

ARBUTUS RIDGE AT KING EDWARD BAY (PHASE 3)

780 Windjammer Road & Joan Audrey Lane, Bowen Island, BC

DISCLOSURE STATEMENT

Dated: May 26th, 2021

Developer:

KEB II Limited Partnership together with
1071262 B.C. Ltd.

**Mailing Address and Address
for service:**

KEB II Limited Partnership
4996 Quebec Street,
Vancouver, BC, V5W 2N2

1071262 B.C. Ltd.
1200-925 West Georgia Street,
Vancouver, BC, V6C 3L2

Attention:

David Todd Beckow

Real Estate Agent:

Jurock Case Investment Realty Inc.
204-970 Burrard Street,
Vancouver, BC V6Z 2R4

DISCLAIMER

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

This Disclosure Statement relates to a development property that is not yet completed. Please refer to Section 7.2 for information on the purchase agreement. That information has been drawn to the attention of _____ (Purchaser's Name), who has confirmed that fact by initialing the space provided here:

Purchaser's
Initials:

I/we the undersigned hereby acknowledge that I/we have received a true copy of the Disclosure Statement dated _____ 2021 pertaining to proposed Subdivision Lot _____ of the above-described property and have been afforded the opportunity to read same.

Executed by the Purchaser(s) at _____, BC this _____ day of _____, 2021.

Purchaser: Print name here: _____

 Sign name here: _____

RIGHT OF RESCISSION

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

RESCISSION RIGHTS PURSUANT TO POLICY STATEMENT 6

Real Estate Development Marketing Act – Policy Statement 6. If the Developer has not obtained a satisfactory financing commitment, the developer may market the development units, but only complying with the following terms and conditions:

- (a) the estimated date for obtaining a satisfactory financing commitment, as disclosed in the disclosure statement, is 12 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 12 months from the date the disclosure statement was filed with the superintendent, unless an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment is filed with the superintendent during that period.
The developer must also either:
 - (i) prior to the expiry of the 12 month period, file with the superintendent an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment; or
 - (ii) upon the expiry of the 12 month period, immediately cease marketing the development and confirm in a written undertaking to the superintendent that all marketing of the development has ceased and will not resume until after the necessary amendment has been filed, failing which a cease marketing or other order may be issued by the superintendent to the developer without further notice.

Additionally, the developer must provide written notice without delay to the superintendent if, during the 12 month period, all units in the development property being marketed under this Policy Statement are sold or the Developer has decided not to proceed with the development.

- (c) Any purchase agreement used by the developer, with respect to any development unit offered for sale or lease before the purchaser's receipt of an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment, contains the following terms:
 - (i) if an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment is not received by the purchaser within 12 months after the initial disclosure statement was filed, the purchase 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;
 - (ii) the amount of the deposit to be paid by a purchaser who has not yet received an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment is no more than 10% of the purchase price; and
 - (iii) 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.

ARBUTUS RIDGE AT KING EDWARD BAY (PHASE 3)

DISCLOSURE STATEMENT

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ARBUTUS RIDGE AT KING EDWARD BAY (PHASE 3)

DISCLOSURE STATEMENT

1. THE DEVELOPER

1.1 The Developer

KEB II Limited Partnership (the “**Developer**”) is a British Columbia limited partnership, formed on April 12, 2016 under limited partnership number LP686114.

1071262 B.C. Ltd. (the “**Trustee**”) is the registered owner holding title to the development property as bare trustee pursuant to an agreement made between the Trustee and the Developer. The Trustee was incorporated on April 8, 2016 under the laws of the Province of British Columbia under incorporation number BC1071262.

1.2 Purpose and Assets

The Developer was created for the sole purpose of developing Arbutus Ridge At King Edward Bay (the “**Development**”) and has no other assets other than those related to the Development. The Trustee was created for the sole purpose of developing the Development described herein and has no other assets other than those related to the Development.

1.3 Registered and Records Office Address

Both the Developer and the Trustee’s registered and records office address is:

1200-925 West Georgia Street
Vancouver, BC
V6C 3L2

1.4 General Partner

The general partner of the Developer is:

Name: KEB II (GP) Ltd. (the “**General Partner**”)
Address: 1200-925 West Georgia Street
Vancouver, BC
V6C 3L2

The sole director of the General Partner is:

Name: David Todd Beckow (the “**Director**”)
Address: 1200-925 West Georgia Street

Vancouver, BC
V6C 3L2

The sole director of the Trustee is:

Name: David Todd Beckow
Address: 1200-925 West Georgia Street
Vancouver, BC
V6C 3L2

David Todd Beckow is the only person required to sign this Disclosure Statement as required by section 14 of the *Real Estate Development Marketing Act* of British Columbia and section 9 of the regulations passed thereunder.

1.5 Background and Conflicts of Interest

Pursuant to Policy Statement 15 issued by the British Columbia Superintendent of Real Estate (the “**Superintendent**”) a ‘principal holder’ is defined to mean any person holding directly or indirectly more than 10% of any class of voting securities of the issuer of those securities.

- (a) The Developer, the Trustee, and the General Partner were created for the sole purpose of the Development. The Director is the sole director and the president/secretary of each of the Developer, the Trustee and the General Partner.

The Director was involved in the development of phase 1 and phase 2 of the Development and has more than ten years previous experience as a developer in a variety of projects that include land assembly, acquisition, financing, permitting and divestiture.

- (b) To the best of the Developer's knowledge, neither the Developer, the Trustee, nor the General Partner, nor any principal holder of the Developer, nor any director or officer of the Developer or principal holder, within the ten years before the date of the Developer's Declaration attached to this Disclosure Statement, has been subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud.
- (c) To the best of the Developer's knowledge, neither the Developer, the Trustee nor the General Partner, 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 this Disclosure Statement, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person referred to herein.

- (d) To the best of the Developer's knowledge, neither the Developer, the Trustee nor the General Partner, nor any principal holder of the Developer, nor any director or officer of the Developer or principal holder, within the five years prior to the date of the Developer's Declaration attached to this Disclosure Statement, has been a general partner, director, officer or principal holder of any other developer that, while that person was acting in that capacity:
 - (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, and describe any penalties or sanctions imposed, or
 - (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.
- (e) There are no existing or potential conflicts of interest among the Developer, the Trustee, the General Partner, any principal holder of the Developer and manager, any director or officer of the principal holder, or any person providing goods and services to the Developer, manager or holder 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 subdivision referred to in the 3rd PLR (defined below) contains bare land subdivision lots being offered for sale pursuant to this Disclosure Statement and will form the third phase of the Development (“**Phase 3**”). The Development is a subdivision by way of three or more separate Preliminary Layout Review letters issued by the Bowen Island Municipality (the “**Municipality**”) of a lot originally legally described as:

- (a) Parcel Identifier: 015-940-837
District Lot 1545, Group 1, New Westminster District except portions in explanatory Plan 3489, Plan 13464, Plan BCP33065
(the “**Original Lot**”)

This Disclosure Statement applies only to the marketing of Phase 3. Any and all previous Disclosure Statements and amendments or revisions as described or relating to Phase 1 and Phase 2 have no applicability and are not relevant to Phase

3, and should not be taken into account or relied on in any way by a purchaser or prospective purchaser of any of the Lots in Phase 3.

Preliminary Layout Review

A. On January 17, 2018, the Developer obtained the first Preliminary Layout Review (“**1st PLR**”) from the approving officer of the Municipality to subdivide the Original Lot to create the following six separate lots:

- (a) Lots 1 and 2 Plan EPP76340 –single-family residential bare land lots;
- (b) Lot 3 Plan EPP76340 – zoned for future development as a “Cottage Residential Development”;
- (c) Lot 4 Plan EPP76340 – transferred to the Municipality as a natural area;
- (d) Park, Plan EPP76340 – transferred to the Municipality and developed as a neighbourhood park; and
- (e) Remainder parcel EPP76340 (the “**First Remainder Parcel**”).

The subdivision set out in the 1st PLR (“**Phase 1**”) was filed on December 12, 2018.

B. On November 7, 2019, the Developer obtained a second Preliminary Layout Review, which was further revised on February 12, 2020 (together, the “**2nd PLR**”), from the approving officer of the Municipality to subdivide the First Remainder Parcel to create the following 12 separate lots:

- (a) Lots 1 through 9 Plan EPP103838 – single-family residential lots;
- (b) Lot 10, Plan EPP103838
- (c) Lot 11, Plan EPP103838 – transferred to the Municipality for open space, trail and utility uses; and
- (d) Remainder parcel DL1545, Plan EPP103838 (the “**Second Remainder Parcel**”).

The subdivision set out in the 2nd PLR (“**Phase 2**”) was filed on November 5, 2020.

C. On May 4, 2021, the Developer obtained a third Preliminary Layout Review (the “**3rd PLR**”), from the approving officer of the Municipality to subdivide the Second Remainder Parcel to create 12 separate lots, to be described as:

- (a) Lots 1 through 9 Plan EPP_____(*TBD*) (the “**Residential Lots**”);
- (b) Lot 10 Plan EPP_____(*TBD*), for use as a shared septic system for proposed lots 2, 3, and 5 (the “**Septic Field Lot**”)

- (c) Lot 11 Plan EPP _____ (TBD), for use as a public open space and natural area and trail use to be deeded to the Municipality upon subdivision of the Lands (the “**Public Space Lot**”); and
- (d) Remainder parcel EPP _____ (TBD), which the Developer intends to develop by way of further subdivision at some future date (the “**Third Remainder Parcel**”, which together with the Residential Lots, the Septic Field Lot and the Public Space Lot are collectively, the “**Phase 3 Lots**”).

Physical Description of the Development

The Phase 3 Lots are located along proposed roads ‘B’ and ‘F’. The Residential Lots will each be issued separate municipal addresses after the filing of the final subdivision plan for Phase 3.

A total number of nine (9) lots being the Residential Lots defined above are being marketed by the Developer pursuant to this Disclosure Statement. The Public Space Lot and the Third Remainder Parcel are not being marketed by the Developer at this time. Each of proposed Residential Lots 2, 3, and 5 will include an undivided 1/3 interest in the Septic Field Lot and any improvements thereon.

The Phase 3 Lots will be registered in the name of the Developer following the filing of the final subdivision plan. The Developer will transfer title of the Residential Lots sold to respective purchasers at the closing of such purchases.

Roads and Access

The development of Phase 3 will include the dedication of new road ‘B’, which will connect the Residential Lots to Joan Audrey Lane (formerly King Edward Bay Road) and to dedicated new road ‘F’, which will extend and provide access to the Third Remainder Parcel, all as shown approximately on the Proposed Subdivision Plan (defined below).

The new roads will be constructed to municipal standards in accordance with engineering drawings and specifications approved by the Municipality. Proposed Lot 5 will also be subject to a statutory right of way in favour of the Municipality for the purpose of Municipal access from proposed new road “F” to the Public Space Lot for the purposes of maintenance and emergency access.

Trail System

The development of the Phase 3 Lots includes additions to an extensive public trail system on Bowen Island (the “**Trail System**”), which will, (*inter alia*), provide public access to the look-out area on the Public Space Lot. The trails within Phase 3 will be constructed by the Developer in accordance with the standards stipulated by the Municipality.

Specifically, Statutory Rights of Way ("SRW's") may be registered against title to proposed Residential Lots 7, 8, 9 and the Septic Field Lot to accommodate and to provide for access for the purpose of construction of a trail running from the terminus of Road "F" to the southern boundary of the Development, then westward to join with the trails on the Public Space Lot. A trail for the use of the general public may be built along such SRW's, either before or after any of the affected Residential Lots is transferred to a purchaser.

Layout, Dimension, and Location of the Development

All of the Residential Lots offered for sale by the Developer pursuant to this Disclosure Statement will each be issued separate municipal addresses after the filing of the final subdivision plans.

The proposed layout of the Development and the approximate areas and location of the Phase 3 Lots are set out in the subdivision sketch plan attached as **Exhibit A-1** to this Disclosure Statement (the "**Proposed Subdivision Plan**").

The final dimensions and locations of the Residential Lots are expected to be substantially the same as the attached Proposed Subdivision Plan; however, the Developer reserves the right to make modifications to the Proposed Subdivision Plan, whether as required by the Municipality or otherwise, prior to submitting the final subdivision plan for registration in the New Westminster Land Titles Office. Purchasers are specifically advised that while the Proposed Subdivision Plan has been approved by the Municipality, the final plan of subdivision, location of lot lines and lot areas will be surveyed, and may vary from the Proposed Subdivision Plan.

2.2 Permitted Use

The Development is zoned CD18 Zone – Comprehensive Development 18 – Arbutus Ridge; the uses contemplated in this Development are those permitted by the Municipality's Arbutus Ridge Bylaw No. 344, 2013 attached hereto as **Exhibit B**. The Developer intends to make application to the Municipality to change the wording of the said zoning Bylaw as it applies to any Residential Lot which, as surveyed and registered by the Subdivision Plan, is more than 0.36 Hectares in area; prospective purchasers are cautioned that this application may be rejected by the Municipality, and that its approval is not assured. If successful, the owners of such Residential Lots will be eligible to build a secondary carriage house dwelling thereon, subject to the Bylaw stipulations and restrictions.

Save as aforesaid, the Residential Lots are intended for single-family residential use only, with one detached dwelling permitted on each lot. There are no other restrictions on the use of the Residential Lots except as imposed under zoning and other bylaws applicable to the Development, any conditions imposed by the approving officer to the Proposed Subdivision Plan and otherwise pursuant to any charges registered or to be registered against title to the Lands.

Prospective purchasers should obtain further information about the zoning requirements and permissible uses of the Residential Lots by contacting the Municipality or viewing the applicable bylaws on the Municipality's website at the following links:

<http://www.bowenlandmunicipality.ca/bylaws>

<http://www.bowenlandmunicipality.ca/property-development>,

or by contacting the Bowen Island Municipal Hall at 981 Artisan Lane, Bowen Island, B.C., V0N 1G2, telephone number (604) 947-4255, and email address: bim@bimbc.ca.

2.3 Building Construction

The Residential Lots will be subject to a statutory building scheme (the “**Building Scheme**”) which will be registered against title to each of the Residential Lots. A copy of the proposed terms of the Building Scheme is attached as **Exhibit C** to this Disclosure Statement. Purchasers are cautioned that the terms of the Building Scheme may alter prior to registration of the subdivision, at the request of the Municipality.

Construction of any improvement, including a residential dwelling, on any of the Residential Lots is prohibited until the Municipality has received written confirmation from the designated design review consultant that the proposed construction plan is in accordance with the said design guidelines and the Municipality has issued a building permit. Purchasers should contact the Municipality to familiarize themselves with the legal requirements and conditions for building permits under the applicable Municipality bylaws and to satisfy themselves regarding the size of the improvements, setbacks and site coverage permitted on a particular Residential Lot. Each purchaser will be responsible for applying for approval of design in conformance with the Building Scheme as well as obtaining a building permit. A fee of \$3,500.00 will be payable by each Purchaser on the Completion of the sale, as hereinafter defined, constituting a pre-paid non-refundable fee for the review by the designated design review consultant of the proposed construction plan for conformance with the applicable design guidelines and the Building Scheme.

Seasonal restrictions on construction and all tree cutting may be imposed by the Municipality for the protection of the environment.

3. SERVICING INFORMATION

3.1 Utilities and Services

(a) Water

The Development is within the King Edward Bay Water System/Local Service Area (the “**KEB LSA**”).

The potable water system construction shall be based on plans and specifications approved by the Municipality.

The Developer will be responsible for providing water access and hookups to the lot lines of each Residential Lot. Each purchaser will be responsible for obtaining permits and installing the water system on any lot purchased from the hookup to be provided at the lot line. The water connection fee charged by Municipality is currently \$1,500.00, which is required to be paid prior to the issue of a building permit.

The King Edward Bay Water System is owned and operated by the Municipality. A Local Area Committee (LAC) comprised of residents that own property within the KEB LSA, will be working alongside of Municipal staff. Water rates are determined by the Municipality through consultation with the LAC. Fees are paid by the property owners annually and summer water usage is monitored and billed out according to a stepped volumetric based fee structure.

While there is no bylaw requirement, the Municipality encourages rainwater capture as a supplementary non-potable irrigation water supply, and the same is therefore included in the requirements under the Building Scheme.

(b) Electricity

BC Hydro has a main distribution line along Windjammer Road and Joan Audrey Lane. The Developer will provide electrical service ducting from the said main distribution line to the lot lines of each Residential Lot, to permit the installation of underground power lines on road 'B' and road 'F' as shown on the Proposed Subdivision Plans. Permits and installation costs on each lot are the responsibilities of the purchaser.

The Developer will grant the necessary statutory rights-of-way in favour of BC Hydro along or under new roads 'B' and 'F' for the purposes of installation and maintenance of the underground ducts, wires and overall electrical infrastructure. These will be registered as required at the time of subdivision.

Hookup fees may be required by BC Hydro.

(c) Sewerage

Residential Lots 1, 4 and 6 to 9 will be serviced by septic systems located on the individual Residential Lots, in accordance with the requirements of the Vancouver Coastal Health Authority (the "VCHA"), and will be designed and installed, and approvals are to be obtained by, the purchaser. Residential Lots 1, 4, and 6 to 9 will be subject to a covenant in favour of the Municipality, which will identify the location of the septic field area within the lot and will restrict any disturbance or building on such locations.

Proposed Lots 2, 3, and 5 will be serviced by a common septic field installed by the Developer, contained on the Septic Field Lot shown as Lot 10 on the Proposed Subdivision Plan. All sewage disposal system designs will be to the satisfaction of the VCHA and will be required to conform to all applicable Municipal and Regulatory requirements applicable thereto.

Residential Lots 3 to 9 inclusive will be subject to easements to permit the installation, operation and maintenance of sewer pipes for the carriage of domestic sewage from proposed Lots 2, 3 and 5 to the Septic Field Lot; such easements will, (*inter alia*), prohibit construction of improvements on or in the area reserved by the easement. The approximate locations of these easements is set out on the plan attached hereto as **Exhibit A-2**, though the final location will be surveyed and is therefore subject to change.

It is anticipated that the owners of proposed Lots 2, 3, and 5 will have shared ownership of the Septic Field Lot and improvements as tenants in common, each as to an undivided 1/3 interest. These lots will also be subject to a covenant to share the cost and responsibility of the maintenance, upkeep and operation of the Septic Field Lot and the sewerage easements referred to above.

