lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud.
- (c) neither the Developer, nor any principal holder of the Developer, nor any director or officer of the Developer or principal holder, within the five years before the date of the developer's declaration attached to the disclosure statement, 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 the assets of that person.
- (d) no director, officer, or principal holder of the Developer or any director or officer of the principal holder, within the five years prior to the date of the Developer's 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:
 - (i) 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;
 - (ii) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

1.6 Existing or Potential Conflicts of Interest

There are no conflicts or potential conflicts of interests which exists among the Developer, manager, any directors, officers and principal holders of the Developer and manager, any directors and officers of the principal holders, and any person providing goods or services to the developer, manager or holders of the development units in connection with the development which could reasonably be expected to affect the purchaser's purchase decision.

2. GENERAL DESCRIPTION

2.1 General Description of the Development

The Strata Lots offered for sale by Artisan Properties Ltd. (the "Developer") pursuant to this Disclosure Statement are located at 5791 Banks Road, in the Town of Duncan, British Columbia, on lands which are legally described as:

028-101-472 Lot A, Section 17, Range 5, Quamichan District, Plan
VIP87434, except part in Strata Plan VIS944 (Phase 1 to 3)

(the "Lands").

The Strata Lots will be created upon the deposit of a strata plan (the "Strata Plan") in the Land Title Office. A draft of the proposed Strata Plan is attached as **Exhibit "A"** to this Disclosure Statement. Upon completion of the registration of the Strata Plan, it is expected that the Strata Lots will be legally described as follows:

Strata Lots 1 to 20, Section 17, Range 5, Quamichan District, Strata Plan VIS6944

The Strata Plan number for the Strata Lots will be assigned upon the deposit of the Strata Plan in the Land Title Office.

Artisan Park is a 20 unit (the "Units") residential development being constructed in 4 phases containing 20 residential strata lots.

Phases 1 through 4 inclusive of the Development will consist of 20 one-and- two-level wood frame constructed buildings in an attached townhouse style, all on a concrete foundation.

Phase One consists of four (4) Units, all of which are residential units.

Phase Two consists of four (4) units, all of which are residential units.

Phase Three consists of six (6) units, all of which are residential units.

Phase Four consists of six (6) units, all of which are residential units.

The proposed layout of the Development and the location and dimensions of the Strata Lots are set out in the Strata Plan, and a draft of the Strata Plan together with a table showing the proposed dimensions of the strata lots are attached hereto as **Exhibit "A"**. The Plan and dimensions are approximate only and there will be minor changes or variations during construction. The Purchaser is cautioned to review the filed Strata Plan prior to completion of their purchase to ensure that the strata lot and the Development are in substantial accord with **Exhibit "A"**.

This Disclosure Statement relates to the marketing of all Phases of the Development.

2.2 Permitted Use

- (a) The zoning applicable to the Development is R6 which permits the construction of the Development. Approval of the Development was given by the Corporation of the District of North Cowichan on May 30, 2008 under Development Permit No. DP-07.23.

2.3 Phasing

The Development is part of a Phased but is not part of a Multi-Staged Development.

The Developer will be constructing 20 residential units in four phases. Construction of Phase One will commence on or about December, 2009 and complete on or about April, 2010. Construction of Phase Two will commence on or about November, 2010 and complete on or about March, 2011. Construction of Phase Three will commence on or about August, 2011 and complete on or about December, 2012. Construction of Phase Four will commence on or about March, 2012 and complete on or about September, 2012.

3. STRATA INFORMATION

3.1 Unit Entitlement

The Unit Entitlement of each Strata Lot is a figure indicating its share in the Common Property and assets of the Development and is used to determine each Strata Lot's contribution to expenses incurred in respect of the common Property. The Unit Entitlement for each strata lot shall be equal and set at one (1) as per the Form V, Schedule of Unit Entitlement.

A schedule of the proposed Form V, Schedule of Unit Entitlement for the Strata Lots is as set out in the attached **Exhibit "C"**.

3.2 Voting Rights

Each Residential Strata Lot within the Development will have one vote in the strata corporation.

3.3 Common Property and Facilities

There shall be common roadway, park areas, gazebo, street lighting and utility conduits which shall be common property and subject to control of the Strata Corporation.

3.4 Limited Common Property

Limited Common Property is an area within the Common Property that is designated for the exclusive use of one or more Strata Lot owners and any additional maintenance expenses created thereby will be paid by such owner(s). The Strata Corporation is responsible for repairing and maintaining all common property. The ***Strata Property Act*** however makes owners responsible for maintaining and repairing limited common property which they use, except the following, which the strata corporation must repair and maintain:

- (i) repair and maintenance that in the ordinary course of events occurs less than once a year;
- (ii) the structure of a building;
- (iii) the exterior of a building;
- (iv) chimneys, stairs, balconies, patios and other things attached to the exterior of a

building;

- (v) doors, windows or skylights, on the exterior of a building or that front on the common property; and
- (vi) fences, railings and similar structures that enclose patios, balconies and yards.

Expenses paid by the Strata Corporation for the repair and maintenance of common property will be allocated to all of the strata lots in proportion to their relative unit entitlement figures, with the exception of operating fund expenses that relate to limited common property. Common expenses included in the operating fund that relates to limited common property will be allocated to only those strata lots entitled to use that limited common property, and shared amongst those strata lots in proportion to their relative unit entitlement figures. All contributions to the contingency reserve, or a special levy, which relate to limited common property will be paid for by all of the strata lots property in proportion to the relative unit entitlement figures. In this development, the Limited Common Property shall be as shown in Exhibit "A", in addition to the parking space / driveway referred to in 3.6.

3.5 Bylaws

The bylaws of the strata corporation will be those contained in the Schedule of Standard By-Laws of the ***Strata Property Act*** at the time the Strata Plan for the Development is deposited in the Land Title Office. The bylaws may be amended by a resolution passed by $\frac{3}{4}$ vote. No by-law is enforceable to the extent that it:

- (a) contravenes this Act, the regulations, the Human Rights Code or any other enactment or law;
- (b) destroys or modifies an easement created under Section 69, or
- (c) prohibits or restricts the right of an owner of a strata lot to freely sell, lease, mortgage or otherwise dispose of the strata lot or an interest in the strata lot.

3.6 Parking

There will be one (1) designated outside parking space for each townhouse unit. Additionally, there will be 31 designated spaces for the townhouses together with six visitor parking spots.

3.7 Furnishings and Equipment

There will be no furniture and equipment included in the purchase price of each residential Strata Lot.

3.8 Budget

- (a) Each Strata Lot owner will be responsible for real property taxes for his Strata Lot. Property taxes are levied by and payable to the Corporation of the District of North

Cowichan.

- (b) The following utilities are paid by the strata corporation and the cost will be prorated to the owners of the Strata Lots and included in the monthly assessments: lighting and utilities servicing the Common Property, and water for the Common Property.
- (c) With the exception of those utilities listed in paragraph 3.8(b) above, all utilities will be separately metered or assessed to each Strata Lot and will be the responsibility of each Strata Lot owner.
- (d) An estimated annual budget of operating expenses of the Development based on current costs is attached as **Exhibit "E"**.

Exhibit "F" sets out the estimated monthly assessment for each of the Strata Lots during the initial operating year. The actual monthly assessments will be calculated upon the finalization of the unit entitlement as described in paragraph 3.1. The estimated interim budget for the first nine month period following the deposit of the Strata Plans, as required by Section 13 of the **Strata Property Act**, can be calculated by multiplying the annual budget set out in Schedule "F" by 9/12. The **Strata Property Act** provides that the Developer must establish a contingency fund with a minimum contribution equal to 5% of the estimated interim budget.

Under Section 7 of the **Strata Property Act** (the "Act"), the Developer will pay the strata corporation's expenses up to the end of the month in which there is the first conveyance of a strata lot to a purchaser. Under Section 14 of the Act, after that month and before the first annual budget takes effect, if the strata corporation's expenses exceed the estimated expenses in the interim budget, the Developer will 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(1) of the Regulations requires the Developer to respectively pay to the strata corporation a further amount equal to two or three times the amount of the excess.

3.9 Utilities and Services

The Development is located within a municipality being the The Corporation of the District of North Cowichan and will be serviced with Municipal water, sewer, electricity, fire protection, and road access. Water, telephone, cable television and natural gas will be provided by private utility services.

(a) Water

Water will be provided by the City of Duncan

(b) Electricity

Electricity will be provided by B.C. Hydro

(c) Sewerage

Sewerage will be provided by The Corporation of the District of North Cowichan

(d) Natural gas

Natural Gas will be supplied by Terasen

(e) Fire Protection

Fire protection services will be provided by the North Cowichan Fire Department.

(f) Telephone

Telephone Services will be supplied by Telus Corporation and Shaw Communications Inc.

(g) Cablevision

Cablevision services will be provided by Shaw Cablesystems

3.10 Strata Management Contracts

There will be a strata management agreement with ProLine Strata Management Company, in the form attached hereto as **Exhibit "H"**.

3.11 Insurance

- (a) The Developer will place construction risk insurance of not less than \$1,000,000.00 and general liability insurance of not less than \$2,000,000.00 in respect of the Development.
- (b) The strata corporation will initially carry:
 - (i) insurance for the buildings, common property, common facilities, common assets and any insurable improvements owned by the strata corporation and any fixtures installed by the Owner/Developer as part of the original construction, in the development to their replacement value against fire, lightning, smoke, windstorm, hail, explosion, water escape, strikes, riots, impact by aircraft or vehicles, vandalism and malicious acts and against other perils as are usually the subject of insurance in respect of similar properties;
 - (ii) not less than \$2,000,000.00 general liability insurance in respect of the Development;
 - (iii) errors and omissions insurance for the strata council members.
- (c) Each purchaser shall be responsible for insuring personal property within his own

Strata Lot when the transfer from the Developer is completed.