The Municipality may allow relocation of the septic field area within a lot, if an alternative septic field location can be found to meet the satisfaction of both the Municipality and the VCHA.

(d) Natural gas

Not applicable.

(e) Fire protection

The Fire Chief of Bowen Island has recommended that fire suppression sprinkler systems be installed in all new homes on the Residential Lots.

Fire hydrants will be installed in compliance with the drawings and specifications approved by the Municipality.

The closest municipal fire hall is located 4km from the Development.

(f) Telephone

The Developer will work with the service providers to provide telecommunication and internet services, and shall provide access to such services to purchasers at the lot line. A hook-up fee may be charged to the purchaser by such service providers.

(g) Access

Access to the Phase 3 Lots is via Joan Audrey Lane and proposed new road 'B' and the extension to road 'F' as shown on the Proposed Subdivision Plan attached as **Exhibit A-2**.

Driveway Access Permits are required to grant access to each of the Residential Lots from the roadways. No driveway access shall be constructed in a manner that allows the runoff of storm water onto the municipal roadway.

4. TITLE AND LEGAL MATTERS

4.1 Legal Description

- (a) Parcel Identifier: 015-940-837
District Lot 1545 Group 1 New Westminster District Except Portions in
Explanatory Plan 3489, Plan 13464, Plans BCP33065, EPP76340 and EPP103838

(the “Lands”)

4.2 Ownership

The registered owner of the Lands is 1071262 B.C. Ltd. as bare trustee on behalf of the Developer as the beneficial owner.

4.3 Existing Encumbrances and Legal Notations

The Lands are subject to the following legal notations, charges and encumbrances:

Legal Notations

- (a) This Title May Be Affected By A Permit Under Part 26 Of The *Local Government Act*, See BB582562;
- (b) Notice of Interest, *Builders Lien Act* (S.3(2)) see CA 5490279
Filed 2016-09-08;
- (c) Mineral Rights Forfeited And Vested In The Crown In The Right Of The
Province Of British Columbia, See DF K15730 12/03/1982 @ 13:41;

Charges, Liens and Interests

- (d) Statutory Right of Way BB394450;
- (e) Statutory Right of Way BB394451;
- (f) Statutory Right of Way BB130183; and
- (h) Covenant CA6369243.

Copies of these encumbrances and charges are available from the Developer or its solicitor for inspection by any prospective purchaser.

4.4 Proposed Encumbrances

The Developer anticipates registration of the following encumbrances or charges against title to some or all of the Phase 3 Lots at or after subdivision:

- (a) statutory right of way for the purpose of a trail over the Septic Field Lot;

- (b) statutory right of way for a future water line that may be constructed along the Septic Field Lot between road 'F' and the southern boundary of the Septic Field Lot in favour of the Municipality;
- (c) statutory right of way in favour of the Municipality from the terminus of Road F, across proposed Lot 5 to connect to the trail system for maintenance and emergency access purposes;
- (d) Statutory Right of Way over proposed Lots 7, 8 and 9 for the construction of a recreational trail extending from the Septic Field Lot to the trail system on proposed Lot 11 (NOTE that this SRW might not be registered if the Municipality is successful in requiring this portion of the trail to be built on the adjacent property);
- (e) easements over proposed Lots 3 - 9 inclusive for the installation, maintenance, operation, replacement and use of a forcemain sewerage system and to provide access to the Septic Field Lot septic system;
- (f) covenants pursuant to section 219 of the *Land Title Act* in favour of the Municipality on proposed Lots 1, 4, 6, 7, 8 and 9 identifying the locations of the individual septic field areas and prohibiting construction of any buildings or structures on such areas;
- (g) covenant pursuant to section 219 of the *Land Title Act* in favour of the Municipality on proposed Lot 10 (the Septic Field Lot) prohibiting construction thereon and reserving the Septic Field Lot for use solely as a septic field for the benefit of proposed Lots 2, 3 and 5;
- (h) a covenant pursuant to section 219 of the *Land Title Act* to be registered on proposed Lots 2, 3 and 5 setting out the obligations to contribute to the maintenance of the sewer lines and septic field installed on the Septic Field Lot;
- (i) such statutory rights of way and/or easements as needed in favour of BC Hydro to install and maintain the electrical infrastructure;
- (j) a tree protection covenant registered on proposed Lot 4 to provide privacy for proposed Lot 5;
- (k) such statutory rights of way and/or easements as needed in favour of telecommunication service providers to install and maintain internet and telecommunication lines and infrastructure;
- (l) statutory building scheme requiring the construction of dwellings, designs and improvements on all Residential Lots to adhere to specific design

guidelines acceptable to the Municipality and imposing a design review and approval process; and

- (m) any other easements, restrictive covenants, dedications and rights-of-way and other rights or restrictions that may be reasonably required for the completion of the Development, in favour of the Municipality, power and communications providers, public authorities, municipalities or any other applicable government authority or public or private utility with respect to provision of utilities to the Development, or in connection with approval and implementation of the development, construction of improvements, services and infrastructure, and occupation of, the Lands, the Development, and the Phase 3 Lots.

4.5 Outstanding or Contingent Litigation and Liabilities

There are no outstanding or contingent litigation or liabilities in respect of the Development or against the Developer that may affect the Development or the prospective owners of the Phase 3 Lots.

4.6 Environmental Matters

(a) Flooding Dangers

There are no currently identified flooding dangers on the Development. However, purchasers should not ignore the potential for previously unforeseen flooding events.

(b) Ground Water Management

Drainage and storm water management system installation, design and technical specifications will be based on the Municipality's approved drawings and specifications.

All drainage will be designed, constructed and managed in alignment with provincial and federal regulations in relation to drainage from the Lands.

All surface drainage system will be designed to provide for the continuity of any existing surface drainage system serving the drainable basin.

Appropriate culverted water diverters will be installed during construction of the access driveways to the Municipality's specifications.

As a condition of the 3rd PLR, the Developer will implement a storm water management plan consistent with the provisions of the Municipality's *Subdivision and Development Servicing Bylaw No. 447, 2017*, or such other provisions as the Municipality shall require. Phase 3 of the Development will comply with all requirements of the storm water management plan.

(c) **Geotechnical Hazard**

A preliminary geotechnical hazard assessment completed in October 2013, with a revision completed on July 17, 2018, attached as **Exhibit D**, noted that inundation by flood waters, stream erosion, debris flow and landslide were not considered hazards, however the report does identify that portions of Bluff #1 on the Public Space Lot have a greater than 50% probability of occurrence in 50 years of rockfall activity.

(d) **Tree Dangers**

The Lands are and will remain partially wooded and ownership and use of any of the Phase 3 Lots as well as any park and open space areas carries a risk to persons and property from falling trees and branches as well as other natural hazards associated with wild, mountainous and wooded terrain.

4.7 Discharge of Financial Encumbrances

Any financial encumbrances registered against the Phase 3 Lots will be partially discharged as against such lots upon transfer thereof to the purchasers.

5. CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

Works on the roadways, utilities, and trail systems (the "**Developer's Works**") have commenced. The Developer estimates that the date for completion of the Developer's Works in relation to the Phase 3 Lots will be between February 28, 2022 and May 31, 2022.

It is currently estimated that the Proposed Subdivision Plan will be finalized and deposited in the Land Title Office between July 1st, 2022 and September 30th, 2022.

5.2 Warranties

The Developer provides no warranty other than a one-year warranty on all roads and services installed.

6. APPROVALS AND FINANCES

6.1 Development Approval

The first and second phases of the Development have been completed in accordance with the 1st PLR and 2nd PLR.

The Municipality issued the 3rd PLR on May 4, 2021 whereby the Phase 3 Lots were given contingent preliminary layout approval.

The Municipality issued the 3rd PLR on May 4, 2021 whereby the Phase 3 Lots were given contingent preliminary layout approval.

6.2 Construction Financing

The Developer has not yet secured financing for Phase 3 of the Development. It is contemplated that the Developer shall grant a mortgage and assignment of rents over the Lands and, once created, the Phase 3 Lots as security for the financing. In that event, the Developer will cause the lender to provide partial discharges of the security in respect of each lot within a reasonable period of time after completion of the purchase and sale thereof.

The Developer will file an amended disclosure statement setting out the details of the financing once it is secured in accordance with the *Real Estate Development Marketing Act*.

7. MISCELLANEOUS

7.1 Deposits

All deposits and other monies received from purchasers of the Residential Lots will be held in trust by the Developer's legal counsel, Singleton Urquhart Reynolds Vogel LLP or other solicitor or notary public as is appointed by the Developer, in accordance with the *Real Estate Development Marketing Act*, without interest until such time as:

- (a) the title of the purchased Residential Lot is transferred and the transaction is closed; or
- (b) the purchase agreement has been earlier terminated.

7.2 Purchase Agreement

All capitalized terms in this clause 7.2 not defined herein have the meanings ascribed in the Purchase Agreement (as defined below).

- (a) **Form of Purchase Agreement:** The Developer will offer the Residential Lots for sale pursuant to this Disclosure Statement substantially on the terms and conditions set out in the form of contract of purchase and sale (the “**Purchase Agreement**”) attached hereto as **Exhibit E**, unless otherwise agreed between the Developer and the purchaser.
- (b) **Termination:** The Purchase Agreement contains the following express provisions for termination of the Purchase Agreement:
 - (i) Upon failure of the Purchaser to pay the Deposit on or by the due date or in the event the Deposit payment is refunded or dishonored by the drawing bank, the Purchase Agreement will thereupon be null and void (Section 3.2(a));

- (ii) if on or before the Completion Date any act of God, accident or other major event beyond the reasonable control of the Vendor, or any condition discovered within the Subdivision Lot or in the vicinity of the Subdivision Lot, including, without limitation, any soil condition or archaeology or environmental condition making construction not possible or not reasonably feasible on the Subdivision Lot, or any action or step taken by any applicable governmental or regulatory authority, renders it impossible or not reasonably feasible or economical for the Vendor to perform its obligations under the Purchase Agreement, or subdivision to create the Subdivision Lot has not been achieved on or before three (3) years following the date of the Purchase Agreement, then in any such case the Vendor may cancel the Purchase Agreement upon written notice to the Purchaser, upon which the Vendor will repay to the Purchaser the Deposit (Section 4.3);
- (iii) unless all payments on account of the Purchase Price (as defined in the Purchase Agreement), together with adjustments thereto and all other amounts payable by the Purchaser under the Purchase Agreement are paid when due, then the Vendor may, at the Vendor's option, terminate the Purchase Agreement (Section 8.1);
- (iv) if the Purchaser fails to provide notice of waiver or satisfaction of the conditions of the Purchase Agreement within 72 hours from the time the Vendor gives notice to the Purchaser, then the Purchase Agreement shall terminate (Section 8.2);
- (v) if an amendment to the Disclosure Statement that sets out particulars of a satisfactory financing commitment is not received by the Purchaser within 12 months after the initial Disclosure Statement was filed, the Purchaser may at his or her option cancel the Purchase Agreement, by giving notice to the Vendor, at any time after the end of that 12 month period until the required amendment is received by the Purchaser (Section 9.1(b)); and
- (vi) the Vendor may at any time within 12 months after the initial Disclosure Statement was filed, at its option, cancel the Purchase Agreement (by giving notice to the Purchaser) if the Vendor has not pre-sold a sufficient number of Subdivision Lots required in a conditional commitment letter under qualifying agreements of purchase and sale as determined by the Vendor's lender, or if the Vendor has otherwise not secured a satisfactory financing commitment for the Development during that time (Section 9.2).

- (c) **Extension:** Pursuant to Section 4.2 of the Purchase Agreement, the Outside Completion Date (as defined in the Purchase Agreement) may be extended for an additional period of time equivalent to the amount of time necessary for completing requisite services and filing the final plan of subdivision and raising title for the Subdivision Lot in the Land Title Office where that time is lost as a result of fire, explosion or accident, however caused, act or requirement of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, materials or equipment, inclement weather, flood, delay or failure by carriers or contractors, unavailability of supplies or materials, breakage or other casualty, interference of the Purchaser, or any other event beyond the control of the Vendor, then the time within which the Vendor must do anything hereunder and the date referred to in Section 4.2 of the Purchase Agreement will be extended for a period equivalent to such period of delay.

Additionally, the Vendor may, at its sole discretion, at any time further extend the Outside Completion Date by notice in writing delivered to the Purchaser for up to a maximum of one year (Section 4.2).

Extensions of the Completion Date may also be made by mutual agreement between the Vendor and the Purchaser.

- (d) **Assignment:** Pursuant to Section 7.1 of the Purchase Agreement, the Purchaser cannot assign its interest in the Purchase Agreement without the express written consent of the Developer, which may be arbitrarily withheld by the Vendor, and any consent to such assignment shall entitle the Vendor to any profit resulting therefrom to the Purchaser or any subsequent assignee. An assignment with the express written consent of the Vendor may be subject to conditions including an assignment fee and handling charge payable to the Vendor in the amount named by the Vendor as a condition of consent.

Pursuant to Sections 7.3 and 7.4 of the Purchase Agreement, no assignment by the Purchaser of the Purchaser's interest in the Purchase Agreement or direction of transfer to any other person shall have the effect of releasing the Purchaser from any of the Purchaser's obligations or liabilities under the Purchase Agreement. The Purchaser agrees not to advertise or solicit offers from the public before the Completion Date with respect to the resale of the relevant Residential Lot or assignment of the Purchase Agreement by the Purchaser.

- (e) **Interest:** The deposit monies paid under the Purchase Agreement will be deposited in a non-interest-bearing trust account.

7.3 Developer's Commitments

There are no commitments that have been made by the Developer that will be met after completion of the sale of the Phase 3 Lots except as disclosed herein. The Developer has not posted any security for any such commitment.

7.4 Other Material Facts

There are no material contracts affecting the Phase 3 Lots or the Development that are binding upon the Developer other than as set out in this Disclosure Statement.

DEEMED RELIANCE

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

DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of May 26th, 2021.

DEVELOPER:

KEB II LIMITED PARTNERSHIP
by it's General Partner, KEB II (GP)
Ltd., by it's authorized signatory:



David Todd Beckow

DIRECTORS OF DEVELOPER:

By the sole Director of KEB II (GP) Ltd. in
their personal capacity:



David Todd Beckow

1071262 B.C. Ltd. by it's
authorized signatory:



David Todd Beckow

By the sole Director of 1071262 B.C. Ltd. in
their personal capacity:



David Todd Beckow

SOLICITOR'S CERTIFICATE


IN THE MATTER OF THE *REAL ESTATE MARKETING ACT* AND THE DISCLOSURE
STATEMENT OF "ARBUTUS RIDGE AT KING EDWARD BAY (PHASE 3)" FOR THE
PROPERTY DESCRIBED AS:

Municipality of Bowen Island:

- (a) Parcel Identifier: 015-940-837
District Lot 1545 Group 1 New Westminster District Except Portions in
Explanatory Plan 3489, Plan 13464, Plans BCP33065, EPP76340 and EPP103838

I, MARK S. THOMPSON, Solicitor, a member of the Law Society of British Columbia, having
read over the above-described Disclosure Statement dated May 26th, 2021, made
any required investigations in public offices, and reviewed same with the Developer therein
named, and that the facts contained in paragraphs 4.1, 4.2 and 4.3 of the Disclosure Statement
are correct.

DATED at Vancouver, British Columbia on May 26th, 2021.



Mark S. Thompson

LIST OF EXHIBITS TO DISCLOSURE STATEMENT

EXHIBITS

- A-1. Proposed Subdivision Plan
- A-2. Proposed Site Services Plan
- B. Bowen Island Municipality Bylaw No. 344, 2013
- C. Statutory Building Scheme – draft only
- D. Preliminary Geotechnical Hazard Assessment by Braun Geotechnical Ltd., October 2013 revised on July 17, 2018.
- E. Form of Purchase Agreement

EXHIBIT “A-1”
PROPOSED SUBDIVISION PLAN



SITE MAP

DRAWING LEGEND

	EXISTING	PROP.	TO BE REMOVED
LEGAL LINE	---	---	---
EASEMENT	---	---	---
WATERMAIN	---	---	---
SANITARY	---	---	---
STORM	---	---	---
HYDRO	---	---	---
TSL	---	---	---
STREETLIGHT	---	---	---
GAS	---	---	---
FIRE HYDRANT	---	---	---
GATE VALVE	---	---	---
AIR VALVE	---	---	---
REDUCER	---	---	---
INSPECTION CHAMBER	---	---	---
CATCH BASIN (STD/SI)	---	---	---
CAP	---	---	---
MANHOLE	---	---	---
POWER POLE	---	---	---
STREETLIGHT	---	---	---

approved

client

KEB II LIMITED PARTNERS

project

ARBUTUS RIDGE - PHASE 3
BOWEN ISLAND, BC

title

PROPOSED
SUBDIVISION 3

8	21-04-30	UPDATED FOR SUBDIVISION APPLICATION	MHS
7	21-04-28	UPDATED FOR SUBDIVISION APPLICATION	MHS
6	21-03-12	UPDATED FOR SUBDIVISION APPLICATION	MHS
5	21-01-29	UPDATED FOR SUBDIVISION APPLICATION	MHS
4	21-01-26	UPDATED FOR SUBDIVISION APPLICATION	MHS
3	21-01-08	ISSUED FOR SUBDIVISION APPLICATION	MHS
2	20-12-07	ISSUED FOR PLR	MHS
1	20-12-03	ISSUED FOR CLIENT REVIEW	MHS
NO.	(y/m/d)	revision	CHK'D

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engineer of record

designed by

drawn by

date

scale

file no.

drawing no.