3.12 Rental Disclosure Statement

Under Section 139 of the **STRATA PROPERTY ACT**, the Developer must disclose to any purchaser the intention to lease Strata Lots in order to preserve the Developer's right to lease any unsold Strata Lots in the future. A copy of the rental disclosure statement in respect of the Strata Lots, as filed with the Superintendent of Real Estate by the Developer, is attached as **Exhibit "F"**

4. TITLE AND LEGAL MATTERS

4.1 Legal Description

The legal description of the development property is:

028-101-472 Lot A, Section 17, Range 5, Quamichan District, Plan VIP87434, except part in Strata Plan VIS6944 (Phase 1 to 3)

4.2 Ownership

The registered owner of the Lands is Artisan Properties Ltd.

4.3 Existing Encumbrances and Legal Notations

The following legal notations and encumbrances are registered against title to the Lands:

- (a) Hereto is annexed Easement EX109579 over Lot 1, Plan VIP79482;
- (b) This title may be affected by a permit under Part 26 of the Local Government Act, see FB184861, amended by FB311901, amended by FB375675;
- (c) Hereto is annexed Easement FB314338 over Lot B, Plan VIP87434;
- (d) Phased Strata Plan Declaration (Form P) filed FB342162 2010-04-20;
- (e) Covenant ES31356 in favour of the Corporation of the District of North Cowichan;
- (f) Covenant ES31357 in favour of the Corporation of the District of North Cowichan;
- (g) Covenant ES31359 in favour of the Corporation of the District of North Cowichan;
- (h) Mortgage FB93801 in favour of HSBC Bank Canada;
- (i) Assignment of Rents FB93802 in favour of HSBC Bank Canada;
- (j) Priority Agreement FB93803 granting FB93801 priority over FB93805;

- (k) Priority Agreement FB93804 granting FB93802 priority over FB93805;
- (l) Mortgage FB93805 in favour of Seaboard Mortgage Corporation;
- (m) Statutory Right of Way FB285068 in favour of British Columbia Hydro and Power Authority;
- (n) Statutory Right of Way FB285069 in favour of Telus Communications Inc.;
- (o) Priority Agreement FB285070 granting FB285068 priority over FB93805;
- (p) Priority Agreement FB285071 granting FB285069 priority over FB93805;
- (q) Statutory Right of Way FB314335 in favour of the City of Duncan;
- (r) Priority Agreement FB314336 granting FB314335 priority over FB93801, FB93802 and FB93805;
- (s) Easement FB314337, appurtenant to Lot B, Plan VIP87434.

The charges described in paragraph 4.3(a) through (g), (m), (n), (q) and (s) will remain registered against title to the Strata Lots and/or the Common Property following registration of the Strata Plans and the transfer of title to each Strata Lot to the purchaser of that Strata Lot.

4.4 Proposed Encumbrances

The following additional encumbrances may be registered by the Developer against the title to the Strata Lots or the Common Property:

- (a) any and all such rights of way, easements, restrictive covenants, dedications and other rights or restrictions required by the Corporation of the District of North Cowichan, British Columbia Hydro and Power Authority, Telus Communications, Shaw Cable or any other applicable governmental authority or public utility or deemed necessary or advisable by the Developer in connection with the Development, including financing security as per paragraph 6.2 hereof.
- (b) The Strata Corporation will grant an easement over the Common Property in favour of the remaining lands held by the Developer to permit access for construction of the remaining phases and parking for phases subsequent to Phase 1 until filing of subsequent phase when easement shall be merged in the common property.

4.5 Outstanding or Contingent Litigation or Liabilities

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

4.6 Environmental Matters

The Developer is not aware of any dangers or any requirements imposed by the Corporation of the District of North Cowichan or other governmental authority connected with the Development in respect of flooding or drainage hazards or in respect of the condition of the soil or subsoil.

5. CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

Construction of Phase 1 of the Strata Lots commenced on or about December, 2009. The completion of construction of the Phase 1 Strata Lots is anticipated to be April, 2010.

Construction of Phase 2 of the Strata Lots will commence on or about November, 2010. The completion of construction of the Phase 2 Strata Lots is anticipated to be March, 2011.

Construction of Phase 3 of the Strata Lots will commence on or about August, 2011. The completion of construction of the Phase 3 Strata Lots is anticipated to be December, 2012.

Construction of Phase 4 of the Strata Lots will commence on or about March, 2012. The completion of construction of the Phase 4 Strata Lots is anticipated to be September, 2012.

5.2 Warranties

Any manufacturer's warranty on equipment included in the purchase price of a particular Strata Lot will be passed on to the purchaser of that Strata Lot if permitted by such warranty.

The Builder and the Development is registered under a New Home Warranty through Travellers Guarantee, an approved warranty underwriter, which provides for the repair or replacement of "Latent Defects in Workmanship and Materials" which occur within a ONE (1) year period from the "Date of Possession", electrical and plumbing for TWO (2) years from the "Date of Possession", water penetration warranty for water ingress occurring within FIVE (5) years from the "Date of Possession" for the first completed transfer of a strata lot from the developer and the repair of "Major Structural Defects" which occur during the TEN (10) year period commencing on the "Date of Possession" for the first completed transfer of a strata lot from the developer. The aforesaid Warranty is provided pursuant to the requirements of the **Homeowner Protection Act**.

5.3 Previously Occupied Building

This development does not involve the conversion of a previously occupied building.

6. APPROVALS AND FINANCES

6.1 Development Approval

- (a) The zoning applicable to the Development is RM6 which permits the construction

- of the Development. Approval of the Development was given by the Corporation of the District of North Cowichan on May 30, 2008.
- (b) A Development Permit was issued by the Corporation of the District of North Cowichan on June 10, 2008 under number DP-07.23.
 - (c) A building permit for Phase 1 of the Development was issued by the Corporation of the District of North Cowichan on December 15, 2009 under Permit No. 373-09.
 - (d) A building permit for Phase 2 of the Development was issued by the Corporation of the District of North Cowichan on March 30, 2010 under Permit No. 87-10.
 - (e) A building permit for Phase 3 of the Development was issued by the Corporation of the District of North Cowichan on August 3, 2010 under Permit Nos. BP005586 and BP005585;
 - (f) A building permit for the remaining phase of the Development has not yet been issued by the Corporation of the District of North Cowichan.
 - (g) The Development will comply with all building restrictions, zoning regulations and other restrictions governing the use and development of the Development and any Strata Lot therein.

6.2 Construction Financing

The Developer has arranged construction financing necessary to the building of the Development with HSBC Bank Canada. Such financing will provide for a partial discharge of its security insofar as it relates to any particular Strata Lot upon receipt by the Lender of not more than 100% of the net sale proceeds from the sale of the Strata Lot.

7. MISCELLANEOUS

7.1 Deposits

All deposits and other money received from purchase of the Strata Lots shall be held in trust by the vendor's solicitor or a licensed real estate office involved in the transaction, in the manner required by the REAL ESTATE DEVELOPMENT MARKETING ACT until such time as:

- (a) the strata plan in respect of the Development is deposited in the appropriate Land Title Office;
- (b) the Strata Lot purchased is capable of being occupied;
- (c) an instrument evidencing the interest of the purchaser in the Strata Lot has been filed for registration in the appropriate Land Title Office.

7.2 Purchase Agreement

- (a) Attached as **Exhibit "G"** is the form of contract of purchase and sale which the Developer intends to use in connection with the sale of the Strata Lots unless otherwise agreed between the Developer and any purchaser.
- (b) Where the Purchase Agreement relates to the sale of lots prior to the issuance of a building permit, the contract provides, under paragraph 11, that it is terminable at the option of the purchaser for a period of seven (7) days after receipt of an amended disclosure statement, if the amendments materially affect the offering or if the amended disclosure statement is not received within 9 months after acceptance of the initial disclosure statement. Save for the aforesaid, the addendum contained in Exhibit "G" does not provide for early termination, as subject to attaching the vendor's addendum, the purchasers are free to utilize offers in their own form of contract and are not required to use the vendor's form when making an offer to purchase a unit.
- (c) the Developer is entitled to extend the date for completion of the purchase by up to 90 days from the date agreed to in the contract of purchase and sale upon giving notice to the purchaser not less than 30 days prior to the previously agreed completion date. The purchaser has no right to refuse such an extension. There is no other provision in addendum provides for any extensions of time, including the purchase agreement, either by the Developer or by the purchaser.
- (d) Exhibit "G" provides that the Purchase Agreement cannot be assigned by the purchaser without the express prior written consent of the seller.
- (e) The Purchase Agreement does not provide that either the purchaser or Developer are to receive interest on deposit monies.

7.3 Developer's Commitments

There are no commitments made by the developer that will be met after completion of the sale or lease of a particular strata lot or strata lots.

7.4 Other Material Facts

There are no other facts 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 Amendment is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement Amendment, 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 Amendment are liable to compensate the purchaser for any misrepresentation, subject to any defences available under Section 22, of the Act.


DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of January 26, 2011.

DEVELOPER

ARTISAN PROPERTIES LTD.