2020-01-31

16353

KEY-PH3-7C

NOT FOR CONSTRUCTION

EXHIBIT “A-2”
PROPOSED SITE SERVICES PLAN



DRAWING LEGEND

DRAWING LEGEND			
	EXISTING	PROP.	TO BE REMOVED
LEGAL LANE			
CURB			
WALKWAY			
STORM			
SEWER			
WATER			
TELEPHONE			
STREET LIGHT			
TO BE REMOVED			

	EXISTING	PROP.	TO BE REMOVED
PAVEMENT			
WALKWAY			
STORM			
SEWER			
WATER			
TELEPHONE			
STREET LIGHT			
TO BE REMOVED			

APPROVED

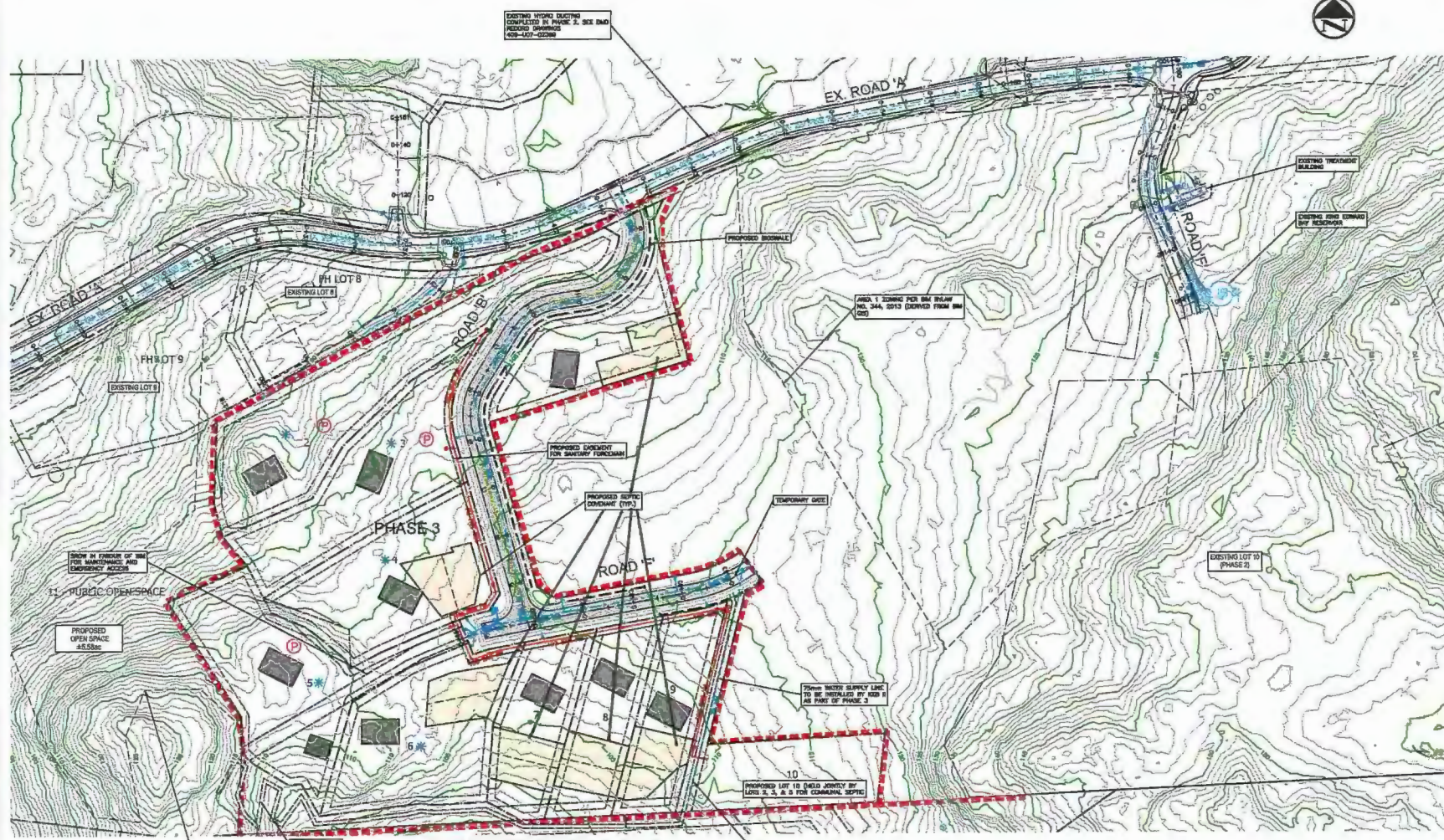
KEB II LIMITED PARTNERS

ARBUSUS RIDGE - PHASE 3
BOWEN ISLAND, BC

PROPOSED LAYOUT
PHASE 3

8	23-08-02	UPDATED WITH REFUGEE COMINGMENTS	WFO
7	23-08-02	UPDATED: LDT UNVOY	WFO
6	23-08-02	UPDATED FOR SUBSIVISION APPLICATION	WFO
5	23-08-02	UPDATED FOR SUBSIVISION APPLICATION	WFO
4	23-08-01	RIEMED FOR COORDINATION	WFO
3	23-08-02	UPDATED FOR SUBSIVISION APPLICATION	WFO
2	23-08-00	UPDATED WITH TRD	WFO
1	23-08-00	ISSUED FOR R&B SERVICE	WFO
	no. update	revision	date
<p>100-447017-REVISED: THIS SERVICE HAS BEEN CANCELED AND THE NEW SERVICE NUMBER IS 100-447018-1. THE NEW SERVICE NUMBER IS 100-447018-1. THE NEW SERVICE NUMBER IS 100-447018-1. THE NEW SERVICE NUMBER IS 100-447018-1.</p>			
Employee of record:		pin:	9
signature by:	NRH	date:	2011-12-20
signature by:	WFO	date:	16353
date:	09-02	KEYING:	06-03
		KEYING CS-32	

NOT FOR CONSTRUCTION



Phase 3					
Lot number	Square Meters	Hectares	Pentimeter	Acres	Frontage (m)
1	2361	0.236	248	0.58	111
2	4124	0.467	434	1.16	208
3	3469	0.361	329	0.89	65
4	3634	0.363	256	0.90	66
5	4110	0.411	365	1.02	10
6	3601	0.360	262	0.89	27
7	2625	0.260	300	0.50	29
8	2016	0.200	216	0.50	27
9	2694	0.201	223	0.50	27
TOTAL	28773.02	2.81		6.94	

SEPTIC COVENANT SIZE
(PRIMARY & RESERVE) TYP.
(560m2)

MIN. LOT AREA	0.371ac/0.150ha
SETBACKS (side/front/rear)	3.0m / 3.0m / 3.0m
MAX LOT COVERAGE	25%
MAX FLOOR AREA	260m ²

MINIMUM FRONTAGE SHALL BE 10% OF PERIMETER OF LOT.
** LOTS NOT MEETING FRONTAGE REQUIREMENT

Ⓢ LOTS THAT MAY REQUIRE COMMUNAL SEPTIC

✱ LOTS GREATER THAN 0.36 HECTARE

EXHIBIT “B”

BOWEN ISLAND MUNICIPALITY BYLAW NO. 344, 2013

BOWEN ISLAND MUNICIPALITY BYLAW NO. 344, 2013

A Bylaw to amend Land Use Bylaw No. 57, 2002

WHEREAS, “Bowen Island Land Use Bylaw No. 57, 2002” establishes zoning classifications and regulations for land within the municipality, and minimum and average lot size areas for the purpose of new subdivisions; and

WHEREAS, Council wishes to amend “Bowen Island Land Use Bylaw No. 57, 2002” to enable the creation of new parcels for residential use, special needs housing parkland;

THEREFORE be it resolved that the Council for Bowen Island Municipality in open meeting assembled enacts as follows:

1. This bylaw may be cited for all purposes as the “Bowen Island Municipality Land Use Bylaw No. 57, 2002, Amendment Bylaw No. 344, 2013”.
2. “Bowen Island Municipality Land Use Bylaw No. 57, 2002” is further amended by adding the following definitions to Section 1.1 (Definitions):

“Cottage Residential Development” means a development providing supportive housing to individuals as defined through a registered Housing Agreement, consisting of attached or detached dwellings and a caretaker’s residence, and which may include accessory uses, buildings and structures including: a common amenity building; domestic agriculture and horticulture uses; workshops and studios; meeting rooms and instruction areas.”
3. “Bowen Island Municipality Land Use Bylaw No. 57, 2002” is further amended by adding Section 4.27 to the bylaw as follows:

4.27 Comprehensive Development 18 (CD 18) Zone (ARBUTUS RIDGE)

Information Note: The purpose of the CD 18 zone is to provide regulations for the subdivision and comprehensive development of approximately 38 hectares of land as three separate areas. Area 1 permits 38 lots for detached residential dwellings in seven “clusters” of development. Area 2 permits a “cottage residential development” providing special needs housing and a range of accessory uses. Area 3 will provides for parkland consisting of a combination of natural areas, trails and a neighbourhood park.

The regulations in the tables in this section apply to land in the Comprehensive Development 18 (Arbutus Ridge) Zone, as indicated by the column headings. For the purposes of this zone, different regulations apply Areas 1, 2, and 3. The Area boundaries are identified on the map attached as Schedule A to this Bylaw. Minor adjustments to the establishment of the area boundaries will be permitted based upon more detailed site investigations that will be undertaken at the subdivision approval stage.

4.27.1 Permitted Uses of Land, Buildings and Structures

- (1) In addition to the uses permitted in Section 3.2 of this bylaw, the following uses, buildings and structures and no others are permitted in the Comprehensive Development 18 (CD-18) Zone:

Principal Uses of Land, Buildings and Structures	SUB AREA 1	SUB AREA 2	SUB AREA 3
<i>Dwelling, Detached</i>	◆		
<i>Cottage Residential Development</i>		◆	
Open Space	◆	◆	◆
<i>Neighborhood Park</i>			◆
Public Trails	◆	◆	◆
Accessory Uses of Land, Buildings and Structures			
<i>Uses accessory to principal uses</i>	◆	◆	◆
<i>Domestic Agriculture</i>	◆	◆	
<i>Horticulture</i>		◆	
<i>Home Occupation use subject to Part 3</i>	◆	◆	
<i>Retail sale of goods and items produced on site and day to day convenience goods</i>		◆	
<i>Restaurant</i>		◆	
Permitted Buildings and Structures			
<i>Dwelling, Detached</i>	◆	◆	
Common Amenity Building		◆	
<i>Buildings and Structures accessory to Cottage Residential Development</i>	◆	◆	

4.27.3 Size, Siting and Density of Permitted Uses, Buildings and Structures

- (1) Subject to Part 3, uses, buildings and structures in the Comprehensive Development 18 (Arbutus Ridge) Zone must comply with the following regulations regarding size, siting and density.

Lot Coverage and Maximum Floor Area	Sub Area 1	Sub Area 2	Sub Area 3
Maximum Lot Coverage	25%	15%	1%
Maximum total <i>floor area</i> of common amenity building (square metres)		200	
Maximum total <i>floor area</i> of <i>accessory buildings</i> used for <i>Domestic Agriculture and Horticulture</i> (square metres)		350	
Maximum total <i>floor area</i> of <i>accessory buildings</i> , other than the community amenity building, used for workshops, studios and meeting rooms (square metres)		360	
Maximum total <i>floor area</i> of accessory <i>retail</i> uses (square metres)		50	
Maximum total <i>floor area</i> of accessory <i>restaurant</i> use (square metres)		70	
Maximum <i>floor area</i> of all buildings on a lot excluding garages and accessory buildings	260	2130	
Maximum <i>floor area</i> of caretaker's residents in <i>cottage residential development</i> (square metres)		300	
Maximum size of <i>floor area</i> of detached dwellings in <i>cottage residential development</i> (square metres)		250	
Number of Units and Site Areas			
Maximum number of <i>dwellings</i>	38	14	
Maximum number of <i>detached dwellings</i> on any lot	1	14	
Maximum number of accessory buildings on any lot	2	6	
Height			
Maximum height of a principal building or structure (metres)	9.0	9.0	
Maximum height of and accessory building or structure (metres)	9.0	9.0	
Setbacks			
Minimum setback from side lot lines (metres)	3.0	3.0	
Minimum setback from front lot lines (metres)	3.0	7.5	
Minimum setback from rear lot lines (metres)	3.0	3.0	

4.27.4 Subdivision and Servicing Requirements

(1) The regulations in this Subsection apply to the subdivision of land under the Land Title Act or Strata Property Act for the CD 18 Zone.

Lot Areas for the Creation of New Lots through Subdivision	Sub Area 1	Sub Area 2
Maximum number of lots to be created by subdivision	38	1
Minimum lot area (hectares)		3.0
Minimum lot area (square metres)	1500	

4.27.5 Off-Street Parking Requirements

Off-street parking shall be provided in accordance with the part of this bylaw that pertains to off street parking requirements, except that Table 5-1 is amended to add the following:

COTTAGE RESIDENTIAL DEVELOPMENT	
Caretaker's residence	2
Detached dwelling	1
Common Amenity Building, workshops, studios, meeting rooms and instructional areas	1 per 30 m ² floor area
Accessory retail, restaurant	1 per 40 m ² floor area
Domestic Agriculture and Horticulture	1 per 2 non-resident employees

4. "Bowen Island Land Use Bylaw No. 57, 2002" is amended by changing the zoning for the lands shown outlined in a solid black line on Schedule A of this Bylaw from **Rural Residential 1 (RR1) to Comprehensive Development 18 (Arbutus Ridge) Zone**, and by making such deletions, adjustments, and consequential annotations on Schedule "B" to Bylaw No. 57, 2002 as are required to give effect to this amendment.
5. "Bowen Island Land Use Bylaw No. 57, 2002" is amended by adding reference in Table 4-1 to Comprehensive Development 18 (Arbutus Ridge) Zone.

READ A FIRST TIME this 24th day of June 2013;

READ A SECOND TIME this 25th day of November, 2013;

PUBLIC HEARING this 11th day of February 2014;

READ A THIRD TIME this 10th day of March, 2014;

FINALLY ADOPTED this 28th day of July, 2014.

(ORIGINAL SIGNED) _____

Andrew Stone
Acting Mayor

(ORIGINAL SIGNED) _____

Lisa Wrinch
Deputy Corporate Officer

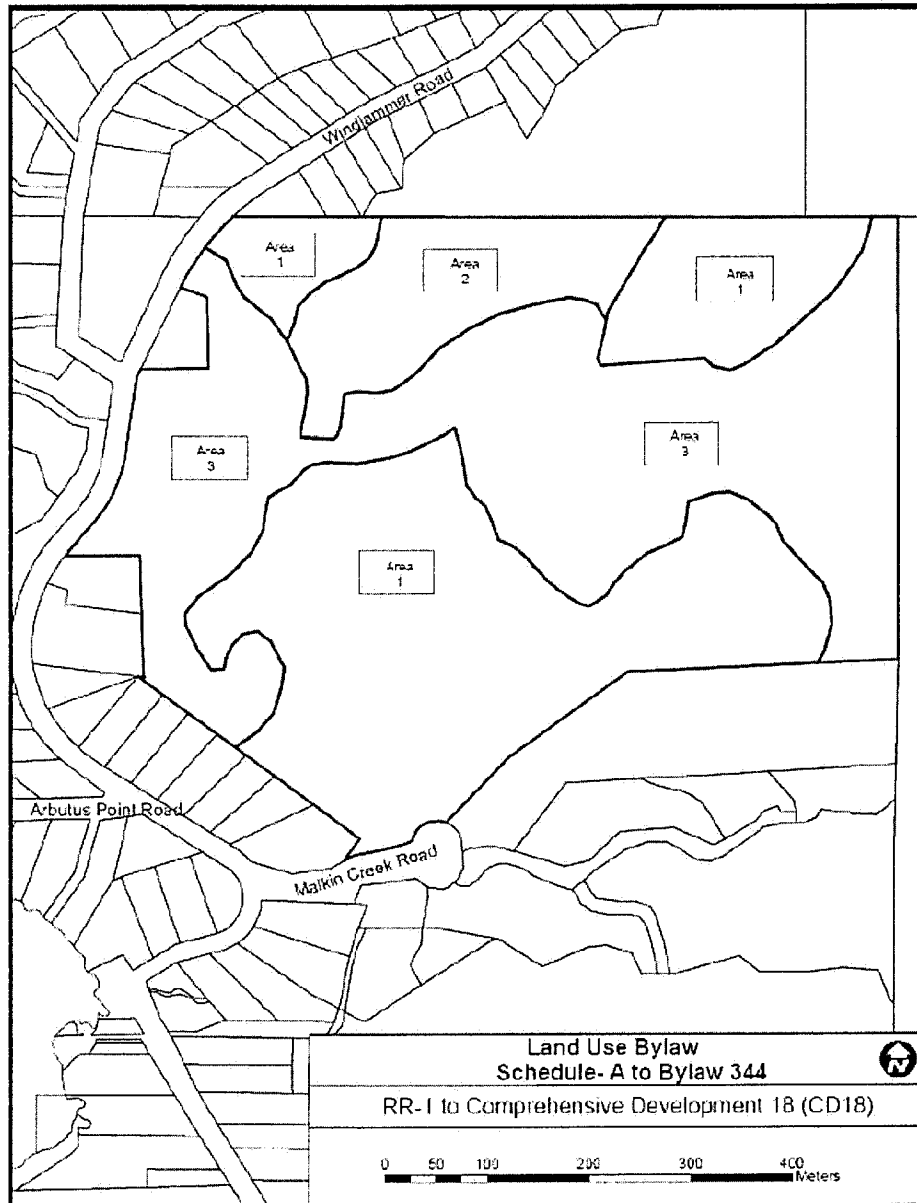


EXHIBIT “C”
STATUTORY BUILDING SCHEME (DRAFT)

ARBUTUS RIDGE AT KING EDWARD BAY

STATUTORY
BUILDING SCHEME
SCHEDULE OF RESTRICTIONS

-
1. For the purposes of this Building Scheme, which shall include the Design Guidelines in Schedule A-1 and Exhibit “I” attached thereto, the following words or phrases shall have the following meanings:
- a) “Approval” means a final written approval of the Approving Authority with respect to the Plans and Specifications for the Improvements to be constructed or undertaken on a Lot as contemplated in more detail in this Building Scheme;
 - b) “Approved Plans and Specifications” means the Plans and Specifications in respect of which the Approving Authority has granted its Approval in accordance with the provisions of this Building Scheme;
 - c) “Approving Authority” means i) during the period ending on the sale of all Lots by the Developer, or such earlier date as the Developer may elect in writing, the Developer or its designated agent, or a qualified third party such as an Architect nominated or appointed by the Developer in writing from time to time to act in its stead; and ii) thereafter such qualified third party as shall have been appointed by the Developer;
 - d) “Arbutus Ridge” means those lands comprised of the 10 freehold lots (being Lots 1 – 10, each one individually a “Lot”), and the Remainder lot which will be later subdivided, located to the north and south of Joan Audrey Lane, being the roadway shown on Plan EPP 103838;
 - e) “Design Guidelines” means the design guidelines in Schedule A-1 attached hereto and forming part of this Building Scheme, including the Landscaping requirements as set out in Exhibit “I” attached thereto;
 - f) “Developer” means KEB II Limited Partnership;
 - g) “Improvement” means any building or other structure or landscaping constructed or installed on any Lot, or to be constructed or installed, or added to or altered or removed, including the topping, or cutting down or removal of trees, but does not

include minor changes to landscaping on a Lot that are consistent with the terms of this Building Scheme and undertaken after the completion of construction and landscaping in accordance with the Approved Plans and Specifications;

- h) “Owner” means the person or persons registered from time to time as the owner of a Lot in the Lower Mainland Land Title Office;
 - i) “Plans and Specifications” means the plans and specifications and other items, as described in Section 5 of the Design Guidelines, to be prepared by the Owner and submitted to the Approving Authority for its review and Approval;
 - j) “Whitehead Report” means the environmental assessment report as set out in Section 1 of Schedule I-A
2. a) No Improvement other than a private single family dwelling and related accessory buildings and landscaping and miscellaneous structures as contemplated in the attached Design Guidelines shall be constructed or placed on a Lot;
- b) No Lot other than Lot 10 may be further subdivided to create any additional lots.
3. No Improvement on a Lot shall be commenced, constructed or installed and no building permit shall be applied for with respect to a Lot without first:
- a) providing the Approving Authority with the Plans and Specifications of the Improvements in accordance with the provisions of the Design Guidelines, and such further and other plans, specifications, samples or other materials as the Approving Authority may reasonably require to assist it in its consideration of Approval of the proposed Improvements;
 - b) having the Plans and Specifications reviewed by the Approving Authority for the sole purpose of ascertaining that the information set forth generally conforms with the Design Guidelines;
 - c) obtaining the Approval of the Approving Authority; and
 - d) covenanting directly in writing with the Approving Authority to commence and diligently and continuously carry out to completion the construction of the Improvements in accordance with the Approval.
4. In granting or withholding its Approval of the Plans and Specifications, the Approving Authority may consider such factors as it considers relevant, including without limitation:
- a) compliance with the Design Guidelines;
 - b) siting and setback of buildings, septic fields and other structures from lot boundaries and natural boundaries such as creeks;
 - c) environmental sensitivities and enhancement opportunities

- d) screening and building height;
 - e) construction materials and techniques;
 - f) provision of parking;
 - g) general architectural aesthetics;
 - h) landscaping, significant tree protection and re-vegetation schedules;
 - i) exterior layout;
 - j) compliance with provisions of the Section 219 covenants, easements, statutory rights of way and other easements registered against title to the Lots;
 - k) fencing;
 - l) roof slopes;
 - m) exterior materials and colours;
 - n) any adverse impact on the views, ecology or ambiance of neighbouring properties;
 - o) planning for storm water management; and
 - p) timing of specific matters of construction to reduce impact
5. To assist the Owner of the Lot in preparing the Plans and Specifications and meeting the requirements of the Approving Authority, the Approving Authority has established the Design Guidelines. A copy of the Design Guidelines, including any amendments, may be obtained by an Owner from the Approving Authority during normal business hours, without charge.
6. The Approval by the Approving Authority with respect to any Plans and Specifications shall not be unreasonably withheld or delayed if the Plans and Specifications meet the requirements of the existing Design Guidelines and the applicant for such Approval complies with all of the requirements herein. Despite anything contained herein:
- a) the Approving Authority shall be deemed to have approved of the Plans and Specifications if the Approving Authority has not, within 30 days of the receipt of the Plans and Specifications, either asked for additional material or refused Approval thereof with reasons in writing; and
 - b) if the Approving Authority requires additional material in accordance with Subsections 3(a) or 6(a) hereof and the same is provided then, if the Approving Authority does not act within 30 days of the date of the receipt of such additional material, the Approving Authority shall be deemed to have approved of the Plans and Specifications including such additional material.

7. Following Approval of the Plans and Specifications, no construction of Improvements shall be commenced or carried out on any of the Lots except:
 - a) in accordance with the Approved Plans and Specifications; and
 - b) in compliance with this Building Scheme, including the Design Guidelines, and all generally applicable laws, ordinances, rules, regulations or orders of governmental authorities applicable to the Lot.
8. During the period of an application for an Approval and during construction of an Improvement, up to the issuance of a Certificate of Occupancy from Bowen Island Municipality, the Approving Authority or its designated agent may at any time, without notice, during regular business hours, enter onto a Lot for the purpose of reviewing site conditions or determining compliance with and enforcing the provisions of this Building Scheme. Before an Approval is sought for an Improvement from the Approving Authority, the Approving Authority may, upon 48 hours written notice, enter onto a Lot for the purpose of determining compliance with and enforcing the provisions of this Building Scheme with respect to that Lot. The Approval granted by the Approving Authority is valid for twenty-four (24) months from the Approval date subject to the following:
 - a) if construction of the Improvements does not commence within six (6) months of the Approval date, or if construction of all Improvements other than landscaping is not complete within eighteen (18) months of the Approval date, or
 - b) if all landscaping Improvements are not complete within twenty-four (24) months of the Approval date,

then the Approval shall expire and applications shall be resubmitted to the Approving Authority for its review. A new Approval must be granted prior to initiating or continuing any site work or construction.

Once construction of an Improvement is commenced, completion of the Improvement shall be pursued diligently and continuously until the issuance of a Certificate of Occupancy from Bowen Island Municipality. The driveway is to be completed within six months of issuance of a driveway access permit. The exterior of the principal building must be completed within 12 months of issuance of the relevant building permit. Front yard landscaping must be completed within 18 months of issuance of the building permit for the principal building. Should construction of an Improvement be suspended for more than thirty (30) days, the project proponents shall meet with the Approving Authority to establish a schedule for completion. If at that meeting, the Approving Authority determines that the completion date for the construction of the Improvement is likely to be delayed for a period of more than twelve (12) months, the Approving Authority may, in its discretion, rescind the Approval and require the restoration and re-vegetation of any disturbed areas of the subject Lot, and the Owner shall thereby be required to reapply for an Approval when ready to proceed.

9. The Owner is responsible for any damage to the Lots or to other private or public property caused by the Owner, the Owner's employees, contractors, consultants or agents during the course of construction (the "Construction Damage"). If not required by Bowen Island Municipality with respect to an Owner's proposed development of a Lot, the Owner may be requested to pay a deposit (the "Damage Deposit") to be held by the Approving Authority, prior to the Approving Authority granting the Approval, which deposit shall be applied to the cost of repairing any Construction Damage. Any such Damage Deposit or the remaining balance thereof, as the case may be, would be returned to the Owner when all of the requirements of the Approval have been met, and any Construction Damage has been repaired and paid for by the Owner, to the satisfaction of the Approving Authority. Upon any return of the Damage Deposit or the remaining balance thereof as the case may be to the Owner, the Owner's obligations under the terms of the Approval shall not cease, but shall continue in full force and effect.
10. All Approvals necessary pursuant to this Building Scheme shall be obtained from the Approving Authority. All Approvals of the Approving Authority must be in writing. The Approving Authority may nominate or appoint an officer, agent, or person to grant Approval, or to withhold Approval, or to otherwise exercise the rights and powers of the Approving Authority with respect to any matter or thing submitted for an Approval of the Approving Authority.
11. The Approving Authority shall exercise its discretionary powers in good faith. The Approving Authority shall have the sole and fully discretionary power to approve or reject any matter or thing submitted for the Approval of the Approving Authority. The Approving Authority may interpret the Design Guidelines and make decisions acting in its absolute discretion and may modify or waive a provision in the Design Guidelines where it considers unusual circumstances in a particular application so require, but without offending the purpose of the Design Guidelines.
12. This Building Scheme and the provisions hereof are not and shall not be deemed to be exclusive of (a) the requirements of Municipal, Provincial or other governmental bodies; (b) the obligations or liabilities imposed by statute or by common law on Owners or occupiers of lands, (c) the terms and conditions of the encumbrances registered against a Lot, all of which shall be duly observed and complied with.
13. Nothing contained in the provisions hereof shall be deemed to be construed as an admission of responsibility or liability on the part of the Developer or Approving Authority to any Owner or third party to enforce, oversee or control the activities of an Owner or occupier of a Lot with respect to the use of Lot or a breach of the restrictions herein.
14. Any Owner in breach of the provisions hereof, or any Owner who commences a proceeding to enforce the provisions hereof, shall indemnify and save harmless the Approving Authority and such indemnity shall extend to all losses, costs, claims and damages including, without limitation, solicitors' costs as actually paid, arising as a result of the breach of the provisions hereof or the enforcement of the same.

15. In this Building Scheme, wherever the singular or masculine is used, the same shall be construed as meaning the plural, feminine or body corporate or politic as the context so requires.
16. If any provision of this Building Scheme is found to be illegal, invalid or for any reason unenforceable or void by any Court of competent jurisdiction, then that provision shall be considered separate and severable and the Building Scheme shall be construed as though that provision so deleted was never contained herein (except to the extent necessary if that provision is incorporated by cross-reference into another provision and the other provision including that provision is not similarly found to be illegal, invalid or otherwise unenforceable or void) and the remaining provisions shall not be affected and shall be enforceable to the fullest extent permitted by law.
17. The provisions hereof shall run with and bind all of the Lands and every portion thereof and render the Owner, each purchaser, lessee, sublessee and occupant of any Lot or any portion thereof subject to the restrictions set out herein.
18. This Building Scheme shall expire 25 years from its registration in the Lower Mainland Land Title Office and thereafter the provisions hereof shall be of no further force and effect.

SCHEDULE A-1

DESIGN GUIDELINES FOR ARBUTUS RIDGE AT KING EDWARD BAY

CONTENTS

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1.0 INTRODUCTION

This Schedule A-1 is referred to in its entirety as the Design Guidelines.

Arbutus Ridge is situated within the Municipality of Bowen Island, British Columbia. Arbutus Ridge is to be characterized by single-family home sites set among forested lands. The architectural concepts, to be implemented in Arbutus Ridge will capture the feeling of island living within the context of the natural environment and heritage of the area, and will recognize efforts within the Bowen Island community to adhere to environmentally sensitive and sustainable building practices and planning strategies, as well as to recognize and acknowledge the recommendations set out in the Preliminary Environmental Assessment, Arbutus Ridge Subdivision Project, Bowen Island, authored by Whitehead Environmental Consultants Ltd, dated December 11th, 2012.

Compliance with the design theme contemplated by these Design Guidelines can be achieved through the use of building forms, materials, colours and architectural details that are characteristic of Bowen Island's natural setting and heritage. In doing so, it is imperative that there be a high quality of design and construction throughout Arbutus Ridge and that the adaptation of or conformance with a specific style be carried out in a legitimate and faithful manner within each project. The character and natural environment of Arbutus Ridge are to be protected and maintained and neighbouring developments, both existing and subsequent, are to be respected. The use of registered Architects or Designers who have design experience in local island environments and who are able to work with sensitive physical environments is strongly recommended.

2.0 PURPOSE

These Design Guidelines have been prepared to encourage visual harmony between the rich natural environment and the buildings and other structures, so as to rigorously preserve and protect the existing treescape and understory of the forest. The Design Guidelines are also intended to maintain and enhance views, and to promote construction within Arbutus Ridge that is carried out in a manner that is sensitive to the physical setting, and to establish consistency in the quality of design and new construction throughout Arbutus Ridge in order to help protect property values for all Owners.

3.0 DESIGN GUIDELINES

3.1 Site Planning Guidelines

Buildings and other structures should be located to minimize the disturbance of the site's natural features. The overall form, massing and location of buildings and other structures and approaches should be designed in response to the natural treescapes, landforms and topography of the site.

3.1.1 BUILDING SITING

Siting design shall demonstrate that Improvements do not adversely impact the natural characteristics of the site and neighbouring properties, including overview, shading and obstruction of views. In considering Approval of the proposed building siting, the Approving Authority will consider the appropriateness of the principal building design and siting within the Lot with respect to the circumstances of that Lot and its own view potential and the view potential and privacy of neighbouring Lots.

Most building sites in Arbutus Ridge have some degree of slope and, as such, the locations of buildings and other site Improvements within the Lot are a key component of the design process. The underlying requirement of site planning guidelines is for all buildings, other structures and site improvements to accommodate the natural features of a site through a passive approach to design. Building form, orientation and massing should respond to natural landforms, drainage patterns, topography, vegetation, views and sun exposure. Planning for the layout of driveways and house sites should incorporate protection of the open bluff habitats as much as possible. Buildings should step with the site, accomplishing level changes through a composition of forms. Site grading or blasting is not encouraged in any way. Building forms and rooflines should relate to site contours and surrounding land forms.

3.1.2 GRADING AND DRAINAGE

The impact of site development and construction on the existing natural landforms and drainage patterns shall be minimized by appropriate planning. All proposed grade changes are to be approved in advance by the Approving Authority acting in its absolute discretion, and notwithstanding the foregoing, shall comply with the stormwater management plan approved by the Municipality as a precondition to subdivision approval for the Arbutus Ridge at King Edward Bay Subdivision.

Erosion: The design of Improvements on a Lot shall not cause a condition that leads to soil erosion. Suitable erosion control measures shall be incorporated into the project design and the construction plan.

Modification of Existing Contours: Any modification of existing contours should be limited to the extent necessary to accommodate the construction of a home as the principal building. In order to minimize site disturbances, Improvements shall be designed to fully accept existing site conditions. If grading is required, it should be consistent with the site planning concept and should be minimized and limited to areas within the building envelope to the extent possible. If blasting can not be avoided, then it shall be scheduled between August 16 and February 1, outside of bird nesting season.

Cut and Fill Slopes: Cut and fill slopes should be kept to an absolute minimum by utilizing the natural contours of a Lot in the design of buildings and site improvements. If cut and fill slopes cannot be avoided due to the site conditions, they shall be feathered into the existing terrain and re-vegetated to blend with adjacent vegetation. Final grading of long slopes should be based upon site-specific soil characteristics, but in no case should new slopes be created greater than 1V:2H. Re-contouring of large areas or excessive or unnecessary lot grading is prohibited.

Natural or Existing Drainage Patterns: The location of buildings, structures and other improvements shall not adversely impact or disrupt the natural or existing drainage patterns of the site. Owners are responsible for controlling the drainage resulting from the development of a Lot and may not direct or divert water onto another Lot except in congruence with natural drainage patterns or where provided for by drainage easement areas on title, and provided that such a diversion does not adversely affect other properties. Runoff from impermeable surfaces, such as roofs, driveways or other such low porosity areas, shall be directed away from Joan Audrey Lane, foundations and toward areas of permeable soils to facilitate groundwater recharge. Drainage shall be directed to natural or improved drainage channels or dispersed into shallow sloping vegetated areas. The use of ponds, detention basins, or swales is encouraged to provide water quality protection and groundwater recharge. Ponds are also considered desirable because they contribute to biodiversity and provide aesthetic features. Storm drainage shall not connect into sanitary sewer systems. Exposed drainpipe and other impermeable man-made drainage material at grade shall be avoided.

3.1.3 SITE ACCESS, PARKING AND GARAGES

Site access is an important consideration in the design and siting of a building because of the grade relationship between the access driveway, the garage and the principal building footprint.

Access Driveways: The location and grade of an access driveway may influence the finished floor elevation of the principal building or the proximity of a parking garage to the principal building. Driveways and turnarounds shall be designed in acceptance of site conditions, and constructed to minimize site disturbance and grading. The driveway and turnaround design will also minimize impacts upon significant plant materials, rock outcroppings, natural contours and drainage patterns. The driveway shall be constructed in a manner that does not allow the run-off of storm water onto the public roads, and will require appropriate water diverters installed on the Lot.

The proposed driveway for each Lot has been established by the Developer, giving consideration to grades, site impact, and separation from adjacent Lots. On some Lots an alternate driveway location may be approved by the Approving Authority, provided that the alternate location adequately addresses the considerations noted in these Design Guidelines. Owners must obtain an approval from the Approving Authority for any proposed alternate driveway or garage location prior to commencing design.

It is of the greatest importance that grading and modification of existing site contours for the construction of a driveway should be minimized to the extent possible. The driveway and turnaround width shall be not less than ten (10) feet and not more than thirteen (13) feet. Where appropriate, driveway drainage shall be accommodated by a culvert under the driveway. The culvert shall be engineered and constructed at the Owner's expense. When culverts are required, culvert ends shall be cut to match the slope and, if visible from an adjacent Lot, culvert end walls shall be constructed of stone or concrete faced with stone to match the building pattern. Flared metal ends on a driveway culvert are unacceptable unless covered with acceptable materials. For specific guidelines on surface materials, refer to the section of the Landscape Design Guidelines subtitled "Driveways". Sediment traps to be constructed where necessary to collect any silt-laden runoff during rainy season construction.

Parking and Garages: At least one of the required parking spaces shall be fully enclosed within a garage or carport.

Recreational Vehicles: Boats, trailers, campers and other recreational vehicles parked or stored on a Lot must be less than 20 feet in length. Parking areas for such vehicles shall be appropriately screened from adjacent properties and kept behind the line of the front elevation of the garage or principal building in accordance with plans of that area approved by the Approving Authority, so that the vehicles will not be visible from other Lots.

3.1.4 EXTERIOR EQUIPMENT AND RECREATION FACILITIES

All outdoor mechanical and electrical equipment, such as metering devices, transformers and air conditioning units, must be concealed from the view of adjacent Lots. Wall mounted equipment shall be enclosed with material which matches the exterior wall material of the principal building. For the appropriate means of screening freestanding equipment, refer to the section of the Landscape Design Guidelines subtitled “Retaining Walls, Landscape Walls, Fences & Screening”. Window, wall or roof-mounted air conditioning units are not permitted. Solar panels are subject to the Approval of the Approving Authority; Built-in exterior barbeque grills or similar outdoor entertainment facilities or equipment may be approved on terraces and patios provided the exterior walls of the built-in facilities or equipment are constructed of materials which are similar to those of the exterior of the principal building, and within the relevant setbacks.