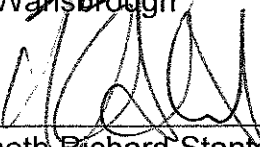
Per: 
Name: Len Wansbrough
Title: Director

Per: 
Name: Kenneth Richard Stanton
Title: Director

DIRECTORS:



Len Wansbrough



Kenneth Richard Stanton

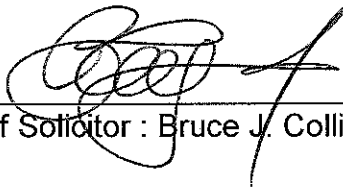
SOLICITOR'S CERTIFICATE

IN THE MATTER OF the **REAL ESTATE DEVELOPMENT MARKETING ACT** and the Disclosure Statement Amendment of **ARTISAN PROPERTIES LTD.** for property described as:

028-101-472, Lot A, Section 17, Range 5, Quamichan District, Plan VIP87434, except part in Strata Plan VIS6944 (Phase 1 to 3)

I, BRUCE J. COLLINGWOOD, Solicitor, a member of the Law Society of British Columbia, having read over the above-described DISCLOSURE STATEMENT AMENDMENT, made any required investigations in public offices and reviewed same with the Developer therein named, HEREBY CERTIFY that the facts contained in Paragraphs 4.1, 4.2 and 4.3 of the DISCLOSURE STATEMENT AMENDMENT are correct.

DATED at Victoria, British Columbia, this 26 day of January, 2011.



Name of Solicitor : Bruce J. Collingwood

EXHIBITS TO THIS DISCLOSURE STATEMENT AMENDMENT

- "A" Proposed Strata Plans
- "B" Form P, Phased Strata Plan Declaration
- "C" Form V, Schedule of Proposed Unit Entitlement
- "D" Estimated Annual Budget of Operating Expenses
- "E" Estimated Monthly Assessments per Strata Lot
- "F" Form J, Rental Disclosure Statement
- "G" Contract of Purchase and Sale
- "H" Strata Management Contract

EXHIBIT "A"

PROPOSED STRATA PLANS

Attached as Exhibit "A" is the draft Strata Plan showing the dimensions and location of the proposed Strata Lots.

PROPOSED PHASED TOWNHOUSE STRATA PLAN OF LOT A, SECTION 17, RANGE 5 QUAMICHAN DISTRICT, PLAN VIP87434.

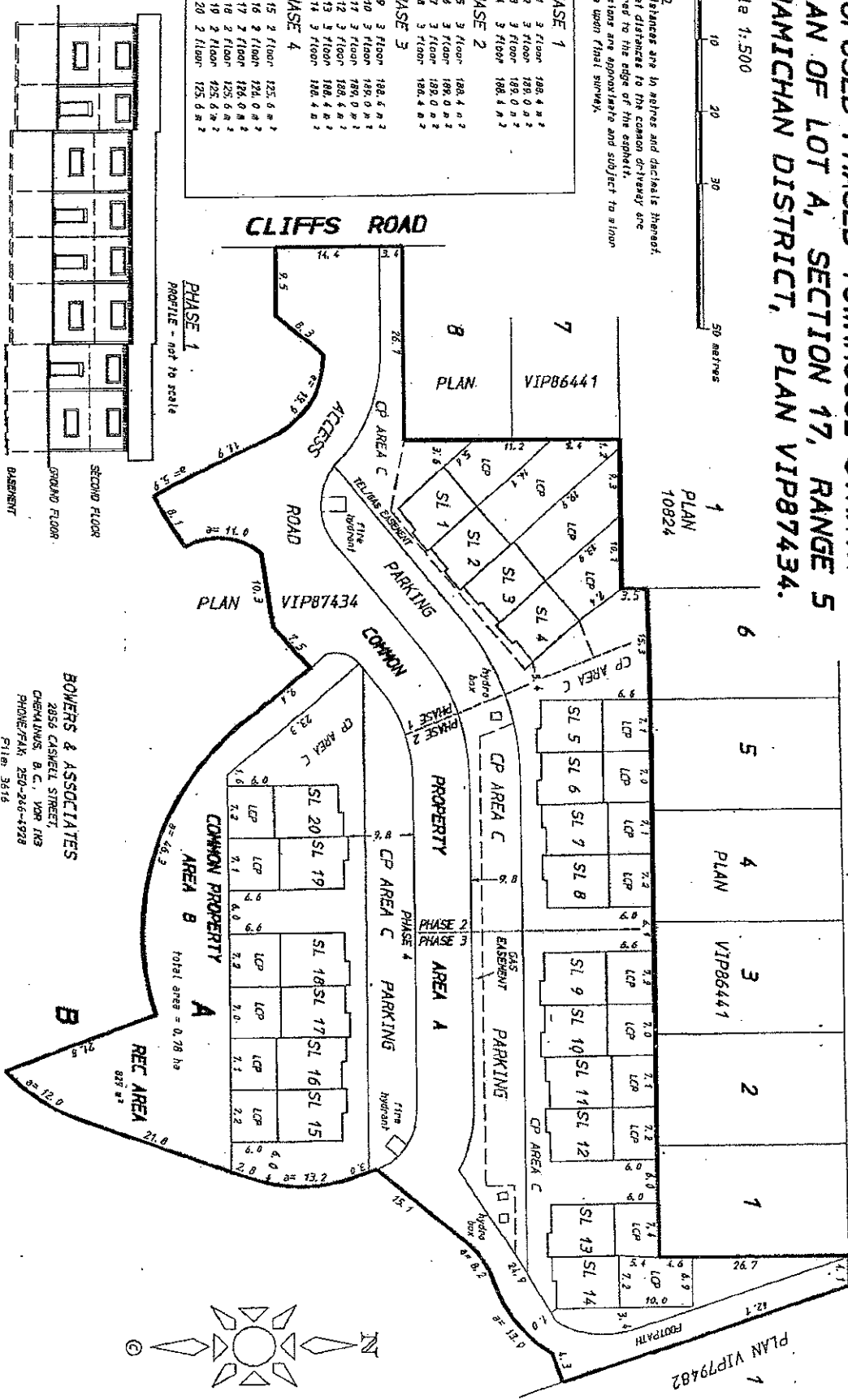
LASHMAN AVENUE

Scale 1:500



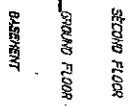
LEGEND
All distances are in metres and decimals thereof.
Off-set distance to the common driveway are
measured to the edge of the easement.
Dimensions are approximate and subject to a final
change upon final survey.

PHASE 1	
SL 1	3 Floor 188.4 m ²
SL 2	3 Floor 188.0 m ²
SL 3	3 Floor 188.0 m ²
SL 4	3 Floor 188.4 m ²
PHASE 2	
SL 5	3 Floor 188.4 m ²
SL 6	3 Floor 188.0 m ²
SL 7	3 Floor 188.0 m ²
SL 8	3 Floor 188.4 m ²
PHASE 3	
SL 9	3 Floor 188.4 m ²
SL 10	3 Floor 188.0 m ²
SL 11	3 Floor 188.0 m ²
SL 12	3 Floor 188.4 m ²
SL 13	3 Floor 188.4 m ²
SL 14	3 Floor 188.4 m ²
PHASE 4	
SL 15	2 Floor 125.6 m ²
SL 16	2 Floor 124.0 m ²
SL 17	2 Floor 126.0 m ²
SL 18	2 Floor 125.6 m ²
SL 19	2 Floor 125.6 m ²
SL 20	2 Floor 125.6 m ²



BOWERS & ASSOCIATES
2856 CASWELL STREET,
CHERAMUNGS, B.C., V0R 1N3
PHONE/FAX: 250-245-4928
F118: 3616

PHASE 1
PROFILE - not to scale



Total area = 0.78 ha

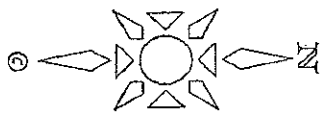


EXHIBIT "B"

FORM P, PHASED STRATA PLAN DECLARATION

Strata Property Act
FORM P
PHASED STRATA PLAN DECLARATION

(Sections 221, 222)

I, ARTISAN PROPERTIES LTD. (Inc. No. BC0682254), declare

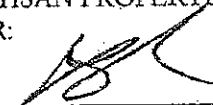
- 1 That I intend to create a strata plan by way of phased development of the following land which I own or on which I hold a right to purchase:

Lot A, Section 17, Range 5, Quamichan District, Plan VIP

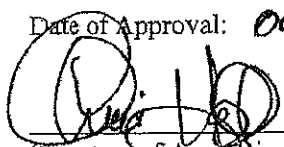
- 2 That the plan of development is as follows: See attached Schedule.
- 3 I will elect to proceed with each phase on or by the following dates:

Phase Number	Date [month, day, year]
Phase 1	August 31, 2010
Phase 2	July 31, 2011
Phase 3	April 30, 2012
Phase 4	March 31, 2013

Signature of Applicant
ARTISAN PROPERTIES LTD.
PER:


Name: Ken Wansborough Director

Date of Approval: Oct 21, 2009


Signature of Approving Officer - The Corporation
of the District of North Cowichan

SCHEDULES TO FORM "P"

Lot A, Section 17, Range 5, Quamichan District, Plan VIP

There will be Four (4) phases to the development.

- 2(a) The number of phases in the order in which they will be deposited and which phase or phases will have constructed in conjunction with them any common facility is as follows:

Phase 1,	Commencement on or about August 31, 2010 and contain Strata Lots 1 through 4 inclusive; thereafter
Phase 2,	containing Strata Lots 5 through 8 inclusive; thereafter
Phase 3,	Strata Lots 9 through 14 inclusive; thereafter
Phase 4,	Strata Lots 15 through 20 inclusive.

- 2(c) Construction schedule setting out the estimated date for commencement and completion of construction of each Phase is as follows:

	Commencement	Completion
Phase 1	August 31, 2010	December 31, 2010
Phase 2	July 31, 2011	November 30, 2011
Phase 3	April 30, 2012	September 30, 2012
Phase 4	March 31, 2013	September 30, 2013

- 2(d) Statement of Unit Entitlement for each Phase and the total Unit Entitlement of the completed development.

Phase No.	Unit Entitlement
1	4
2	4
3	6
4	6
Total unit Entitlement for the Development	20

- 2(e) The maximum number of units and general type of residence or other structure to be built in each phase:

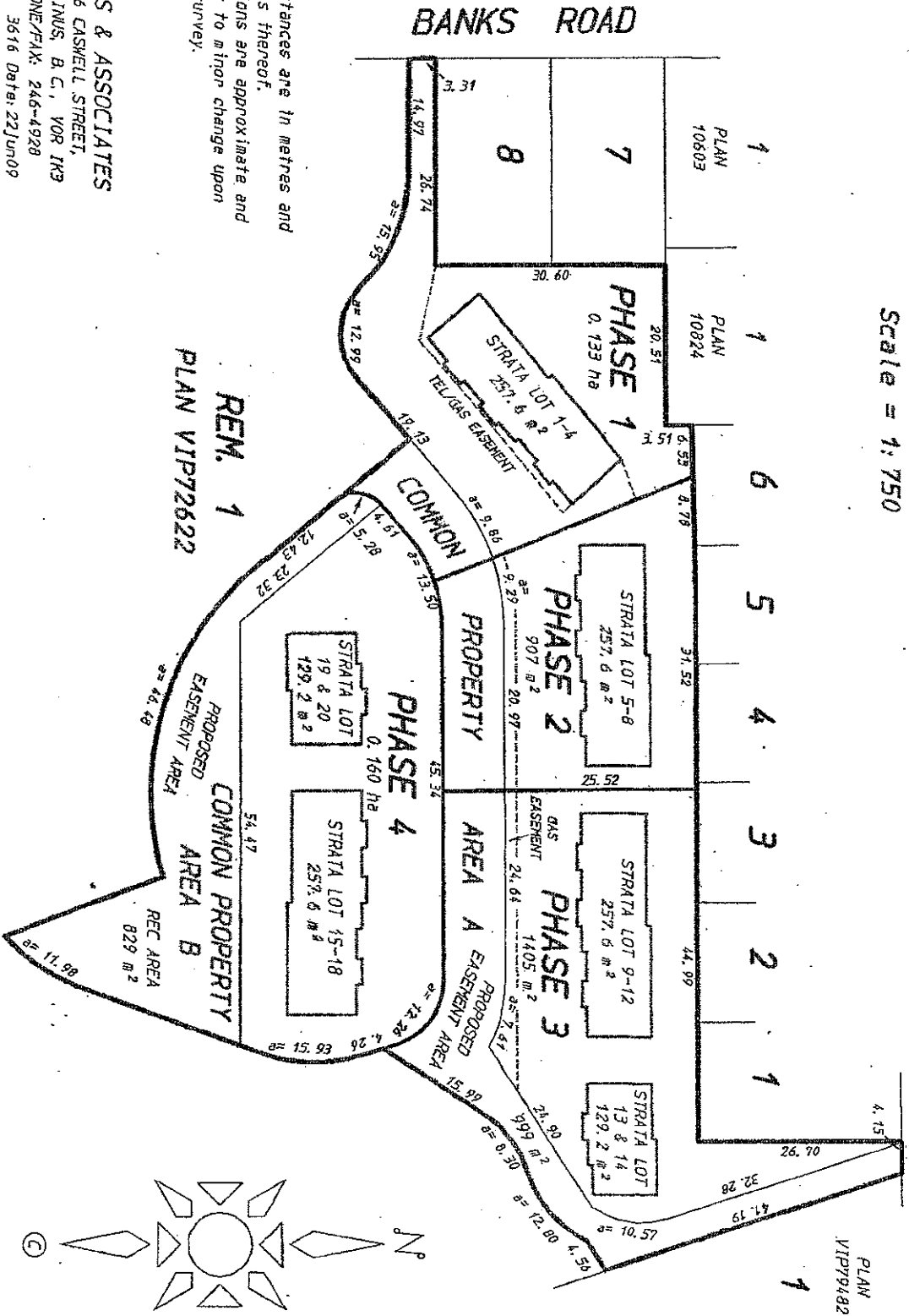
	# of Units	General Type of Residence or other structure to be built
Phase 1	4	Two-storey, wood frame construction, attached townhouse style, constructed as one building
Phase 2	4	Two-storey, wood frame construction, attached townhouse style, constructed as one building
Phase 3	6	Two-storey, wood frame construction, attached townhouse style, constructed as two buildings
Phase 4	6	Two-storey, wood frame construction, attached townhouse style, constructed as two buildings

Sketch Plan (2(b)) forming part of Form P, Phased Strata Plan Declaration

**SKETCH PLAN OF PROPOSED
PHASED BUILDING STRATA SUBDIVISION OF
PART OF LOT 1, PLAN VIP72622.**

Scale = 1:750

**LASHMAN
AVENUE**



LEGEND
All distances are in metres and
decimals thereof.
Dimensions are approximate and
subject to minor change upon
final survey.

REM. 1
PLAN VIP72622

BOWERS & ASSOCIATES
2856 CASWELL STREET,
CHERAMUNUS, B. C., V0R 1K3
PHONE/FAX: 246-4928
File: 3616 Date: 22Jun09

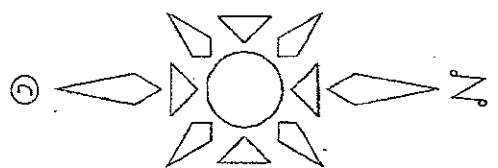


EXHIBIT "C"

FORM V, SCHEDULE OF PROPOSED UNIT ENTITLEMENT

Strata Property Act

FORM V

SCHEDULE OF UNIT ENTITLEMENT

(Sections 245(a), 246; 264)

Re: Strata Plan VIS , being a strata plan of

[parcel identifier] [legal description of strata lot]

028-101-472 Lot A, Section 17, Range 5, Quamichan District, Plan VIP87434

Complete and file only the applicable form of schedule.

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, *Philip Bowers*, a British Columbia land surveyor, certify that the following table reflects the habitable area of each residential strata lot.

Date:

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**
1		188.4	1	
2		189.0	1	
3		189.0	1	
4		188.4	1	
5		188.4	1	
6		189.0	1	
7		189.0	1	
8		188.4	1	
9		188.4	1	
10		189.0	1	
11		189.0	1	
12		188.4	1	
13		188.4	1	
14		188.4	1	
15		125.6	1	
16		126.0	1	
17		126.0	1	
18		125.6	1	
19		125.6	1	
20		125.6	1	
Total number of lots: 20			Total unit entitlement: 20	

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

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

Date:

Signature of Owner/Developer

EXHIBIT "D"

ESTIMATED ANNUAL BUDGET OF OPERATING EXPENSES

**PROPOSED BUDGET FOR ARTISAN TOWNHOUSE
FIRST 12 MONTHS OF OPERATIONS**

DESCRIPTION	PROPOSED BUDGET
INCOME	
Strata Assessments Operations	35,800.00
Strata Assessments Reserve	3,580.00
TOTAL INCOME	39,380.00
OPERATING EXPENSES	
BUILDING COMMON AREA	
Hydro	1,000.00
Water & Sewer	1,500.00
Garbage Removal	4,000.00
Building Maintenance	5,000.00
Grounds	6,500.00
Insurance	5,800.00
Road Maintenance/Snow Removal	1,000.00
Total	24,800.00
ADMINISTRATION	
Property Management Fee	9,000.00
Miscellaneous	2,000.00
Total	11,000.00
FISCAL	
Transfer to Reserve	3,580.00
Total	3,580.00
TOTAL OPERATING EXP.	39,380.00
SUMMARY	
DESCRIPTION	PROPOSED BUDGET
Total Income	39,380.00
Total Operating Exp.	39,380.00
Cash Flow	0.00
CLOSING BALANCE	0.00

RESERVE ACCOUNT

DESCRIPTION	PROPOSED BUDGET
Transfers In	3,580.00
Developer's Seeding	1,790.00
CLOSING BALANCE	5,370.00

EXHIBIT "E"

ESTIMATED MONTHLY ASSESSMENT PER STRATA LOT

Phase 1 through 4 inclusive

Strata Lot No.	Monthly Assessment (\$)
1	164.08
2	164.08
3	164.08
4	164.08
5	164.08
6	164.08
7	164.08
8	164.08
9	164.08
10	164.08
11	164.08
12	164.08
13	164.08
14	164.08
15	164.08
16	164.08
17	164.08
18	164.08
19	164.08
20	164.08

EXHIBIT "F"

FORM J, RENTAL DISCLOSURE STATEMENT

Strata Property Act
FORM J
RENTAL DISCLOSURE STATEMENT

(Section 139)

Re: Strata Plan VIS _____, legally described as PID 028-101-472, Lot A, Section 17, Range 5, Quamichan District, Plan VIP87434

- 1 The development described above includes 20 residential strata lots and 0 non-residential strata lots..
- 2 The residential strata lots described below are rented out by the owner developer as of the date of this statement and the owner developer intends to rent out each strata lot until the date set out opposite its description.

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

Description of Strata Lot <i>[strata lot number as shown on strata plan]</i>	Date Rental Period Expires <i>[month, day, year]</i>
<i>Nil</i>	

- 3 In addition to the number of residential strata lots rented out by the owner developer as of the date of this statement, the owner developer reserves the right to rent out a further 20 residential strata lots, as described below, until the date set out opposite each strata lot's description.

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

Description of Strata Lot <i>[strata lot number as shown on strata plan]</i>	Date Rental Period Expires <i>[month, day, year]</i>
<i>Strata Lots 1 to 20 inclusive</i>	<i>January 1, 2109</i>

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

Date: December 21 2009.