Satellite dishes shall be no larger than twenty-four (24) inches in diameter, shall be concealed from the view of adjacent Lots and shall not be installed on a rooftop. Subject to the foregoing, no television or radio antenna or aerial or other telecommunication device shall be erected on any Lot or attached to the exterior of any building on any Lot or part thereof.

Walls, fences or landscaped screens will be required to reduce the visual impact of recreational facilities from adjacent properties. Due to the existing topography and extensive grading required to create a flat buildable surface, tennis courts and like facilities are not permitted.

3.1.5 EASEMENTS AND UTILITIES

Where driveway and utility easements have been established across some Lots to facilitate access, utilities and drainage and the maintenance thereof, there shall be no grading, site Improvements, or landscaping undertaken that may damage or interfere with the matters addressed by the easements. Re-vegetation shall be required for all areas within easements that have been disturbed during the installation of individual residential utilities and access. Connections to all utilities including water, sewer, cable, electricity and telephone, shall be installed either underground or at the surface level in accordance with suggested installation details that may be provided by the Approving Authority”). Utility connections from main service lines to individual buildings shall be located under driveway alignments (or where necessary at the surface immediately adjacent to the driveways) or within the rights of way or easements established for that purpose at the time of creation of the Lots, or as otherwise approved by the Approving Authority, so as to minimize disruption of the site and existing vegetation.

3.1.6 FIRE PREVENTION SPRINKLERS

The principal building on the Lots must be equipped with an operable system of fire prevention sprinklers of at least a residential standard to help control fire, and the principal building on those such Lots may not be occupied unless it is so equipped. In addition, the sprinkler system must comply with any relevant standards identified by Bowen Island Municipality in a bylaw or covenant applicable to a Lot. This restriction applies to all new principal buildings.

3.2 ARCHITECTURAL DESIGN GUIDELINES

While the architectural design guidelines for Arbutus Ridge call for strict retention of the existing natural site conditions, many opportunities are available to add character and interest to buildings. Buildings in Arbutus Ridge should be enriched by the introduction of well articulated building details such as features accenting door and window openings, balconies, railings, dormers, gables, decks, terraces, verandas, fireplaces, chimneys and feature lighting. Building details should be consistent with the overall architectural style in their origin and interpretation throughout the building, and should be crafted in a design vocabulary appropriate to the region.

A high level of architectural design is expected, to illustrate a pride in ownership and to help add value to the properties of Arbutus Ridge. Buildings should enhance view opportunities, provide good sun exposure and minimize negative visual impacts.

In addition to detailing, major architectural features of buildings in Arbutus Ridge should be strong, with substantial walls and ample roof overhangs. Use of natural stone on exterior walls is encouraged, to express mass and to create the appearance of a building that has grown from its site. Balanced heavy timber elements are also encouraged. Roof pitches should be comprised of a major pitched roof plane with secondary roof planes. Consistent use of similar exterior materials and colours will assure visual compatibility and help establish an image of lasting quality.

The following architectural guidelines outline specific design considerations to be addressed during the design process. Issues of sustainability, environmentally sensitive building techniques, building technology, security and the environment are all important contemporary issues to consider. A successful design will reflect the desired design style while responding to specific site conditions.

3.2.1 BUILDING FORM AND MASSING

The apparent size and scale of buildings should be appropriate to the site and the adjacent properties. The maximum gross floor area of the principal building on each Lot can not be greater than 2600 square feet, excluding garages, porches, verandas, balconies, and terraces. The facades of the principal building facing the access road should both be treated as front elevations for the purposes of façade design. Building masses should step with the terrain and use strategies that allow the building to be kept to a perceived two-story mass from the driveway side of the building. Incorporating the second floor within the roofline is encouraged and, if applicable, incorporating the third floor within the roofline is required. Generally, the main eave line of any building should be no higher than two stories from main floor grade; however, minor exceptions may be approved by the Approving Authority. The building should be designed to complement

the natural conditions and characteristics of the site. The building design should reflect a relatively simple mass with varying degrees of secondary massing and facade articulation to give a unique expression of interest and craftsmanship. The individual components of the massing (roof/wall/windows, etc.) should be given substantial consideration to create a composition which is interesting, varied and well proportioned.

3.2.2 ROOFS

Roof design is important as it provides a strong unifying characteristic between buildings comprising a given project. The use of consistent roof forms and materials is also an important element of the building design. Roofs within the Arbutus Ridge area should consist of a simple pattern of sloping roof forms and a limited palette of materials and colours. Roof forms should be reasonably broken up to reduce the apparent mass of the building. Varied roof heights are encouraged for different elements of the roof composition to respond to the mostly sloping sites. The overall roof form should be limited to gable, hip and possibly shed type roofs. Flat roofs may be used as part of “green” roof construction, meaning a specially constructed roof surface planted throughout with living landscape material. Roof types that are not permitted include false mansard, curvilinear and domed roofs. Roof forms should be designed with regard to solar orientation, in addition to reflecting the design style. Ample roof overhangs (min. 18” - 24”) are encouraged.

In order to assure interesting form and reduction of visual scale, roofs should be comprised of primary and secondary roof planes. The composition, scale and proportions of secondary roofs should be compatible with the primary roof form. The roof pitch of secondary roofs should be complementary to the primary roof, but may vary from that of the primary roof. Roofs should have a maximum pitch of 18V:12H.

Roof dormers are an important element of the building design when utilized. Dormers should be designed and located relative to the overall proportional balance of the roof and building. Dormer roofs may be gable, hip, or shed. Shed-roofed dormers should not exceed a total of more than 2/3 of the primary roof plane. In order to effectively break up the apparent mass of the overall structure, the front face of large dormers should be recessed meaningfully from the plane of the building wall below.

Skylights are permitted provided that they do not create issues of privacy, overview or excess ambient light or reflection, but should be limited to side and rear planes of the roof where possible.

Elements projecting from roofs, such as flues, vents and mechanical equipment should be designed to be compatible with the primary roof, to minimize roof clutter and to avoid visual distraction. Flues and vents should be consolidated and enclosed in a structure compatible with the overall roof form. In the event that the consolidation and enclosure of all flues and vents is not feasible, the Approving Authority may approve unenclosed flues and vents provided they are small in size and painted appropriately.

Roofing materials should complement the natural setting. Roofing materials should be visually compatible with the wall cladding, with the superior quality of the neighbourhood and with the

natural surroundings. Roofs shall generally be constructed of the following materials: cedar shakes or shingles, natural slate, or copper or other metal of a minimum 24 gauge in muted tones and having a profile and standing seam pattern acceptable to the Approving Authority. Similar alternative materials may be considered in the absolute discretion of the Approving Authority. The Approving Authority also encourages the use of green roof technology.

All soffits and trim shall be compatible with the colours and materials of the rest of the building. All exposed roof and vent flashing, gutters, downspouts, and other miscellaneous metal roofing devices shall be compatible with the colours and materials of the building and of the surrounding environment in general.

3.2.3 EXTERIOR WALLS

The use of a relatively limited range of exterior wall materials and colours will assure overall compatibility throughout Arbutus Ridge. Exterior walls should be characterized by strong, simple forms constructed of wood, stone, brick or concrete. Exterior walls should visually emerge from the ground, express mass and convey a sense of strength and permanence. Walls can be complemented with materials of the local region, such as wood and stone. Wood should also be considered in expressive forms such as exposed trusses, extended rafters and purlins, timber framing, balconies, doors, and sheathing on soffits and fascias, dormers and gables, and similar areas.

The visual scale of large wall planes should be reduced by techniques including changes in wall surfaces, offsets and the placement of windows and doors. Large monolithic structures and expansive, uninterrupted wall planes should be avoided.

Acceptable exterior wall materials include wood and stone and brick. Stucco may not be used except in secondary wall areas and in accordance with the Approval of the Approving Authority. Stone shall be used as an expression of mass; heavy timber framing may be used to express form; wood siding and cedar shingles may be used for exterior sheathing; and board trim may be used for detail such as fascia, eave, corner, and window trim.

If wood siding is used, siding of cedar shingle, shiplap, tongue and groove, or board and batten is appropriate. Heavy timber, logs, and glu-lam beams can be used to express the structural framing of the building, particularly as trusses, lintels, sills, beams, purlins and rafters. The scale of these members should be consistent with their structural purpose. Connection details should be done as design features.

Stone provides a physical link with the natural characteristics of a site and also serves to visually anchor a building to the ground. When used, stone should be incorporated around the base of a building to establish a strong sense of mass and permanence. Stone should be of an indigenous regional source and shall be laid on a random pattern with subtle horizontal coursing. The use of stone material with relatively flat surfaces is encouraged.

When “mass” walls of stone are applied, lintels and sills at door and window openings should be used. These lintel and sill members should be detailed and proportioned so as to appear

structurally sound. Lintels may be made of hewn timber, logs, or cut or natural stone. Sills may be made of cut or natural stone, or concrete.

In order to define the design theme and establish continuity between buildings, exterior wall materials are generally limited to the materials described above. Materials other than those specifically listed may be approved by the Approving Authority in its discretion.

The following materials are not permitted on the exterior of buildings in Arbutus Ridge:

- plastic or vinyl materials (siding, doors, etc.);
- siding of aluminum or other metal, asphalt
- cinder block other than approved forms of split face blocks;
- ceramic tile;
- plywood;

3.2.4 EXTERIOR TRIM

Exterior trim may be applied to windows and doors, gates, balconies and railings, deck and patio surfaces, chimneys and dormers, corbels, artwork, and lighting. Details should be consistent in their origin and interpretation throughout the building.

3.2.5 WINDOWS & DOORS

Windows and doors offer the opportunity to provide individual character and refinement of scale by introducing openings and patterns on walls. Consideration should be given to locating doors and windows to establish order on primary facades while being responsive to interior functions, privacy and view opportunities as well as to privacy on other Lots.

Windows within wood walls may be used as single openings or in combination to create a transparent wall between well-proportioned timber framing. Windows within stone walls should be set within the wall and should not appear as repetitive, linear rows of continuous windows. “Curtain wall” windows are generally not encouraged. Bay windows may be used to enhance views and provide interest to exterior walls. Trapezoid windows and other unusual shapes are not encouraged.

Wood windows are encouraged. Superior quality metal clad wood windows may be used. Window casings should be made of wood with exterior finishes stained or painted. Mirrored or reflective glass is prohibited.

Exterior doors must be made of wood. Hardware for exterior doors and windows, including hinges, latches, handles, and pulls, should be designed with artistic expression and constructed of superior quality materials which complement the building design and finishes.

3.2.6 BALCONIES AND RAILINGS

Properly located balconies can provide pleasant outdoor spaces. Balconies can either be recessed into the wall mass or projected from exterior walls. Balconies should be sized to individual

rooms or functions within the building and should be proportional to the overall exterior elevation of the building. Balconies should be located and designed giving consideration to privacy on other Lots.

The underside of projecting balconies, if visible from outside the Lot, shall be finished with wood siding or other exterior wall materials to match. For structures proposed to be supported wholly or in part on stilts or similar supports, if visible from another Lot, the wall area beneath the floor level shall be enclosed and clad in a manner to resemble a habitable area and in a finish consistent with the rest of the building or structure or shall be covered by landscape screening

Wood or metal balcony railings may be used and shall be crafted as significant design details. Simple production railings shall not be approved. Balconies enclosed with solid walls and the use of wood framing material on balcony railings are not permitted unless properly detailed and approved by the Approving Authority.

3.2.7 FOUNDATIONS

The essential objective of the design process is to create a close integration of the building with its site and landscape. On sloping sites, foundations should be stepped with the contours to avoid high foundation walls or retaining walls or extensive cut and fill slopes. Where posts and footings are utilized in lieu of foundation walls and are visible from another Lot, the space between posts shall be enclosed and clad in a manner to resemble a habitable area and in a finish consistent with the rest of the building or structure or shall be covered by landscape screening. Building foundations should be designed to visually line up with the landscape walls in order to reinforce the visual harmony between buildings and the landscape.

3.2.8 CHIMNEYS

Chimneys are a strong visual element of a home and should be designed in relationship to the form and materials of the building. Chimneys should blend with the house and roof materials and must connect with the finished grade of the lot. Stone exteriors are encouraged and shall incorporate cut stone caps, concrete or decorative metal spark arresting "roofs". Wood frame and wood or stucco clad chimneys are not permitted. Fireplace flues as well as mechanical flues and vents should be consolidated and enclosed within the chimney. All chimneys shall have spark arrestors made of metal and be of sufficient size to screen individual flues.

3.2.9 VENTS

All roof vents should be located on roof surfaces sloping toward the rear of the building, wherever possible and painted in a colour matching the roof. Attic ventilation openings, foundation or under-floor vents, or other ventilation openings in vertical exterior walls and vents through roofs should not exceed 144 square inches each. The vents should be covered on the inside with noncombustible mesh with openings not to exceed ½ inch.

3.2.10 EXTERIOR COLOURS

The overriding principle for the exterior colour of buildings is to create within Arbutus Ridge a community of buildings that are in visual harmony with the terrain and vegetation of the natural landscape and with each other. All colour schemes must be submitted to the Approving Authority and approved by the Approving Authority in its absolute discretion. Earth tone colours are strongly recommended.

The use of colours from historical palettes of such manufacturers as Benjamin Moore, Para, Pratt & Lambert and Farrow & Ball are encouraged. Accent colours can be used to bring interest and individual identity to the buildings. Colours which relate to natural flora of the site area can be effective as accent colours contrasting the more subdued tones of the overall building.

3.2.11 ENERGY AND RESOURCE CONSERVATION

Buildings should be designed to conserve energy throughout the life of the structure based on a “life cycle cost” approach. The following principles are encouraged in the architectural design:

- Solar heating and cooling: passive design should consider window size and materials, orientation, and shading devices; direct solar gain surfaces should be considered for south facing areas.
- Entryways should be protected from wind exposure.
- Openings in exterior walls should be thoroughly caulked and sealed.
- Air and filtration barriers should be used on all outside walls.
- Hot water pipes should be insulated and not located in exterior walls.
- Rainwater harvesting systems and cisterns are encouraged for separate secondary water uses such as landscape irrigation.
- Any sprinklers for watering of the landscape should only be connected to rainwater collection systems.
- Use of water conserving plumbing fixtures is encouraged generally and toilets must be limited to low flow tank capacity and flush. The volume of liquid waste discharged into the plumbing system connected to the septic field shall comply with the design criteria for that system.
- No garburator or other garbage disposal unit may be discharged into or installed as part of a plumbing system such that it will discharge ground waste into the plumbing system connected to the septic field.
- Use of energy efficient appliances and lighting and fixtures is encouraged.

3.2.12 STORAGE AND WASTE COLLECTION

Enclosed or screened storage areas shall be provided for items such as garbage containers, propane tanks, tools, maintenance equipment, patio furniture, recreational equipment, compost

piles and firewood. Storage, service and work areas should be located so they are not visible from other Lots unless they are in screened storage buildings or service yards. Storage buildings and service yards should be within or proximate to the approved building site or detached garage location. Enclosures or screens shall be compatible with the overall style, form and material of the principal building. Refer to Retaining Walls, Landscape Walls, Fences & Screening sections of the Landscape Design Guidelines for specific screening guidelines. Enclosures for garbage containers shall be provided and shall be designed to prevent access by wildlife and domestic animals.

3.2.13 SEWAGE DISPOSAL

Lots that are serviced by individual septic systems, must be designed and operated pursuant to requirements of the Vancouver Coastal Health Authority. The sewage disposal system design shall be based on the *Bowen Island Municipality Subdivision and Development Servicing Bylaw No. 447, 2017*. The technical specifications for the installation of the sewer system and associated infrastructure shall be based on the *Master Municipal Construction Documents (MMCD), Platinum Edition*.

3.3 Landscape Design Guidelines

The goal of landscape design within Arbutus Ridge is to integrate new planting features with the inherent scale, form, massing, colour and texture of the present natural landscape. The natural landscape of Arbutus Ridge is defined as coastal bluff terrain and vegetation. The landscape theme should further the natural characteristics of the site through the use of natural materials that are an outgrowth of their setting. Landscape design shall consider the long-term preservation of view corridors established by the Developer at the time of purchase for benefit of the Lots. A landscape design plan to complement the native landscape area described below shall be prepared for the Approval by the Approving Authority for the areas of the Building Envelope not occupied by building.

3.3.1 NATIVE LANDSCAPE AREA

For the purposes of this section, other than in respect of the prohibition on topping, the term “tree” refers to a living tree located on a lot and having a trunk or stem with a diameter, measured 1.4 metres (4.6 feet) above the existing grade of the ground adjoining its base, of 25 cm (9.8 inches) or greater, but does not include a tree which is located near a driveway which must be limbed or removed to make way for an Improvement which is consistent with or has been approved by the Approving Authority under these Design Guidelines.

Following the initial clearing and thinning of trees completed by the Developer, no further trees may be removed for or by Owners from their Lots or otherwise cut, cut down, topped, knocked down or substantially limbed without the prior Approval of the Approving Authority, which may be arbitrarily withheld. The Approving Authority should not unreasonably withhold or delay Approval for the removal of hazardous trees. The natural mature existing trees must be preserved wherever possible. Owners are encouraged to retain all trees. Tree felling and removal shall be scheduled to take place between August 16 and February 1 to avoid bird nesting season.

Trees should be marked prior to removal and inspected by a qualified environmental professional to confirm that they do not contain any nests of owls, hawks, eagles or herons. Topping of trees is prohibited except where Approval is obtained on a case by case basis by the owner of that Lot from the Approving Authority, acting in its absolute discretion, in order to permit the retention of a significant view from any principal residence toward the sea, where that view was existing at the time of the filing of this Building Scheme in the Land Title Office and where the topping does not materially impair the quality of the overall tree canopy or understory. Preservation of trees is fundamental to preventing soil erosion, reducing wind-throw and retaining slope stability. Further reasons to retain all the natural vegetation, including trees, are to enhance the overall setting, to complement the natural topographic features and rock outcrops, and to achieve privacy and visual separation. Understory and trees should be retained as buffer zones between building sites, driveways, accessory buildings, gardens and other Lots and properties adjoining the Arbutus Ridge community. Vegetated buffers should be retained along roadways to soften the appearance of buildings from the roads. The width of the buffer zones shall be determined by the Approving Authority on a site-by-site basis giving consideration to topography, existing trees, the livability of the Lot, views, sunlight access and the siting of existing and potential buildings.