Signature of Owner/Developer - Kenneth Richard Stanton



Signature of Owner/Developer - Len Wansbrough

EXHIBIT "G"

CONTRACT OF PURCHASE AND SALE and ADDENDUM

ADDENDUM #1

DATE: _____, 200

ATTACHED TO AND FORMING PART OF A CONTRACT OF PURCHASE AND SALE DATED THE
DAY OF _____, 200

TO PURCHASE THE PROPERTY KNOWN AS UNIT # _____, NORTH COWICHAN,
BRITISH COLUMBIA.

LEGAL DESCRIPTION : PROPOSED STRATA LOT _____ OF

BETWEEN :

_____ as Seller

AND :

_____ as Buyer.

THE UNDERSIGNED HEREBY AGREE AS FOLLOWS :

1. The purchase price does include net HST. The Purchaser will assign the rebate to the Vendor. If the Purchaser does not qualify for the rebate, then the amount of the rebate the person would otherwise be entitled to will be added to the purchase price.
2. The deposit shall be increased to \$ _____ upon removal of the condition precedent referred to in the Contract of Purchase and Sale, if any, and further increased to \$ _____ upon delivery to the Buyer of a copy of an amendment to the Disclosure Statement confirming the terms of the construction financing and the issuance of a building permit by the Corporation of the District of North Cowichan. Provided the amendment has been delivered, the deposit shall be further increased to \$ _____ on the _____ day of _____, 200 _____, (hereinafter referred to as the "DISCLOSURE STATEMENT AMENDMENT").
3. The Buyer's solicitor shall direct the Seller's solicitor to hold 7% of the Purchase Price back from the sale proceeds on completion as a builder's lien holdback in accordance with the terms of the **STRATA PROPERTY ACT** and its regulations. The holdback will be held in an interest bearing trust account with interest to accrue to the benefit of the Seller to be released to the Seller immediately at the expiration of the holdback period, provided no liens or judgments have been filed without deduction or offset.
4. All deposits are to be held in a trust account until completion of this transaction or earlier termination of this Agreement, by the listing agents, or the Developer's solicitors.
5. This Agreement cannot be assigned by the Buyer without the express prior written consent of the Seller, which shall not be unreasonably withheld.
6. The Buyer acknowledges having received a copy of the Disclosure Statement as required by the **REAL ESTATE DEVELOPMENT MARKETING ACT**, and having been afforded an opportunity to read same prior to executing this Agreement.

7. It is a fundamental term of this Contract that the Seller will complete all work for which a building permit will be issued and as disclosed in the Disclosure Statement for the property, and will provide the Buyer with an unconditional occupancy permit prior to the completion date. Changes to the plan, specifications, finish and appliance schedules will only be made on the basis of substitution of materials and appliances of equal or better quality. Notwithstanding the foregoing, in the event the Corporation of the District of North Cowichan has issued a conditional occupancy permit for the Development prior to the completion date, the Buyer will complete the purchase and the Seller will, with all due diligence, complete and remedy such deficiencies as may be specified in the conditional occupancy permit.
8. The Strata Lot is as shown on the Proposed Strata Plan attached to the Disclosure Statement given to the Buyer and the Buyer acknowledges that the area of the Strata Lot as shown thereon and the room measurements as shown in any advertised material are approximate only and may vary from the actual area as shown on the final Strata Plan.
9. The Buyer and a representative of the Seller shall inspect the Strata Lot at a reasonable time designated by the Seller prior to the completion date. At the conclusion of such inspection, a conclusive list of any defects or deficiencies shall be prepared including the dates by which corrections are to occur. The parties shall sign the list and the Buyer shall be deemed to have accepted the physical condition of the Strata Lot subject only to the listed corrections.
10. In the event the occupancy permit is not expected to be available prior to the completion date, the Seller shall have the right to change the completion date unilaterally by providing notice of the new completion date to the Buyer. Such notice must be given not less than 30 days prior to the previously agreed completion date and the amended completion date shall not be later than 90 days following the date such notice is given to the Buyer.
11. In the event the occupancy permit is to be or is obtained earlier than the agreed closing date, the Seller may by 30 days written notice advance the closing to 30 days from the date the written notice is delivered to the Buyer.

With respect to the sale of Strata Lots in Phase 4 of the Development, as sales are being made prior to the issuance of a building permit and a Disclosure Statement Amendment is required verifying that a building permit has been issued:

12. This Contract is terminable at the option of the Purchaser for a period of 7 days after receipt of the Disclosure Statement Amendment if the amendments materially affect the offering or if the Disclosure Statement Amendment is not received within 9 months after acceptance of initial Disclosure Statement.
13. Upon receipt of notice of termination in accordance with paragraph 12 by the Purchaser, all deposit funds held plus any interest earned will be returned forthwith to the Purchaser without deduction.
14. Until the delivery of the amendment referred to in paragraph 13 the deposit funds shall be a maximum amount equal to 10% of the purchase price.
15. Upon the filing of the Disclosure Statement Amendment referred to in paragraph 12, the Contract shall be amended to delete this paragraph and paragraphs 12 to 15 inclusive.

DATED at _____, British Columbia, this _____ day of _____, 200_____.

Witness

Buyer

Witness

Buyer

EXHIBIT "H"

STRATA MANAGEMENT AGREEMENT



AGENCY AGREEMENT

THIS AGREEMENT dated for reference as of the _____ day of _____, 20____.

BETWEEN:

THE OWNERS, STRATA PLAN _____, commonly known as _____ a Strata Corporation constituted under the laws of British Columbia and having its address at _____ Victoria, BC

(hereinafter called the "Strata Corporation")

OF THE FIRST PART

AND:

PROLINE MANAGEMENT LTD., a company incorporated under the laws of the Province of British Columbia with offices at 201 - 20 Burnside Road West, Victoria, BC, V9A 1B3.

(hereinafter called the "Agent")

OF THE SECOND PART

WHEREAS:

- A. The Strata Corporation is responsible for the control, management, maintenance and administration of the common property and common assets of the Strata Corporation and all personnel, operations, business and all things and activities comprising or associated with or carried on in the Strata Plan.
- B. The Agent has agreed to provide certain services to the Strata Corporation.
- C. The Strata Corporation has agreed to contract with the Agent for the purposes of providing services described herein.

INITIALS

AGENT	STRATA

WITNESS THEREFORE that in consideration of the sum of Ten (\$10.00) Dollars now paid by each party to the other (the receipt and sufficiency whereof is by each hereby acknowledged) and in consideration of the mutual promises contained herein, the parties agree, one with the other, as follows:

Definitions

1. In this Agreement, the following terms shall have the following meanings:
 - 1.1 "Act" means the *Strata Property Act* and amendments thereto and any regulations adopted pursuant to the Act;
 - 1.2 "Agent" means the strata property agency brokerage described on page 1 hereof;
 - 1.3 "Agent's Fees" means the fees payable to the Agent pursuant to Section 5.2 of this Agreement;
 - 1.4 "Agreement" means this agreement, including Schedule A, Schedule B, any other schedules attached hereto, and any amendments thereto;
 - 1.5 "Bylaws" means the bylaws adopted by the Strata Corporation and in effect from time to time;
 - 1.6 "Laws" means all applicable restrictive covenants, zoning ordinances and building codes, health, environmental and safety laws and regulations, and other federal, provincial and other laws, statutes, ordinances, rules, regulations, orders and court decisions;
 - 1.7 "Meetings" means all meetings of the Strata Corporation and Strata Council, including the annual general meeting, special general meeting, committee meetings, arbitrations and mediation hearings, court hearings, or other meetings requiring the Agent's attendance pursuant to this Agreement;
 - 1.8 "Owners" means all owners of strata lots included in the Strata Plan;
 - 1.9 "RESA" means the *Real Estate Services Act* and amendments thereto and any regulations or rules adopted pursuant to the *Real Estate Services Act*;
 - 1.10 "Rules" means the rules made pursuant to section 125 of the Act from time to time;
 - 1.11 "Strata Corporation" means the strata corporation described on page 1 hereof;
 - 1.12 "Strata Council" means the strata council of the Strata Corporation; and

INITIALS	
AGENT	STRATA

- 1.13 "Strata Plan" means the strata plan filed in the Land Title Office that created the Strata Corporation.

Exclusive Appointment

2. Commencing on the Commencement Date set out in item 1 of Schedule A attached hereto, the Strata Corporation hereby appoints the Agent as its sole and exclusive Agent to provide strata agency services to the Strata Corporation upon the terms and conditions herein contained, and the Agent agrees to serve the Strata Corporation in that capacity in a faithful, diligent and honest manner, subject to the direction of the Strata Council and the terms of this Agreement.

Agent's Agreement

3. The Agent hereby covenants and agrees with the Strata Corporation as follows:

General

- 3.1 Agent Services - To furnish the services of the Agent as agent for the Strata Corporation in assisting the Strata Council in managing the affairs of the Strata Corporation;
- 3.2 Administration - To assist in the administration of the common property and common assets of the Strata Corporation under the direction of the Strata Council;
- 3.3 Strata Corporation's Performance - To assist the Strata Council with the performance of all obligations required to be performed by the Strata Corporation pursuant to agreements entered into between the Strata Corporation and any other person, firm or corporation in respect of the affairs of the Strata Corporation;
- 3.4 Staffing - To provide sufficient staff at the Agent's expense in order to provide the Agent's services hereunder. The Agent may designate a representative of the Agent to be the principal contact person between the Agent and the Strata Corporation;

Financial

- 3.5 Strata Fees - To receive and record in a timely fashion all strata fees, special levies, user fees, contributions to the contingency reserve fund, and other revenues and amounts due to the Strata Corporation;
- 3.6 Unpaid Strata Fees - To demand and attempt to recover from the Owners, all strata fees, contingency reserve fees, special levies or user fees and any and all other monies from time to time payable by such Owners to the Strata Corporation in any lawful manner howsoever and to make and agree to all just and reasonable abatements, payments and allowances in respect thereof;

INITIALS	
AGENT	STRATA

- 3.7. Non-Payment of Strata Fees - To take legal action at the expense of the Strata Corporation for and in the name of the Strata Corporation, to effect the collection of unpaid monthly strata fees, special levies, user fees, contributions to the contingency reserve fund and any other monies due to the Strata Corporation and to sign, file and deliver certificates of liens, receipts, certificates, or acknowledgements, all at the direction of the Strata Council;
- 3.8. Annual Budget - To assist the Strata Council in budgeting the Strata Corporation revenue and expenditures and in determining the appropriate amount of contribution to be paid by each Owner towards operating expenses and the contingency reserve fund as required by the Act and in this regard to furnish annually, an estimate of revenues and expenses;
- 3.9. Accounting Statement - To provide the Strata Council with a monthly accounting statement of receipts, disbursements, expenses and charges;
- 3.10. Bank Statement - To provide the Strata Council with a copy of each monthly bank statement for each trust account within thirty (30) days of issuance of such bank statement, consistent with the terms of RESA, the Act and the Bylaws;
- 3.11. Expenditures - To sign cheques and to otherwise pay from the Strata Corporation's funds in a timely fashion, all charges, expenses and outgoings whatsoever payable by, or chargeable to the Strata Corporation provided funds are available to make such payments and the Strata Council's authorization is provided where required;
- 3.12. Payroll Accounts - To provide payroll accounting for Strata Corporation employees, if necessary, either directly or through a third party service provider and to charge a fee for such services in the amount set forth in item 2 of Schedule A;
- 3.13. Strata Corporation's Monies - To deposit all receipts of the Strata Corporation into the appropriate trust account or accounts in accordance with the provisions of RESA, such trust accounts to be separate from the Agent's corporate accounts and deposited with an institution qualified to engage in the credit union, banking or trust business, and to withdraw funds from or transfer funds between such accounts as may be appropriate. The Agent may transfer such monies between accounts and pooled trust accounts as permitted by RESA and may invest the Strata Corporation's funds as appropriate and as permitted under RESA and section 95 of the Act;

INITIALS	
AGENT	STRATA

Trust Accounts

- 3.14 Maintenance of Trust Accounts - To maintain at least one separate trust account in the name of the Strata Corporation, as further specified in item 3 of Schedule A attached hereto;
- 3.15 Contingency Reserve/Special Levy Trust Accounts - If the Agent is to hold contingency reserve money or special levy money as specified in item 3 of Schedule A, to maintain at least one separate trust account for both the contingency reserve money and the special levy money or one or more separate trust accounts for each;
- 3.16 Statutory Review of Books - To keep full and detailed books and to make the books available for the annual review of books maintained by the Agent as required by the Real Estate Council of BC pursuant to RBSA and to charge the fee specified in item 2 of Schedule B, whether or not the Strata Corporation's books are in fact reviewed in whole or in part, pursuant to the statutory review;
- 3.17 Strata Corporation's Audit - To keep full and detailed books and if directed by the Strata Corporation, to arrange for an outside accountant to conduct an audit of the Strata Corporation's books, at the Strata Corporation's cost;
- 3.18 Signing Authority - To ensure that the signing authority of the Agent for the operating fund trust account and/or pooled trust accounts includes at least one managing broker of the Agent. If contingency reserve and/or special levy trust accounts are maintained, two signing authorities shall be required for any transfer of funds, which signing authority may be any two of the following: a managing broker, a licensee, director, officer or accountant of the Agent;

Meetings

- 3.19 Meetings - To arrange for a representative of the Agent to attend at a mutually agreed time and date, up to the number of Meetings per year set forth in item 4 of Schedule A attached hereto. It being understood however, that the Agent's attendance over and above the number of Meetings specified in item 4 of Schedule A, or attending at any Meeting of a duration longer than the number of hours specified in item 5 of Schedule A, shall be mutually agreed upon by the parties and the Agent shall be entitled to charge the additional fees shown in Sections 5.2(b) or 5.2(c) as applicable;

Strata Council

- 3.20 Strata Council - To consult with and confer fully and freely with the Strata Council (in person at Meetings, or by telephone or e-mail) on behalf of the Strata Corporation in the performance of any of the Strata Council's duties and to act upon the resolutions of the Strata Council in so far as such resolutions do not

INITIALS	
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conflict with the Act, RESA, any Laws, the Bylaws, the Rules or a direction given by the Strata Corporation. The receipt by the Agent of written authorization of the Strata Council is sufficient authority for the Agent to so act;

- 3.21 Assistance to Strata Council – To advise the Strata Council on the Act, and to advise the Strata Council of generally accepted practices throughout the strata agency industry. Such interpretation of the Act to be used by the Strata Council as a guide and shall not be regarded as legal advice;

Records

- 3.22 Records - To keep full and detailed records of the transactions of the Strata Corporation and to retain the records required to be maintained by section 35 of the Act, including the owner registry (save and except any of the prescribed documents not provided to the Agent by the Strata Corporation and any other documents listed in Schedule B), if applicable, for such time as required by RESA or the Act, and to make available for inspection at the request of the Strata Corporation, all of the Strata Corporation's documents, accounts and records which the Agent may have and to charge an hourly fee in the amount specified in item 6 of Schedule A for the supervision of the inspection of such records. Any such material shall be made available to any Owner, after first receiving reasonable notice from the Owner in accordance with the Act, of their intention to inspect the records at the office of the Agent;
- 3.23 Use and Disclosure of Strata Corporation Information and Personal Information of Owners – To collect, use and disclose information respecting the Strata Corporation, including personal information respecting any Owner for any and all purposes related to the management, maintenance and administration of the Strata Corporation and for such other purposes as are appropriate in connection with the performance of the duties of the Agent respecting the affairs of the Strata Corporation, including the provision of documentation and information as required by the Act to facilitate the sale of any strata lot which shall include its distribution to the Owner's real estate licensees, potential purchasers, purchasers and their conveyancers, governmental authorities, Owners' mortgagees or other authorized requestors in accordance with the Act;
- 3.24 Owner/Tenant's Registry – To maintain a registry of all Owners and tenanted strata lots;
- 3.25 Minutes – At the request of the Strata Council, to prepare minutes for Meetings at which the Agent is in attendance, and provide the minutes of Strata Council meetings and annual and special general meetings of the Strata Corporation pursuant to the terms and conditions of this Agreement and as prescribed by the Act;

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- 3.26 Correspondence and Forms – To receive and respond to all correspondence as directed by the Strata Council and to sign, file and deliver statutory forms including certificates, receipts, or acknowledgements, all at the direction of the Strata Council;

Bylaws and Rules

- 3.27 Bylaws and Rules – To familiarize itself with REBA, the Act and the Strata Corporation's Bylaws and Rules;
- 3.28 Bylaw and Rules Enforcement – To assist with the enforcement of the Bylaws and Rules and, if so directed by the Strata Council, take appropriate action including legal action to enforce or stop any breach or infraction of the Bylaws and Rules, at the expense of the Strata Corporation;
- 3.29 Fines – To provide notice of fines upon the levying of fines by the Strata Council and provide follow up correspondence and initiate legal action as is necessary, at the direction and expense of the Strata Corporation;
- 3.30 Liens – To prepare, sign, file and remove liens against delinquent Owners in accordance with the Act and to provide follow up correspondence and initiate legal action as necessary, all at the direction and expense of the Strata Corporation. The Agent may charge a fee for the administration involved or the collection of receivables as specified in item 2 of Schedule B and charge back such fee to the Owner;

Insurance

- 3.31 Property Insurance – Upon the direction of the Strata Council, to secure annual updates to the insurance appraisal for the Strata Plan and to renew insurance policies as they expire pursuant to the Act. All insurance appraisal costs and premium costs shall be expenses of the Strata Corporation;
- 3.32 E&O Insurance – Upon the direction of the Strata Council, to assist the Strata Corporation to place and maintain, at the expense of the Strata Corporation, Strata Council Errors & Omissions Insurance;
- 3.33 Liability Insurance – To assist the Strata Corporation to place and maintain, at the expense of the Strata Corporation, Comprehensive General Liability Insurance having a minimum coverage in the amount of \$2,000,000.00 or such greater amount as may be directed by the Strata Council. Such insurance policy shall list the Agent as additional insured and shall be applicable to any indemnification of the Agent by the Strata Corporation as required under this Agreement;
- 3.34 Insurance Coverage – To assist the Strata Corporation to place and maintain adequate property, liability, equipment breakdown and other insurance required

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from time to time and have a qualified insurance agent review the insurance coverage of the Strata Corporation at least every year. The Agent shall at the direction and cost of the Strata Corporation arrange for an insurance appraisal. The Agent shall not be liable for any negligence of any such insurance agent or the insurance appraiser;

- 3.35 Availability of Insurance -- When assisting the Strata Corporation in obtaining the insurance described in Sections 3.31 to 3.34, the Agent shall attempt to obtain such insurance on commercially reasonable terms. The Agent shall have no liability to the Strata Corporation or the Owners if such insurance is not available at all or if it is not available on commercially reasonable terms and the Strata Council elects not to maintain any or all such insurance;
- 3.36 Agent's Insurance -- The Agent shall maintain such insurance as is required by RESA;