All portions of the native landscape area that are disturbed during construction shall be re-vegetated with plant material indigenous to Bowen Island or as listed on Exhibit "I" attached hereto. The introduction of other plant materials into the native landscape area is prohibited without Approval by the Approving Authority. Plants used for re-vegetation should be selected according to the micro-climatic conditions, natural vegetation patterns, plant geography, plant associations and plant coverage patterns of the existing vegetation on the site. Areas of exposed soil should be revegetated as soon as possible after construction and irrigated as necessary.

If irrigation systems are to be installed, above ground (drip only) systems are permitted, subject to written Approval of the Approving Authority, and the use of low water usage plants and moisture sensors on irrigation systems is encouraged. The use of rainwater collection systems for all irrigation systems is required.

3.3.2 RETAINING WALLS, LANDSCAPE WALLS, FENCES & SCREENING

Retaining walls, low landscape walls, fences and other screening elements are permitted to facilitate changes in grade and to define exterior living spaces. The location and alignment of such features should be determined based on site contours, natural features or man-made improvements.

To maintain the continuity of the natural landscape, perimeter (Lot property line) walls, fences and other screening elements are not permitted except in tight spaces for limited distances where necessary to achieve privacy or for issues of safety. A wall or fence or other screening element must in any event comply with the following:

- a) the location of the wall, fence or other screening element shall be: (i) not less than twenty-five (25) feet from the nearest edge of any roadway and not less than fifteen (15) feet from the nearest edge of any established path.

- b) any such wall, fence or other screening element shall be of one or more common designs prescribed or approved by the Approving Authority; and
- c) the landscape plan shall provide for plantings which can be reasonably expected to obscure, within two (2) years of planting, at least 50% of that portion of the wall, fence or other screening element which is visible from another Lot.

In most circumstances, storage, service, work and parking areas should be screened.

Walls, fences and other screening elements shall be set back at least ten (10) feet from the nearest edge of any driveway which is used to access more than one Lot.

Materials used to construct landscape walls, fences and other screening elements shall be consistent with the architectural materials, textures, and colours used on the main building, and generally should be constructed of wood, stone, or concrete with a stone veneer. The use of stucco is not permitted. Limited areas of deer fences may be constructed of other materials subject to the Approval of the Approving Authority. Stone should be of an indigenous regional source and shall be laid in a pattern matching building construction. Landscape walls should emerge from the ground and convey a sense of strength and permanence.

Unless otherwise approved by the Approving Authority, the maximum vertical face for individual retaining walls shall not exceed six (6) feet above finished grade. It is recommended that terraced retaining walls be used for extreme grade changes. Terraced retaining walls should be designed with a minimum of three (3) feet from the back of the lower wall to the face of the upper wall in order to allow for the use of plants between terraces.

Fences or screens used to screen storage, service, parking and work areas should not exceed six (6) feet in height except where necessary to screen larger items such as recreational vehicles. Free standing low landscape walls used as a transition or to define outdoor spaces should not exceed four (4) feet above finished grade. Retaining walls above 4 feet in height will not be permitted except where there are extraordinary site conditions and with the specific Approval of the Approving Authority. Where the topography requires the support of retaining walls in excess of 4 feet, two or more retaining walls are recommended, each to be separated by a horizontal spacing of at least 2 feet with an appropriate architectural surface treatment or landscape planted between the walls.

Where a wall, fence or other screening element is visible from another Lot, the landscape plan shall provide for plantings which can be reasonably expected to obscure, within two (2) years of planting, at least 50% of that portion of the wall, fence or screen which is visible from another Lot.

3.3.3 TERRACES, PATIOS, WALKWAYS & DECKS

Terraces, patios, walkways, and decks can serve as an effective transition between the mass of a building and the topography, vegetation, and other natural characteristics of the site as well as the location of interior spaces. On above-grade decks, support columns and visible underside decking shall be finished to match materials used on the principal building. Acceptable paving

materials for terraces, patios and walkways include flagstone, sandstone, cobblestone, and concrete pavers. For walkways, wood, crushed limestone or other compactable aggregates are acceptable. Terraces, patios, walkways and decks should be located giving consideration to privacy on other Lots. Open structures such as trellises and pergolas shall be allowed in connection with terraces, patios, walkways and decks.

3.3.4 DRIVEWAYS

Driveway access points, or shared driveways, shall be kept to a reasonable single car width and shall be located together with the driveway alignment in general accordance the concept plan prepared by the Developer but in any event shall be shown on the site plan and be subject to Approval by the Approving Authority.

Impermeable driveway surfaces should be avoided to the extent practical, the use of road surfacing methods that retain the permeability of the travelled surface is encouraged in driveways and parking areas. Appropriate surfaces for driveways include paving stones, cobbles, interlocking brick, Chip Seal and crushed limestone or other compactable aggregate. Asphalt and concrete shall be considered if appropriate to a specific situation, such as in areas of steep grades.

3.3.5 LIGHTING

The intent of lighting guidelines is to maintain the rural character, preserve the night sky and protect neighbouring properties from bright lights and indirect light sources. Exterior lighting shall be limited to identification signs, security and safety lighting, accent architectural lighting, and landscape lighting. Driveways, porches and patios, entrances and pathways may be illuminated for safety and security. Lighting shall be installed such that the direct light source is not visible from neighbouring Lots.

3.3.6 PLANT MATERIAL

Attached as Exhibit “I” is a list of plants, which are indigenous to or typically do well in the Bowen Island climate and are available from nursery suppliers. The plants listed are meant to blend with the natural landscape of the Bowen Island area. The list is indicative and does not cover all plants available or suitable. All plant material must be selected from the plant list in Exhibit “I” in order to preserve the indigenous species inventory on Bowen Island. Non-indigenous plants and species may be used in containers or pots.

4.0 DESIGN REVIEW AND CONSTRUCTION PROCESS

This section forms an integral part of the Design Guidelines for Arbutus Ridge and sets out the process and mechanisms by which the Design Guidelines are to be implemented.

NOTE that this process and any approvals granted by the Approving Authority do not permit the Owner to commence construction, and are required before the Owner can apply for a Building Permit to the Bowen Island Municipality.

The following pages outline the five steps in the design review and construction process:

- Step 1: Pre-Design Meeting
- Step 2: Design Review
- Step 3: Pre-Construction Conference
- Step 4: Construction Drawings/Technical Review
- Step 5: Final Site Review and Certificate of Building Scheme Compliance

The Approving Authority or its appointed agent or nominee, such as a designer, will conduct the design review, hold meetings and grant any Approvals as to building scheme compliance, and such an agent or nominee may require a design review fee to be paid in advance at the prevailing rates by the applicant Owner (unless otherwise agreed with the Approving Authority) in order to defray the costs of reviewing submissions, site visits and building reviews.

STEP ONE: PRE-DESIGN MEETING

The purpose of the Pre-Design Meeting is to discuss these Design Guidelines and the Owner's development objectives. It is recommended that the Owner's design team attend this meeting, and that the meeting be held prior to initiating any formal design work on the project. Other than the design review fee, there are no formal submittal requirements for the Pre-Design Meeting. The Pre Design Meeting will include a site visit to the subject Lot to identify the site-specific characteristics to be addressed.

The Pre-Design Meeting will address the following:

- property boundaries;
- preservation areas;
- utilities and easements;
- site specific characteristics and design opportunities;
- preliminary design concepts;
- architectural design, site planning, and landscape design regulations;
- design review and approval process;
- other relevant design considerations and regulations.

STEP TWO: DESIGN REVIEW

The purpose of the Design Review is to address the design of the proposed site, building and landscape Improvements. See Section 5 (Design Review Checklist) for a checklist of Plans and

Specifications and other items required for the Design Review. The Approving Authority shall make itself available for a Design Review meeting within 14 days of its receipt of the required Plans and Specifications.

Although not required, preliminary design drawings (11" X 17") and other preliminary design concept materials may be submitted to the Approving Authority for one interim review prior to the applicant proceeding with the preparation of final design drawings for the Design Review Approval.

Upon receipt of the required Plans and Specifications, the Approving Authority shall contact the Owner to arrange the location and time of the Design Review meeting. The Owner or the Owner's representative shall attend the meeting to present the proposed project concept and design and to address any questions regarding the proposed Improvements. If the Approving Authority rejects the concept and design, the applicant may revise and resubmit to the Approving Authority. Applicants who receive final Design Review Approval may proceed with the preparation of construction drawings.

STEP THREE: PRE-CONSTRUCTION CONFERENCE

Prior to the Construction Drawings/Technical Review described below, the general contractor shall meet with a representative of the Approving Authority to review construction procedures and requirements. The Owner and the Owner's general contractor are responsible for the actions of all sub-contractors and personnel related to the project. The Owner or the Owner's general contractor shall provide a detailed construction plan which identifies the areas to which all construction activities shall be limited, measures to protect existing vegetation, areas of disturbance, limits of excavation, erosion control, temporary access drives and parking areas, and the location of temporary structures, chemical toilets, dumpsters, material lay-down and staging areas, and construction signage. The construction plan shall be submitted as an element of the final plan review. Written Approval of the construction plan concept shall be obtained from the Approving Authority prior to initiating construction.

STEP FOUR: CONSTRUCTION DRAWINGS/TECHNICAL REVIEW

Construction drawings shall be submitted to the Approving Authority following final design Approval. A comprehensive set of construction drawings shall include, but shall not be limited to, final grading plans, foundation plans, floor plans, roofing plans, elevations, all relevant specifications and material schedules, and the construction plan.

The purpose of the Construction Drawings/Technical Review is to check that all aspects of the final construction drawings are consistent with the plans approved by the Approving Authority at the Design Review stage and as a final technical review for compliance with these Design Guidelines. The Construction Drawings/Technical Review requires no formal meeting with the Approving Authority. If the construction drawings are consistent with the plans approved by the Approving Authority at the Design Review, the Approving Authority shall notify the Owner in writing within seven (7) business days. Construction drawings that deviate from the plans approved by the Approving Authority at the Design Review may be rejected by the Approving

Authority in its discretion. In such cases, the Approving Authority shall provide a written statement describing why the proposed construction drawings were not approved.

The architectural construction drawings shall be prepared and sealed by an architect registered and licensed in the Province of British Columbia, or otherwise in accordance with the requirements for building permit applications for Bowen Island Municipality or any other authority having jurisdiction. Landscape drawings shall be prepared and signed by a landscape architect or landscape designer. The Approval at the end of Step Four constitutes final written Approval by the Approving Authority with respect to the Plans and Specifications for the proposed Improvements as the prerequisite for application for a building permit from Bowen Island Municipality or another authority having building permit jurisdiction for the Lot.

STEP FIVE: SITE REVIEWS & CERTIFICATE OF BUILDING SCHEME COMPLIANCE

In order to receive a Certificate of Building Scheme Compliance following the Approval under Step Four, three stages of site review by the Approving Authority are required as set out below. Once an Approval has been sought from the Approving Authority, the Approving Authority or its designated employee, nominee or agent may at any time, without notice, during regular business hours, enter onto a Lot for the purpose of determining compliance with and enforcing the provisions of these Design Guidelines and, when required, to give notice to the Owner of noncompliance with these Design Guidelines. Despite the above, the absence of such site reviews or notifications during the construction period shall not imply Approval of the work in progress or compliance with these design regulations. The Owner (directly or through the Owner's builder or general contractor) is responsible for scheduling site reviews and building scheme compliance reviews with the Approving Authority and receiving written Approvals from the Approving Authority at three critical stages, being before, during and upon the completion of construction, as follows:

Site Layout Review: Scheduled to occur prior to the start of construction, the purpose of this site review is for the Approving Authority to review with the project contractors the proposed locations of building corners, driveways and parking areas, patios, any necessary approved cut and fill areas, and existing natural features of the site to be protected during construction. Construction may only proceed upon receiving an interim written Approval from the Approving Authority as to siting and layout.

Framing Review: This site visit must occur when there is substantial completion of the framing of all exterior walls and roof systems of the principal building. The purpose of this site review is to confirm that the location and overall form of the principal building is consistent with the plans approved by the Approving Authority and that all construction impact mitigation has been implemented. During the framing review, any additional site planning matters may also be reviewed. Upon satisfaction as to consistency thus far with the plans approved by the Approving Authority, the Approving Authority will provide a further interim written Approval from the Approving Authority.

Final Review: The final site visit shall be scheduled to occur upon the substantial completion of all construction, landscaping and site work. In order to receive Final Review Approval, all aspects of the proposed Improvements (other than landscaping) must be completed. The road

cuts and all sewer and water line and tap installations will also be reviewed, if not installed by the Developer. Upon satisfaction as to consistency at Final Review with the plans approved by the Approving Authority, the Approving Authority shall issue a Certificate of Building Scheme Compliance for the relevant Lot. The Final Review Approval and Certificate of Building Scheme Compliance from the Approving Authority shall be obtained prior to the applicant seeking a Certificate of Occupancy from Bowen Island Municipality.

5.0 DESIGN REVIEW CHECKLIST

The Plans and Specifications provided to the Approving Authority with respect to each Improvement on a Lot must include all the information listed below in this Section 5. Set out below is a checklist of Plans and Specifications that are to be provided by the Owner to the Approving Authority for its review and Approval in respect of the design review process. The Approving Authority reserves the right to request such further and other plans, specifications, samples or other materials as the Approving Authority may reasonably require, to assist it in its consideration of the proposed Improvements. The Approving Authority may also waive the requirement for certain items otherwise required as part of the Plans and Specifications where the scope or circumstances of the proposed Improvement and application are deemed justifiable.

SITE PLAN - SCALE 1/8" =1'0"

- entire property shown
- existing grading
- all special terrain features to be preserved within the property boundaries shown
- easements
- required setbacks
- edge of pavement
- proposed construction activity zone (include driveway access & temporary fencing for utility trenching)
- building footprint
- all proposed structures shown with roof overhangs and directions
- driveways, parking area(s), paving, and surface materials
- patios, porches, decks, terraces, site walls
- finished floor elevation of all levels
- location and maximum heights of retaining walls
- location of all improvements on adjacent parcels
- square feet of impermeable coverage
- location of previous site disturbances
- location of utility connections routes to principal building
- filter fencing, drip trenches, and other temporary and permanent best management practices located and noted

LANDSCAPE PLANS - SCALE 1/8" =1'0"

- quantities, sizes, species and locations of proposed plants
- location of any enhanced landscape if applicable

- areas of pre-existing site disturbances
- all areas to be re-vegetated
- paving, terraces, patios, courtyards, structures, posts, walls
- vegetation and trees to be transplanted, with new locations
- irrigation system: locations, types, lifetime limit if applicable
- decorative material and borders
- details or sections of posts, address marker stones, containment devices and any other elements at scale 1" = 1'-0"
- any exterior landscape lighting

FLOOR PLANS - SCALE 1/4" = 1'0"

- floor area for each level
- patios, porches, decks, terraces, site walls
- window locations
- finished floor elevations
- exterior light fixture locations

EXTERIOR ELEVATIONS - SCALE 1/4" = 1'0"

- minimum of four full elevations
- existing and finished grades
- plate heights
- ridge heights
- indication and notation of all exterior material
- fenestration and window composition (include garage doors, front door, etc.)
- colour rendering on one elevation
- obscured elevations
- exterior light fixture locations
- satellite dish and other appurtenance locations (if applicable)

ROOF PLANS - SCALE 1/4" = 1'0"

- all roof pitches (framing plans not necessary)
- locations of proposed roofing materials
- skylights (if applicable)
- locations of appurtenances (chimneys, vents, satellite dishes, if applicable, etc.)

BUILDING SECTIONS - SCALE 1/4" = 1'0"

- existing and finished grades
- minimum one for each major structure

LIGHTING

- cut sheets, lamp size intentions and finishes for all exterior light fixtures

COLOUR BOARD AND SAMPLE MATERIAL

- samples of each exterior material, firmly secured to a stiff board (siding, roofing, stone, non-asphalt paving, flashing, trim), with cut sheets showing all exterior doors, windows, and accents).

Attachments to Schedule A-1:

EXHIBIT “T”: PLANT MATERIAL SUITABLE FOR HOWE SOUND/ BOWEN ISLAND AREA

End of Document_____

EXHIBIT "D"

PRELIMINARY GEOTECHNICAL HAZARD ASSESSMENT BY BRAUN GEOTECHNICAL LTD., OCTOBER 2013



October 22, 2013

Reference: 13-5944

Via email: allard@cehc.ca
isldpark@telus.net

Storm Mountain Development Corporation
1130 15th Street West
North Vancouver, BC
V7P 1M9

Attn: Allard Ockeloen / John Reid

Re: Preliminary Hazard Assessment
Proposed Arbutus Ridge Subdivision
Windjammer Road, Bowen Island, BC

*Foundations,
Excavation &
Shoring
Specialists*

Braun Geotechnical
110 – 19188 94th Ave
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Foundations

*Excavation &
Shoring*

Slope Stability

Natural Hazards

*Pavement Design
and Management*

*Reinforced Soil
Walls and Slopes*



1.0 INTRODUCTION

As requested, Braun Geotechnical Ltd. has completed a preliminary geotechnical hazard assessment for the proposed Arbutus Ridge subdivision at a rural acreage (~100 acres) property located on Bowen Island, BC. The geotechnical work has been performed in general accordance with the Braun Geotechnical proposal dated May 2, 2013 (Our reference No. P13-3925).

The current scope of work included a geotechnical hazard assessment, review of soil and bedrock conditions based on published and in-house geological and geotechnical information, site reconnaissance mapping, and preparation of an engineering scope of work for Lot Y rock slope stabilization.

The purpose of the geotechnical hazard assessment was to assess terrain hazard conditions in the area with potential to impact the proposed subdivision and/or to be impacted by the proposed development. The geotechnical reconnaissance mapping was carried out to assess slope conditions at the site in order to determine appropriate geotechnical requirements for avoidance and/or mitigation of identified hazards, and to assess potential requirements for detailed analysis of soil and rock slope stability under both static and design seismic conditions.

The scope of services was limited to the evaluation of the geotechnical characteristics at the site and no consideration has been given to any environmental issues.

The slope assessment work was carried out in general accordance with relevant design methods and selected hazard acceptability criteria discussed in the APEGBC document, "Guidelines for Legislated Landslide Assessment for Proposed Residential Developments in BC" (May, 2010). The flood hazard assessment was carried out as a Class 0 level of effort in general accordance with the APEGBC Document, "Professional Practice Guidelines – Legislated Flood Assessments in a Changing Climate in BC, June 2012." The APEGBC guidelines were developed to

*Proposed Arbutus Ridge Subdivision
Windjammer Road, Bowen Island, BC*

*October 22, 2013
Project # 13-5944*

assist designers and approving authorities in defining "safe site use" in accordance with provincial and municipal regulatory requirements.

Braun Geotechnical should be forwarded the final lot layout and grading drawings when they become available and be provided the opportunity to comment on potential geotechnical aspects of development.

Note that this geotechnical hazard assessment was generally non-intrusive and is thus considered preliminary. The test pit exploration may encounter unexpected subsurface conditions that may require additional detailed investigation.

2.0 SITE DESCRIPTION AND PROPOSED DEVELOPMENT

The subject site is approximately rectangular in shape with an irregular boundary on the west, and has maximum overall dimensions of approximately 550 x 800m. The subject site slopes down to the west, with grades on the site varying from approximately El. 220m on the east to El. 50m on the west. It is understood that the proposed development includes subdivision of the parcel into 10 lots, with onsite parklands, and associated onsite roadways. It is understood that the proposed lots would include 1 to 10 unit housing clusters, with one of the proposed lots including 13 cottage structures.

The northern portion of the subject site is located within a watershed area of King Edward Creek, approximately 200m south of the north property line. The southern portion of the site is located within the watershed of Malkin Creek, and an offsite creek located south of the subject site.

3.0 ANTICIPATED SUBSURFACE CONDITIONS

Based on exposed bedrock outcrops during the August 29, 2013 site walkover review, as well as based on a review of published geological information and in-house subsurface information, it is anticipated that the study site is underlain by a thin veneer of organic soil and/or granular soils overlying intact bedrock.

Note however, that actual subsurface conditions should be confirmed via a test pit exploration, and may vary from conditions inferred during the site walkover review.

4.0 GEOTECHNICAL HAZARD ASSESSMENT

4.1 General

The geotechnical hazard assessment involved collection and review of available geological and geotechnical information, review of available historical government air photos, and a site reconnaissance walkover review of the study site area.

4.2 Desk Study Information:

A desk study review of available published geological, geotechnical and terrain hazard information was carried out and historical government aerial photographs were obtained and reviewed. The geological and geotechnical information and air photo reviews were carried out to assess potential for past or incipient slope instability (landslides, rockfalls) and/or mountain stream hazards (avalanche flows, debris flows, debris floods) in the vicinity of the study site.

Available published geological information and in-house subsurface information indicated that the study site is generally underlain by relatively shallow bedrock, which may be mantled by dense granular soils.

A review of historical government air photos available for each decade and dating back to the 1940's was carried out, and the following was noted on or in the immediate vicinity of the site:

- Obvious visible features and/or tones to indicate past or incipient large scale onsite slope movements were not observed on any of the air-photos. Property-scale ground surface features were generally obscured by tree cover in the reviewed air-photos.
- Obvious visible features and/or tones to indicate past or incipient offsite large scale slope movements or surficial slumping in the immediate vicinity of the site were not observed on the air photos. Property-scale ground surface features were generally obscured by tree cover in the reviewed air-photos.
- Lighter tones, consistent with bedrock outcrops exposures, were observed in the reviewed air-photos.

4.3 Site Observations:

A site reconnaissance of the property was carried out on August 29th, 2013, to assess baseline condition of the area, and to review site slopes for obvious visible evidence of past or incipient soil movements. The following geotechnical observations were made:

- Existing rock cuts, roads, and walkways were observed on the site. Vegetation had been partially and/or completely cleared at portions of the site.
- In areas that had not been cleared, large fir and cedar trees were observed to be straight growth and vertical. General upslope curvature in stands of large trees can be an indicator that ground movement has occurred during the growth of the trees. Obvious visible evidence of general upslope curvature in mature trees was not noted.
- The topography of the onsite slope was consistent with anticipated conditions based on regional surficial geology map. Irregular slopes and/or unusual topography can be an indication of past soil movements. Obvious visible evidence of topographic irregularities was not noted.
- The site was generally observed to be well drained. Drainage was generally observed to be unconfined surficial run-off, with the exception of King Edward Creek, a shallow, bedrock controlled creek located approximately 200m south of the north property line. It is considered drainage may also include near surface seepage, to be confirmed at the time of the test pit exploration. Irregular drainage patterns on slopes can be an indication of past soil movements. Obvious visible evidence of irregular drainage patterns was not noted.
- Areas with large angular boulders were observed in the vicinity of some of the exposed fractured bedrock outcrop zones on the southwest corner of the proposed development (proposed park area and Lot Y), and extending offsite to the toe of slope located within properties fronting Windjammer Road. The geology and angularity of observed boulders detached from fractured bedrock outcrops were consistent with boulder talus/colluvium from adjacent upslope steep bedrock exposures.
- Steep bedrock slopes were also reviewed at Bluff #2 (Lot 2), Lot 1, and Lot 4. The slopes were noted to be limited in height and extent such that the slopes are not considered a hazard to offsite properties or onsite development. It is anticipated that deterministic rock slope design would be finalized on a case by case bases during development of the project.

4.4 Hazard Assessment Findings:

The following sections of the Geotechnical Hazard Assessment follow the format presented in Cave, P. 1993., *Hazard Acceptability Thresholds for Development Approvals by Local*

Government, BC, BC Geological Survey Branch, Open File 1992-15 (Cave, 1993). Additional information is attached as Table 1 and provides some discussion on relative probability of occurrence.

An assessment of flood related hazards was carried out in accordance with the APEGBC document "Professional Practice Guidelines – Legislated Flood Assessments in a Changing Climate in BC, June 2012."

4.4.1 Inundation by Flood Waters

This section generally refers to development considerations within floodplain areas of major river systems such as the Fraser River and its tributaries. Flooding of major rivers is generally considered a 'slow' hazard in that there is typically sufficient warning for evacuation of the flood area. Inundation by flood waters unrelated to sea level rise is not considered a credible hazard on Bowen Island.

Based on a Class 0 Flood Hazard Assessment (FHA), inundation by flood waters is not considered a credible hazard to the proposed development areas of the property.

4.4.2 Stream Erosion and Avulsion

The onsite King Edward Creek was observed to be shallow and bedrock controlled, and with a limited watershed capture area in the immediate vicinity of the subject site. Furthermore, much of the drainage on the subject site was observed to be unconfined surficial run-off, and/or inferred near surface seepage. Additionally, reaches of Malkin Creek located in the vicinity of the study site were considered to be located sufficiently downslope from the bedrock controlled site, such that flooding or avulsion of Malkin Creek is not considered a hazard with potential to impact the study site.

Based on a Class 0 FHA, stream erosion/avulsion is not considered to be a credible hazard to the proposed site development.

4.4.3 Debris Flow/Floods

This section refers to hazards related to onsite or offsite mountain streams. As previously mentioned, due to the limited watershed capture area of King Edward Creek in the immediate vicinity of the subject site, and due to Malkin Creek being sufficiently downslope from the bedrock controlled site, debris flows/floods are not considered credible hazards to the proposed site development (Class 0 FHA).

4.4.4 Regional Scale/Property-Scale Landslides

A review of available regional geological and geotechnical information did not reveal regional-scale landslide activity in the immediate vicinity of the property. As such, direct impact to the proposed subdivision from regional scale landslides is not considered to be a credible hazard.

The review of available geological and geotechnical information was found to be consistent with a review of historical air photographs and with the findings of the site walkover review.

The site walkover review did not reveal recent shallow soil slide evidence within the proposed development area.

The site walkover review noted large diameter fir and cedar trees that did not exhibit tilting or trunk curvature features to suggest past or ongoing soil slope movements. Further, stands of immature conifer trees that have become re-established on the property are vertical and straight growth. Previous experience on steeply sloped properties with ongoing soil creep issues has demonstrated that relatively immature second growth conifer tree stands can provide reliable field evidence of ongoing soil movements (i.e. jack-straw stands or general upslope tree curvatures).

However, it is considered that some localized shallow sloughing of natural surficial soils may occur at steep bedrock controlled slope locations, especially under periods of extended rainfall. Shallow sloughing is generally considered nuisance slope activity that should not impact suitably located or protected buildings.

In view of the above, there is considered to be less than 0.5% probability of occurrence in 50 years (i.e. less than 1:10,000 annually), with respect to direct impact from property-scale landslide activity. This assessment corresponds to an approval without conditions relating to the assessed hazard response (i.e. approval response #1 – Cave, 1993) for new residential subdivision developments.

4.4.5 Snow Avalanche

Direct impact from snow avalanche is not considered a credible hazard to the proposed site development.

4.4.6 Tsunami

Direct impact from tsunami activity is not considered a credible hazard to the proposed site development.

4.4.7 Steep Bedrock/Bedrock-Controlled Slopes

Information provided on lidar-based topographic mapping (1m elevation contour) was used to focus a review of selected steep slope areas of the study site. The review was carried out at slopes exceeding 60% for obvious visible evidence of past or incipient slope movements and/ or rockfall activity. Steep slope areas that identified stability concerns including associated rockfall activity are discussed in the following section. Remaining property areas marked as steep bedrock-controlled slopes have been demarcated on the location plan (Figure 13-5944-01). These areas are not considered to pose slope stability or rockfall hazards to the development. However, development on or immediately adjacent to these areas will require site-specific comments and recommendations by a qualified geotechnical consultant with experience in steep slope development.

4.4.8 RockFall

The site walkover findings revealed evidence of recent detachment areas along portions of the exposed fractured bedrock outcrops located along the southwest corner of the site (Bluff #1 Lookout park area and Lot Y), and extending offsite to the toe of slope located within properties fronting Windjammer Road. As such, localized portions of the property are considered to be located below potential source areas (i.e. within rockfall shadow).

The localized portions have been separated into the Bluff #1 Lookout park area and Lot Y.

Bluff #1 Lookout Park Area

At portions of the proposed Bluff #1 park area located below potential source areas, there is considered to be greater than 50% probability of occurrence in 50 years (i.e. greater than 1:100 annually), with respect to direct impact from rockfall activity, corresponding to those portions classified as not approvable (i.e. approval response #5 – Cave, 1993) for new residential development.

Although the proposed park area is not going to include occupied structures as a part of the subdivision, it is recommended that mitigative measures be taken reduce potential for offsite rockfall impacts from onsite source areas.

Mitigative measures along the southwest property line below the park area may include but may not be limited to the following

1. Spot scaling the exposed fractured bedrock surfaces, and sloping existing fractured surfaces back, so as to minimize or eliminate detachment sources.
2. Removal of existing rockfall fragments from site slopes that have potential to impact potential development areas and/or existing offsite structures.
3. Construction of passive rockfall barrier structures below the park area detachment sources.

Note that if the proposed rockfall barrier structure were to be located at the southwest property line of the subject site, it would reduce potential for the offsite downslope properties fronting Windjammer Road to be impacted by rock fragments from onsite detachment sources, however, the offsite properties may still be impacted by offsite detachment sources located downslope of the southwest property line. As such, consideration may be given to placement of the rockfall barrier structure on private property in the vicinity of the toe of slope, so as to minimize potential for the offsite properties to be impacted by rockfall fragments from all slope detachment sources.

4. Siting such that additional contemplated buildings are located beyond rockfall runoff below potential rockfall zones.

Lot Y

It is understood that the proposed Lot Y building envelope is located on a bench area located at the toe of a steep approximately east dipping rock slope, and with an approximately east dipping slope west and downslope of the bench.

The proposed Lot Y building envelope area was observed to be within the rockfall shadow of some localized potential rockfall source areas. As such, it is considered that rock slope stabilization measures can be implemented (deterministic approach).

Rock slope stabilization measures for proposed Lot Y building envelope may include, but may not be limited to the following:

1. Spot scaling the exposed fractured bedrock surfaces, and sloping existing fractured surfaces back, so as to minimize or eliminate detachment sources.
2. Removal of existing cobbles/boulders and small detachments from site slopes that have potential to impact the proposed Lot Y building envelope.
3. Spot and/or pattern bolting of rock faces to minimize potential for planar, wedge, and rock toppling type rockfall onto the proposed Lot Y building envelope.
4. Development of a rockfall catchment area at the toe of the proposed east dipping slopes west of the proposed Lot Y building envelope.
5. Construction of a passive rockfall barrier structure along the Lot Y southwest property line, below Lot Y detachment sources.

Note, the proposed park area passive rockfall barrier structure should be extended to include the Lot Y southwest property line. The barrier structure would reduce potential for the offsite downslope properties fronting Windjammer Road to be impacted by rock fragments from onsite detachment sources. Similar to recommendations provided for the park area, consideration should be given to placement of the rockfall barrier structure on private property in the immediate vicinity of the toe of slope, so as to minimize potential for the offsite properties to be impacted by rockfall fragments from all slope detachment sources.

Detailed assessment and review of mitigative measures would be carried out on a case by case basis during detailed design/construction field reviews. An engineering scope of work for Lot Y detailed design has been provided in Section 6.0 below.

Note that a potential rockfall shadow was observed on the east dipping slopes east and downslope of the proposed Lot Y building envelope. Currently, there is no development proposed east of the proposed Lot Y building envelope. However, if such development is proposed, specific mitigative and/or avoidance measures would need to be considered.

5.4.8 Summary

Geotechnical hazards considered for the study site area included inundation by flood waters, stream erosion and avulsion, debris flows and floods, large/property scale landslides, snow avalanche, tsunami, and rock fall.

Inundation by flood waters, stream erosion and avulsion, debris flows and floods, regional scale landslides, tsunami, and snow avalanche were not considered credible geotechnical hazards at the study site location.

For the development area in general, there is considered to be less than 0.5% probability of occurrence in 50 years (i.e. less than 1:10,000 annually), with respect to direct impact from property-scale landslide activity, corresponding to an approval without conditions relating to the assessed hazard response (i.e. approval response #1 – Cave, 1993) for new residential subdivision developments.

At park portions of the site considered susceptible to rockfall, there is considered to be greater than 50% probability of occurrence in 50 years (i.e. less than 1:100 annually), with respect to direct impact from rockfall activity, corresponding to not approvable (i.e. approval response #5 – Cave, 1993) for new residential development. As such, mitigative or avoidance measures should be considered to reduce potential impacts of rockfall from source areas of the subject site onto offsite downslope properties fronting Windjammer Road. Steep bedrock controlled slope areas with associated onsite/offsite rockfall hazard areas, as well as proposed onsite/offsite catchment structure locations are shown on the attached plan (Dwg. 13-5944-01).

In view of the above information and in accordance with the hazard acceptability criteria, the remaining portions of the subject site are considered safe for development of the subdivision, subject to the siting/mitigative measures as discussed in Section 4.4.7 above for Lot Y and the boulder talus slope below the Bluff #1 lookout park area.

A formal geotechnical hazard statement that meets the requirements of Section 86 of the Land Title Act is provided in Section 5.0 below.

5.0 GEOTECHNICAL HAZARD STATEMENT

It is our opinion that the "land may be used safely for the use intended," subject to mitigative measures, as discussed in Section 4.4.7 above. Safe site use is defined as a rural 10 lot subdivision, with onsite parklands, and associated onsite roadways, and with the proposed lots including 1 to 10 unit housing clusters, with one of the proposed lots including 13 cottage structures, at property locations (or behind protective measures) such that they are not considered subject to landslide hazards as described in the APEGBC document, "Guidelines for Legislated Landslide Assessments for Proposed Residential Development in British Columbia, May, 2010." Safe use is considered to be in reference to hazard acceptability criteria presented in the government document, "Hazard Acceptability Thresholds for Development Approvals by Local Government, 1993." Further, a flood hazard assessment was carried out at a Class 0 level of effort in general accordance with the APEGBC Document, "Professional Practice Guidelines – Legislated Flood Assessments in a Changing Climate in BC, June 2012." Geotechnical hazards

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with potential to impact the project area were considered and included inundation by flood waters, stream erosion and avulsion, debris flows and floods, large/property scale landslides, snow avalanche, tsunami, and rock fall.

Assessment of seismic slope stability has considered slope performance for the very rare design earthquake event (i.e. 2% probability of exceedance in 50 years).

In accordance with Section 86 of the Land Title Act, and Section 56 of the Community Charter this report has been signed and sealed by a Professional Engineer and as such is considered a "certified report" (APEGBC, 2010).

6.0 LOT Y – DETAIL DESIGN ENGINEERING SCOPE

As discussed in Section 4.4.7, it is considered that specific rockfall mitigative measures for Lot Y would include spot and/or pattern bolting. Braun Geotechnical's engineering scope of work would include, but may not be limited to the following:

- Onsite structural mapping of Lot Y exposed bedrock, including joint sets, joint spacing, joint condition, alteration, infill, etc.
- Using mapped joint set data to determine kinematically possible failure modes (i.e. planar, wedge, and/or topple).
- Determining rock bolt spacing, length, and type required to satisfy minimum factor of safety requirements for potential failure modes.
- Design of catchment suitable catchment.
- Preparation of an Engineering Memorandum with specific recommendations for Lot Y rock works stabilization.
- Construction field reviews as required during Lot Y mitigative works.

A Fee Estimate for the Lot Y mitigative works has been attached for budgeting purposes.

7.0 CLOSURE

This report should be considered preliminary and is subject to review and revision as required, once Civil and Grading drawings have been finalized, and upon completion of the test pit exploration.

This report is prepared for the exclusive use of Storm Mountain Development Corporation and their designated representatives and may not be used by other parties without the written permission of Braun Geotechnical. The Bowen Island Municipality may also rely on the findings of this report. If the development plans change, or if during construction soil conditions are noted to be different from those described in this report, Braun Geotechnical should be notified immediately in order that the geotechnical recommendations can be confirmed or modified, if required. Further, this report assumes that field reviews will be completed by Braun Geotechnical during construction.

The site contractor should make their own assessment of subsurface conditions and select the construction means and methods most appropriate to the site conditions. This report should not be included in the specifications without suitable qualifications approved by the geotechnical engineer.