Maintenance and Services

- 3.37 Contractors and Employees - To co-ordinate the work of contractors, suppliers or employees and whenever directed by the Strata Council or the Agent deems it advisable or necessary, the Agent shall hire or discharge contractors, suppliers or employees, and it is agreed and understood that all such employees and independent contractors shall be deemed to be employees and independent contractors of the Strata Corporation and not of the Agent, and paid by the Strata Corporation and not the Agent and that the Agent shall not be responsible for the acts, defaults or negligence of such employees or independent contractors if reasonable care has been exercised in their recommendation, appointment and retention;
- 3.38 Contracts -- To make and sign contracts in the name of the Strata Corporation, in respect to the common property and common assets, for electricity, gas, fuel, water, telephone, janitorial services, window cleaning, landscaping, garbage disposal, vermin extermination and other services or such of them as the Strata Council shall deem advisable, and to monitor and negotiate renewal or replacement of such contracts;
- 3.39 Supplies - Subject to the limits expressed by the Strata Council, to place orders for and purchase, in the name of the Strata Corporation, all such equipment, tools, appliances, materials and supplies as is necessary to equip properly and maintain the common property and common assets of the Strata Corporation;
- 3.40 Emergency Services -- To use commercially reasonable efforts to maintain a 24-hour emergency contact service such that the Strata Council or Owners can contact the Agent with respect to matters affecting life or property damage,

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however the Strata Corporation acknowledges that such services may not be available in the event of a major regional emergency;

- 3.41 Limitation on Expenditures - The Agent agrees to obtain the approval of the Strata Council of the Strata Corporation to all expenditures in accordance with the Act and the Bylaws, other than: (a) expenses contained in the approved annual budget; (b) recurring operating charges; or (c) emergency repairs in excess of the maximum amount established by the Bylaws, if such expenditures are necessary in the opinion of the Agent to protect the common property and common assets of the Strata Corporation from damage or to maintain common services to occupants of any one or more strata lots;

Proceedings

- 3.42 Legal Proceedings - To assist in resolution of disputes involving the Strata Corporation as directed by the Strata Council, by recourse to the appropriate authority, including legal proceedings, arbitration, mediation, small claims court, internal appeals and residential tenancy disputes;
- 3.43 Legal Counsel - Any provision in this Agreement allowing the Agent to take legal action on behalf of the Strata Corporation shall mean, where appropriate or required, taking legal action through the Strata Corporation's legal counsel;
- 3.44 Owner's Defaults - To sign and give notices to Owners of any defaults in any obligations of such Owners to repair or to maintain their strata lots or limited common property in a timely fashion;
- 3.45 Compliance with Notices or Orders - To notify the Strata Council of any notices or orders of any competent public authority requiring repairs to be done in respect of the common property and common assets, or any part thereof, and to notify the Owners of individual strata lots that they must in a like manner comply with such notices or orders in regard to their own individual strata lots;
- 3.46 Compliance with Laws - To take such action on behalf of the Strata Corporation as the Strata Council may direct, as may be necessary to comply promptly with any and all orders or requirements affecting the Strata Corporation made by any governmental body or agency having authority or orders of any Fire Marshall, or board of fire underwriters or similar body;

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Other

- 3.47 Sale of Strata Lots -- To provide and sign documentation as required by the Act to facilitate the sale, financing or other dealings with any strata lot at the cost of the Owner or the proposed purchaser or lender. The Agent shall be entitled to retain the fees and disbursements it charges such Owners, proposed purchasers, lenders, real estate licensees, lawyers or notaries; and
- 3.48 Fees, Rebates or Discounts -- Not to collect or charge any undisclosed fee, rebate or discount, and if any such fee, rebate or discount should be received by the Agent that fee, rebate or discount will be held in trust for and credited to the account of the Strata Corporation.

Agent's Authorization

- 4. The Agent shall be deemed the Agent of the Strata Corporation and to enable the Agent to effectively perform its services under this Agreement the Strata Corporation hereby appoints the Agent as its agent to perform the services set out in Section 3 hereof and to execute all documents and contracts for and on behalf of the Strata Corporation, as directed by the Strata Council, and to commence legal proceedings at the expense of the Strata Corporation as directed by the Strata Council and to perform all other duties provided for in this Agreement.

Strata Corporation's Agreement

- 5. The Strata Corporation covenants and agrees:
 - 5.1 Indemnity - To save the Agent harmless from any and all claims, damages, costs and liability incurred in connection with the services provided to the Strata Corporation and, without limiting the generality of the foregoing, to indemnify and save the Agent harmless from all claims, damages, costs and liability whatsoever incurred by the Agent in performing its responsibilities hereunder and to protect the Agent against any and all such claims, damages, costs, and liability in the same manner and to the same extent as the Strata Corporation, unless such claim, damage, cost or liability is caused by the gross negligence or wilful misconduct of the Agent;
 - 5.2 Agent's Fees - To pay to the Agent the following fees:
 - (a) a fee in advance each and every month during the term of this Agreement, in the amount and on the day specified in item 7 of Schedule A;
 - (b) an additional fee in the amount specified in item 8 of Schedule A, for each additional Meeting over the number specified in Section 3.19 and item 4 of Schedule A;

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- (c) an additional hourly fee in the amount specified in item 9 of Schedule A, for each hour of attendance at any Meeting longer than the hours specified in Section 3.19 and item 5 of Schedule A;
- (d) an additional fee for appearing as a witness, or assisting with litigation support, special projects and/or major renovations, as determined by the size and nature of the special project and/or major renovations and as may be agreed between the Strata Corporation and the Agent or in the amount determined pursuant to Schedule B, if attached and initialled by both parties;
- (e) an additional fee in the amount specified in item 10 of Schedule A, per strata lot for each month of depositing and processing of special levies;
- (f) such additional fees as are provided for in Schedule B, or as may be agreed upon in writing from time to time;

5.3 Payment of Agent's Fees - The Strata Corporation hereby authorises the Agent to deduct the Agent's Fees and disbursements from the strata fees, special levies, assessments, user fees and any other monies collected by the Agent pursuant to Section 3;

5.4 Shortfall - That if the bills, accounts or expenses paid by the Agent pursuant to Section 3 hereof in any calendar month exceed the strata fees and other monies collected in such month by the Agent or if the Strata Corporation does not otherwise have sufficient funds to pay such bills, accounts or expenses, to pay the Agent the amount of such excess promptly upon request, which may include transfer of funds from the Contingency Reserve Fund where permitted under the Act. The Agent shall have no obligation to advance funds to the Strata Corporation for any purpose whatsoever;

5.5 Costs - To pay promptly the Agent's costs of printing, duplicating, mailing, postage, long distance telephone charges, courier or other service charges directly attributed to the Strata Corporation as per the attached item 6 of Schedule B attached hereto;

5.6 Transfer Documentation - To direct and compensate the Agent in accordance with the Act for all transfer of title and ancillary documents for owners;

5.7 Exclusivity - That the Strata Corporation, during the Term of this Agreement and for two (2) years after the termination hereof, will not engage or contract directly or indirectly with any present or past employee of the Agent, to perform services the same as or similar to the services the employee performed for the Agent unless agreed to in writing by the Agent;

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- 5.8 Documentation – To provide the Agent with all documents and records available to the Strata Corporation, which may be reasonably required by the Agent to properly assist in connection with the services provided by the Agent to the Strata Corporation; and
- 5.9 Bylaws and Rules – To provide to the Agent a copy of the Bylaws and Rules of the Strata Corporation and to promptly notify the Agent of any amendments or additions thereto.

No Set Off

- 6. That the Strata Corporation shall not be entitled to set off against the Agent's Fees or any other monies payable to the Agent under this Agreement, any uncollected strata fees, special levies or user fees or other monies owed the Strata Corporation.

Agent to Receive Instructions from Strata Council

- 7. The Strata Corporation hereby authorizes its Strata Council to deal with the Agent. It is agreed and understood that the Agent at all times shall be entitled to rely on and to act upon the instructions or directions received from the Strata Council, and where appropriate or circumstances require, the President or other members of the Strata Council. Without limiting the generality of the foregoing, the Agent may from time to time request instructions or directions in writing signed on behalf of the Strata Corporation by at least two members of the Strata Council, or a formal resolution of the Strata Council after a properly convened meeting of the Strata Council. The foregoing shall constitute the full and sufficient authority for the Agent to act in accordance with such instruction or directions. The Strata Council agrees to provide timely response to requests from the Agent for directions, instructions and information.

Financial Statements

- 8. That the Strata Council agrees to review each statement of receipts and disbursements referred to in Section 3.9, and within thirty (30) days from the date of provision of such statements to the Strata Council, to notify the Agent, in writing, of any alleged mistake or error on the part of the Agent in paying any bill, account or expense on behalf of the Strata Corporation. If the Agent receives no such notification within thirty (30) days of provision of such statements to the Strata Council, the statement shall be deemed to be conclusive and binding and the Agent shall be free from any and all claims in respect of such statement.

Assignment by Agent

- 9. The Agent may assign all of its interest in this Agreement and its rights hereunder to any other strata property brokerage, provided such assignee is a licensed strata property agent and covenants with the Strata Corporation to observe and perform the obligations of the Agent hereunder.

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No Waiver

10. If a party to this Agreement breaches or defaults in its performance under this Agreement and the other party, expressly or implied, waives such default that waiver shall not be deemed or construed to be a waiver to any future breach or default in the performance of such defaulting party's obligations under this Agreement.

Severance

11. That in the event that any provision of this Agreement, or any part thereof, shall be found to be invalid the remainder of this Agreement shall be binding on the parties hereto and shall be construed that the invalid provision or part thereof had been deleted from this Agreement.

Successors and Assigns

12. This Agreement shall endure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

Amendments in Writing

13. Any amendment to this Agreement shall be effective only if it is in writing and is duly signed by the parties.

Duration and Termination

14. This Agreement shall commence and become effective on the date set forth in item 1 of Schedule A, and shall continue for an indefinite term until terminated in accordance with this Section. This Agreement shall terminate upon the occurrence of any of the following events:
- 14.1 Two months after receipt by the Agent of a notice of a resolution passed by a ¾ vote approved by the Owners, terminating this Agreement;
 - 14.2 Two months after receipt by the Strata Corporation of a notice from the Agent, terminating this Agreement;
 - 14.3 Immediately, through the bankruptcy of the Agent; or
 - 14.4 Immediately, through the insolvency or fraud of the Agent.

After Termination

15. Upon the termination of this Agreement, all obligations of the Agent shall cease except as otherwise expressly provided in RBSA, and the Strata Corporation shall pay to the Agent any monies due to it under this Agreement and the Agent shall pay to the Strata Corporation all monies held by it in trust for the Strata Corporation. Further, the Agent shall transfer all records maintained for the Strata Corporation to the Strata Corporation

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or its agent as may be directed by the Strata Council, upon payment of any outstanding fees to the Agent. The Agent shall be entitled to retain the original financial records for such period as is required for the Agent to comply with RESA, but the Agent shall provide the Strata Corporation with copies of the financial records, at the Strata Corporation's expense as provided in Schedule B.

Holdback

16. Upon termination of this Agreement, the Strata Corporation shall continue to be responsible for the payment of any and all bills, accounts, and expenses incurred by the Agent within the authority of this Agreement to be paid by the Agent after such termination. The Agent shall be entitled to retain, for thirty (30) days after the date of such termination, a holdback of the monies (the "Holdback") to pay such bills, accounts and expenses or any of them. If a Holdback is not retained by the Agent or is insufficient, the Strata Corporation agrees to reimburse the Agent promptly upon demand for any and all such bills, accounts and expenses paid by the Agent after the termination of this Agreement.

No Partnership

17. The relationship of the Agent to the Strata Corporation shall be that of agent and principal and this Agreement shall not under any circumstances constitute or be deemed to constitute the Agent or any of its employees, officers or authorized representatives, to be the legal representative, tenant, partner or employee of the Strata Corporation.

Personal Information

18. The Strata Corporation hereby consents to the collection, use and disclosure by the Agent of information about the Strata Corporation and personal information about the Owners, for all purposes consistent with the matters contemplated herein.

Disclosure of Conflicts

19. If at any time, the Agent determines it is in a conflict of interest with the Strata Corporation, the Agent shall give written notice of such conflict to Strata Council as soon as reasonably possible. The Strata Corporation hereby acknowledges and consents to the Agent acting for other strata corporations.

Disclosure of Payments

20. If at any time, the Agent anticipates receiving or receives, directly or indirectly, any form of payment or other compensation from an Owner or someone other than the Strata Corporation as a result of recommending an insurance broker, or any other person providing other products or services, the Agent shall disclose the details thereof to the Strata Corporation in writing, including the source of such payments, the amount or

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likely amount of the payment and all other relevant facts relating to such provision of real estate services.

Charges for Documents

21. The Agent, without further specific disclosure to the Strata Corporation, shall be entitled to charge and retain fees (which fees may include a disbursement component) for the following

21.1 the provision of Form B (and all attachments) and Form F and other statutory form as required by the *Strata Property Act*;

21.2 the provision of copies of minutes, Bylaws, Rules, strata plans, engineering reports, financial statements and similar documents of the Strata Corporation when requested by Owners (other than the original distribution of same) or any other person authorized to receive such documents;

and any and all priority fees charged for the priority provision of such documents in accordance with the fees specified in the attached Schedules.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date first above written,

EXECUTED ON BEHALF OF THE OWNERS, STRATA PLAN _____
by its authorized signatories:

Strata Council Member

Strata Council Member

EXECUTED ON BEHALF OF PROLINE-MANAGEMENT LTD.

by its authorized signatories:

Authorized Signatory

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SCHEDULE A

1. Section 2 Commencement Date: _____
2. Section 3.12 Fee for providing payroll services: \$ Ø (plus G.S.T.)
3. Section 3.14 and 3.15 The Agent shall maintain the following trust accounts on behalf of the Strata Corporation (check if applicable):
- Operating fund trust account
 - Contingency reserve trust account
 - Special levy trust account
 - Other: _____
4. Section 3.19 Maximum Number of Meetings: three (3) plus One (1) A.G.M.
5. Section 3.19 Maximum Hours per Meeting: Two (2). Meetings to start no later than 5:30 pm, Monday to Thursday.
6. Section 3.22 Hourly fee for supervision of inspection of records: \$60.00 (plus G.S.T.)
7. Section 5.2(a) Monthly Agents' Fee: \$837.00 (plus G.S.T.) payable on the first day of each month
8. Section 5.2(b) An additional fee for each Meeting over the maximum number: Property Manager \$85.00 per hour (plus G.S.T.); Senior Management Team Member - \$110.00 per hour (plus G.S.T.) minimum charge of 2 hours time. Additional general meetings shall be a minimum of \$500.00 (plus G.S.T.) for up to three hours of a Property Manager's time.
9. Section 5.2(c) Hourly rate for attendance at each Meeting over specified number of hours: Property Manager - \$85.00 per hour (plus G.S.T.); Senior Management Team Member - \$110.00 per hour (plus G.S.T.)
10. Section 5.2(e) An additional fee of \$10.00 (plus G.S.T.) per strata lot for each month of depositing and processing of special levies.

Note: These fees will be subject to increases on an annual basis as agreed between the parties through the Strata Corporation's budget process and/or by authority of the Strata Council where appropriate.

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SCHEDULE B

Special Terms and Amendments

1. Section 3.15

The wording of Section 3.15 shall be amended to read:

Contingency Reserve/Special Levy Trust Accounts – If the Agent is to hold contingency reserve money or special levy money as specified in item 3 of Schedule A, the Agent shall maintain at least one separate trust account for both the contingency reserve money and special levy money or one or more separate accounts for each;

2. Section 3.16

Annual fee for the statutory review of books: \$200.00 plus GST

3. Section 3.30

Fee for administration of liened receivables: \$100.00 plus GST per account

4. Section 5.2(d)

Additional fees: It is acknowledged and agreed that major building envelope remediation projects do not fall within the bounds of the basic agreement. The Agent is prepared to provide the service of its staff to assist in these projects at rates and charges to be determined from time to time provided that the Strata Corporation consents to the Agent's then current charge.

Litigation Support (Section 3.42): The agent will provide litigation support as outlined in Section 3.42 of this agreement at an hourly rate calculated at the Agent's then current rate for the individuals involved times 1.25.

The agents reserve the right to discuss additional fees for the additional time required for providing services in co-ordinating and assisting in major renovations where the cost may be in excess of \$100,000.00.

5. Section 5.2(f)

Additional fees: _____

6. Section 5.5

Printing and Copying Costs: For major copying or printing jobs the Agent will generally utilize the services of an outside printer. The outside printing will be provided at cost and the Agent will add a \$10.00 surcharge for delivery and processing of the print job.

Mailing Costs: Postage will be charged at cost per invoice.

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Long Distance Telephone Charges: Long distance calls made on Strata Corporation business will be charged at a rate of \$0.50 for every minute over five minutes.

Courier Costs: Shall be charged at cost plus a \$5.00 handling fee.

Scanning and emailing of electronic documents shall be at a rate of 70% of what the postage and photocopying costs would otherwise have been.

Banking Costs: The costs of the monthly service fees charged by the bank for the administration of the banks funds shall be paid by the Strata Corporation. The monthly service charges at the date of commencement of this contract are \$20.00 per month total for the monthly operating and contingency reserve accounts combined.

Storage Charges: The Agent is required under RESA to retain records for up to seven years. The Agent will maintain up to two years of records within its office premises at no additional cost. With the volumes of material, the Agent needs to utilize outside storage companies to retain records older than two years. These older records will be sent to a secure storage facility; costs for storage will be passed on to the Strata Corporation and a ten percent charge will apply for the administration of the billings. In addition to the actual costs of storage and the cost of sending and retrieving material, there will be an additional charge of \$10.00 per box for each box sent to storage and a charge of \$20.00 per box where records need to be retrieved from storage. Records older than seven years may be stored by the Strata Corporation should they have suitable space available.

7. Section 15

Cost of photocopying: Photocopying and printing for general distribution to owners or others completed in office shall be at a rate of \$0.16 per page plus applicable taxes for the year 2009 and thereafter at a rate determined by the Agent.

8. Special Terms

The Agent and the Corporation acknowledge and agree that the fee structure is based on the time involved for the accounting and record keeping functions and on the expectation that the administration of the Corporation's affairs should not require more than an average of 4 hours per month of the Agent's Representative's time inclusive of the Council meetings and on-site visits. Emergency problems are included in this fee. In the event that more time is required, the amount of additional time shall be mutually agreed upon between the Agent and the

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Corporation and would be billed at the prevailing hourly rate. The purpose of this clause is to establish a standard of involvement of the Agent. It recognizes that the Agent cannot perform the function of an on-site manager

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RECEIPT

TO: ARTISAN PROPERTIES LTD.

RE: STRATA DEVELOPMENT,
_____, North Cowichan, British Columbia

I/We, the Purchaser(s) of Strata Lot ____ of the above development, HEREBY ACKNOWLEDGE the receipt of a true copy of the DISCLOSURE STATEMENT AMENDMENT filed in respect of the above development and also HEREBY ACKNOWLEDGE that I/We have been afforded the opportunity to read the said DISCLOSURE STATEMENT AMENDMENT.

DATED at _____, British Columbia, this ____ day of _____, 20__

THIS DISCLOSURE STATEMENT RELATES TO A DEVELOPMENT THAT IS NOT YET COMPLETED. PLEASE REFER TO SECTION 7.2 FOR INFORMATION ON THE PURCHASE AGREEMENT. THAT INFORMATION HAS BEEN DRAWN TO THE ATTENTION OF (*insert name of purchasers*) _____

_____, WHO HAS CONFIRMED THAT
FACT BY INITIALLING IN THE SPACE PROVIDED HERE: _____