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*October 22, 2013
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The use of this report is subject to the attached Report Interpretation and Limitations. The reader's attention is drawn specifically to those conditions, as it is considered essential that they be followed for proper use and interpretation of this report.

We hope the above meets with your requirements. Should any questions arise, please do not hesitate to contact the undersigned.

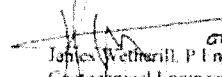
Yours truly,

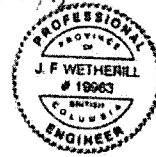
Braun Geotechnical Ltd.


Harmeet Dhillon, P.Eng.
Geotechnical Engineer

Encl.: Report Interpretation and Limitations
Table 1 - Relative Terms (RCAL 1, 2007)
Table 1 - 1 Types of Flood Hazard Assessments (APE GBC, June 2012)
APE GBC Appendix D Landslide Assessment Assurance Statement
APE GBC Appendix 1 Flood Hazard and Risk Assurance Statement
Location Plan (13-5944-6)

Braun Geotechnical Ltd.


J. F. Wetherill, P.Eng.
Geotechnical Engineer



REPORT INTERPRETATION AND LIMITATIONS

1. STANDARD OF CARE

Braun Geotechnical Ltd. (Braun) has prepared this report in a manner consistent with generally accepted engineering consulting practices in this area, subject to the time and physical constraints applicable. No other warranty, expressed or implied, is made.

2. COMPLETENESS OF THIS REPORT

This Report represents a summary of paper, electronic and other documents, records, data and files and is not intended to stand alone without reference to the instructions given to Braun by the Client, communications between Braun and the Client, and/or to any other reports, writings, proposals or documents prepared by Braun for the Client relating to the specific site described herein.

This report is intended to be used and quoted in its entirety. Any references to this report must include the whole of the report and any appendices or supporting material. Braun cannot be responsible for use by any party of portions of this report without reference to the entire report.

3. BASIS OF THIS REPORT

This report has been prepared for the specific site, development, design objective, and purpose described to Braun by the Client or the Client's Representatives or Consultants. The applicability and reliability of any of the factual data, findings, recommendations or opinions expressed in this document pertain to a specific project as described in this report and are not applicable to any other project or site, and are valid only to the extent that there has been no material alteration to or variation from any of the descriptions provided to Braun. Braun cannot be responsible for use of this report, or portions thereof, unless we were specifically requested by the Client to review and revise the Report in light of any alterations or variations to the project description provided by the Client.

If the project does not commence within 18 months of the report date, the report may become invalid and further review may be required.

The recommendations of this report should only be used for design. The extent of exploration including number of test pits or test holes necessary to thoroughly investigate the site for conditions that may affect construction costs will generally be greater than that required for design purposes. Contractors should rely upon their own explorations and interpretation of the factual data provided for costing purposes, equipment requirements, construction techniques, or to establish project schedule.

The information provided in this report is based on limited exploration, for a specific project scope. Braun cannot accept responsibility for independent conclusions, interpretations, interpolations or decisions by the Client or others based on information contained in this Report. This restriction of liability includes decisions made to purchase or sell land.

4. USE OF THIS REPORT

The contents of this report, including plans, data, drawings and all other documents including electronic and hard copies remain the copyright property of Braun Geotechnical Ltd. However, we will consider any reasonable request by the Client to approve the use of this report by other parties as "Approved Users."

With regard to the duplication and distribution of this Report or its contents, we authorize only the Client and Approved Users to make copies of the Report only in such quantities as are reasonably necessary for the use of this Report by those parties. The Client and "Approved Users" may not give, lend, sell or otherwise make this Report or any portion thereof available to any other party without express written permission from Braun. Any use which a third party makes of this Report – in its entirety or portions thereof – is the sole responsibility of such third parties. BRAUN GEOTECHNICAL LTD. ACCEPTS NO RESPONSIBILITY FOR DAMAGES SUFFERED BY ANY PARTY RESULTING FROM THE UNAUTHORIZED USE OF THIS REPORT.

Electronic media is susceptible to unauthorized modification or unintended alteration, and the Client should not rely on electronic versions of reports or other documents. All documents should be obtained directly from Braun.

5. INTERPRETATION OF THIS REPORT

Classification and identification of soils and rock and other geological units, including groundwater conditions have been based on exploration(s) performed in accordance with the standards set out in Paragraph 1. These tasks are judgemental in nature; despite comprehensive sampling and testing programs properly performed by experienced personnel with the appropriate equipment, some conditions may elude detection. As such, all explorations involve an inherent risk that some conditions will not be detected.

Further, all documents or records summarizing such exploration will be based on assumptions of what exists between the actual points sampled at the time of the site exploration. Actual conditions may vary



significantly between the points investigated and all persons making use of such documents or records should be aware of and accept this risk.

The Client and "Approved Users" accept that subsurface conditions may change with time and this report only represents the soil conditions encountered at the time of exploration and/or review. Soil and ground water conditions may change due to construction activity on the site or on adjacent sites, and also from other causes, including climatic conditions.

The exploration and review provided in this report were for geotechnical purposes only. Environmental aspects of soil and groundwater have not been included in the exploration or review, or addressed in any other way.

The exploration and Report is based on information provided by the Client or the Client's Consultants, and conditions observed at the time of our site reconnaissance or exploration. Braun has relied in good faith upon all information provided. Accordingly, Braun cannot accept responsibility for inaccuracies, misstatements, omissions, or deficiencies in this Report resulting from misstatements, omissions, misrepresentations or fraudulent acts of persons or sources providing this information.

6. DESIGN AND CONSTRUCTION REVIEW

This report assumes that Braun will be retained to work and coordinate design and construction with other Design Professionals and the Contractor. Further, it is assumed that Braun will be retained to provide field reviews during construction to confirm adherence to building code guidelines and generally accepted engineering practices, and the recommendations provided in this report. Field services recommended for the project represent the minimum necessary to confirm that the work is being carried out in general conformance with Braun's recommendations and generally accepted engineering standards. It is the Client's or the Client's Contractor's responsibility to provide timely notice to Braun to carry out site reviews. The Client acknowledges that unsatisfactory or unsafe conditions may be missed by intermittent site reviews by Braun. Accordingly, it is the Client's or Client's Contractor's responsibility to inform Braun of any such conditions.

Work that is covered prior to review by Braun may have to be re-exposed at considerable cost to the Client. Review of all Geotechnical aspects of the project are required for submittal of unconditional Letters of Assurance to regulatory authorities. The site reviews are not carried out for the benefit of the Contractor(s) and therefore do not in any way effect the Contractor(s) obligations to perform under the terms of his/her Contract.

7. SAMPLE DISPOSAL

Braun will dispose of all samples 3 months after issuance of this report, or after a longer period of time at the Client's expense if requested by the Client. All contaminated samples remain the property of the Client and it will be the Client's responsibility to dispose of them properly.

8. SUBCONSULTANTS AND CONTRACTORS

Engineering studies frequently requires hiring the services of individuals and companies with special expertise and/or services which Braun Geotechnical Ltd. does not provide. These services are arranged as a convenience to our Clients, for the Client's benefit. Accordingly, the Client agrees to hold the Company harmless and to indemnify and defend Braun Geotechnical Ltd. from and against all claims arising through such Subconsultants or Contractors as though the Client had retained those services directly. This includes responsibility for payment of services rendered and the pursuit of damages for errors, omissions or negligence by those parties in carrying out their work. These conditions apply to specialized subconsultants and the use of drilling, excavation and laboratory testing services, and any other Subconsultant or Contractor.

9. SITE SAFETY

Braun Geotechnical Ltd. assumes responsibility for site safety solely for the activities of our employees on the jobsite. The Client or any Contractors on the site will be responsible for their own personnel. The Client or his representatives, Contractors or others retain control of the site. It is the Client's or the Client's Contractors responsibility to inform Braun of conditions pertaining to the safety and security of the site – hazardous or otherwise – of which the Client or Contractor is aware.

Exploration or construction activities could uncover previously unknown hazardous conditions, materials, or substances that may result in the necessity to undertake emergency procedures to protect workers, the public or the environment. Additional work may be required that is outside of any previously established budget(s). The Client agrees to reimburse Braun for fees and expenses resulting from such discoveries. The Client acknowledges that some discoveries require that certain regulatory bodies be informed. The Client agrees that notification to such bodies by Braun Geotechnical Ltd. will not be a cause for either action or dispute.



Table 1 - Relative Terms and Ranges of Annual Probability of Occurrence – BC MoE, 2007

Relative Term of Probability	Range of Annual Probability of Occurrence (P_a)	Comments
Very High	$>1/20$	P_a of $1/20$ indicates the hazard is imminent, and well within the lifetime of a person or typical structure. Landslides occurring with a return interval of $1/20$ or less generally have clear and relatively fresh signs of disturbance.
High	$1/100$ to $1/20$	P_a of $1/100$ indicates that the hazard can happen within the approximate lifetime of a person or typical structure. Landslides are clearly identifiable from deposits and vegetation, but may not appear fresh.
Moderate	$1/500$ to $1/100$	P_a of $1/500$ indicates that the hazard within a given lifetime is not likely, but possible. Signs of previous landslides, such as vegetation damage may not be easily noted. $1/475$ is used by BC Ministry of Transportation and Highways as an acceptable probability of occurrence for life-threatening hazards, and is used by BC Hydro to define the Design Basis Earthquake for dams.
Low	$1/2500$ to $1/500$	P_a of $1/2500$ indicates the hazard is of uncertain significance. A similar probability was at one time used to define the Maximum Credible Earthquake for dams, but this definition has been dropped. BC Building Code 2006 has adopted the P_a of $1/2475$ for seismic design of buildings (2% Probability of Exceedance in 50 Years).
Very Low	$<1/2500$	

Table E-1: Types of Flood Hazard Assessments for rainfall and snowmelt-generated floods and ice jam floods

Class	Typical hazard assessment methods and climate/environmental change considerations	Typical Deliverables	Applications	Return periods for flood hazard maps	Application for Development Type
0	<ul style="list-style-type: none"> Site visit and qualitative assessment of flood hazard. Identify any very low hazard surfaces in the consultation area (i.e., river terraces) estimate erosion rates along river banks 	Letter report or memorandum with at least water levels and consideration of scour and bank erosion	Very low loss potential rivers and floodplains, loss of life very unlikely	20-year 200-year 500-year (for alluvial fans)	Building permit: renovations, expansions, new single house, new duplex house
1	<ul style="list-style-type: none"> all that was completed for Class 0, and possibly 1-D modelling, qualitative description of fluvial geomorphic regime at the site and river stability, field inspections for evidence of previous floods identify upstream or downstream mass movement processes that could change flood levels (e.g., landslides leading to partial channel blockages, diverting water into opposite banks) conduct simple time series analyses of runoff data, review climate change predictions for study region, include in assessment if considered appropriate quantify erosion rates by comparative air photograph analysis 	Cross-sections with water levels, flow velocity and qualitative description of recorded historic events, estimation of scour and erosion rates where appropriate with maps showing erosion over time. If significant watershed changes (logging, beetle infestations, forest fires) have been detected, determine how this may affect watershed hydrology.	Possible loss of life even for single homes, scoping level studies for linear infrastructures, mines, urban developments		Small Subdivision: Subdivision into separate lots (3 to 10 single family)
2	<ul style="list-style-type: none"> all that was completed for Class 1, and 1-D or possibly 2-D modelling, modelling of fluvial regime and future trends in river bed changes, erosion hazard maps, possibly paleoflood analysis Same as for Class 1, add factors to adjust for changes in runoff or model effects of climate change 	Maps with area inundated at different return period, flow velocity, flow depth, delineation of areas prone to erosion and river bed elevation changes, estimates of erosion rates	Moderate loss potential rivers and floodplains	20-year 200-year 500 to 1000-year (where appropriate)	Medium Subdivision: Subdivision into ≥ 10-100 single family lots, new subdivisions
3	<ul style="list-style-type: none"> all that was completed for Class 1, and 2-D modelling of user-specified dike breach scenarios, modelling of fluvial geomorphic processes using 2-D morphodynamic models and their respective effects on flood hazard Same as for Class 2 and consider watershed environmental changes 	Same as for Class 2 and formulation of decision tree	High loss potential rivers and floodplains	200-year 1000-year 2500-year (where appropriate)	Large Subdivision: > 100 single family lots, new subdivisions

4a	<ul style="list-style-type: none"> all that was completed for Class 1, and 2-D modelling with probabilistic dike breach routines including breach width and breach outflow discharge scenarios, 2-D morphodynamic models and their respective effects on flood hazard. Same as for Class 3 and include findings from regional climate models 	same as for Class 3 but with documentation of breach discharge and flood propagation times	Very high loss potential rivers and floodplains	200-year 1000-year 2500-year (where appropriate)	<i>Very Large Subdivisions (new towns or townships):</i> >> 100 single family lots, new subdivisions
4b	<ul style="list-style-type: none"> all that was completed for Class 4a but including modelling of different hazard scenarios (i.e., different breach locations, multiple breaches, sequential breaches) for different flood risk reduction strategies Same as for Class 4a 	same as for Class 3	Very high loss potential rivers and floodplains	200-year 1000-year 2500-year (where appropriate)	

Note, the methods and deliverables are to supplement those listed in Section E-1.3

Bldg Dept Fax: (604) 947-0193

Our File: 13-5944

APPENDIX D: LANDSLIDE ASSESSMENT ASSURANCE STATEMENT

Note: This Statement is to be read and completed in conjunction with the "APEGBC Guidelines for Legislated Landslide Assessments for Proposed Residential Development in British Columbia" March 2006 / Revised September 2008 ("APEGBC Guidelines") and the "2006 BC Building Code (BCBC 2006)" and is to be provided for *landslide assessments* (not floods or flood control) for the purposes of the Land Title Act, Community Charter or the Local Government Act. *Italicized words* are defined in the APEGBC Guidelines.

To: The Approving Authority

Date: October 22, 2013

BOWEN ISLAND MUNICIPALITY

597 Artisan Lane

Bowen Island, BC V0N 1G0

Jurisdiction and address

With reference to (check one):

- ☐ Land title (Section 86) Subdivision Approval
- ☐ Local Government Act (Sections 919.1 and 920) - Development Permit
- ☐ Community Charter (Section 56) - Building Permit
- ☐ Local Government Act (Section 910) - Flood Plain Bylaw Variance
- ☐ Local Government Act (Section 910) - Flood Plain Bylaw Exemption
- ☐ British Columbia Building Code 2006 sentences 4.1.8.16 (5) and 9.4.4.4 (2) (Refer to BC Building and Safety Policy Branch Information Bulletin B10-01 issued January 18, 2010)

For the Property

1760 King Edward Road, Bowen Island, BC

DL 1545 (p) NWD except Portions to PLAN 3489-13464 and BCPA3065

Legal description and civic address of the Property

The undersigned hereby gives assurance that he/she is a Qualified Professional and is a Professional Engineer or Professional Geoscientist

I have signed, sealed and dated, and thereby certified, the attached *landslide assessment* report on the Property in accordance with the APEGBC Guidelines. That report must be read in conjunction with this Statement in preparing that report. I have

Check to the left of applicable items

- ☐ 1. Collected and reviewed appropriate background information
- ☐ 2. Reviewed the proposed *residential development* on the Property
- ☐ 3. Conducted field work on and, if required, beyond the Property
- ☐ 4. Reported on the results of the field work on and, if required, beyond the Property
- ☐ 5. Considered any changed conditions on and, if required, beyond the Property
- ☐ 6. For a *landslide hazard analysis* or *landslide risk analysis*, I have
 - ☐ 6.1 reviewed and characterized, if appropriate, any *landslide* that may affect the Property
 - ☐ 6.2 estimated the *landslide hazard*
 - ☐ 6.3 identified existing and anticipated future *elements of risk* on and, if required, beyond the Property
 - ☐ 6.4 estimated the potential consequences to those *elements at risk*
- ☐ 7. Where the Approving Authority has adopted a level of *landslide safety*, I have
 - ☐ 7.1 compared the *level of landslide safety* adopted by the Approving Authority with the findings of my investigation
 - ☐ 7.2 made a finding on the *level of landslide safety* on the Property based on the comparison
 - ☐ 7.3 made recommendations to reduce *landslide hazards* and/or *landslide risks*
- ☐ 8. Where the Approving Authority has *not* adopted a level of *landslide safety*, I have
 - ☐ 8.1 described the method of *landslide hazard analysis* or *landslide risk analysis* used
 - ☐ 8.2 referred to an appropriate and identified provincial, national or international guideline for *level of landslide safety*
 - ☐ 8.3 compared this guideline with the findings of my investigation

APEGBC - Revised May 2010

Guidelines for Legislated Landslide Assessments
for Proposed Residential Development in British Columbia

- ☐ B 4 made a finding on the level of landslide safety on the Property based on my comparison
- ☐ B 5 made recommendations to reduce landslide hazards and/or landslide risks
- ☐ 9 Reported on the requirements for future inspections of the Property and recommended who should conduct those inspections

Based on my comparison between

Check one

- ☐ the findings from the investigation and the adopted level of landslide safety (item 7.2 above)
- ☐ the appropriate and identified provincial, national or international guideline for level of landslide safety (item B 4 above)

I hereby give my assurance based on conditions contained in the attached landslide assessment report

Check one or more where appropriate

- ☐ for subdivision approval as required by the Land Title Act (Section 86) "that the land may be used safely for the use intended"

Check one

- ☐ with one or more recommended registered covenants
- ☐ without any registered covenant

- ☐ for a development permit as required by the Local Government Act (Sections 919.1 and 920), my report will "assist the local government in determining what conditions or requirements under (Section 920) subsection (7.1) it will impose in the permit"

- ☐ for a building permit as required by the Community Charter (Section 56) "the land may be used safely for the use intended"

Check one

- ☐ with one or more recommended registered covenants
- ☐ without any registered covenant

- ☐ for flood plain bylaw variance as required by the Flood Hazard Area Land Use Management Guidelines associated with the Local Government Act (Section 910) "the development may occur safely"

- ☐ for flood plain bylaw exemption as required by the Local Government Act (Section 910) "the land may be used safely for the use intended"

James Wecherill, P. Eng.

Name (Print)

Signature

116-19188 94th Avenue

Address (Print)

Surrey, BC V4N 4X8

604-513-4190

Phone

Date October 23, 2013

Date

(Attest Professional Seal Here)

If the Qualified Professional is a member of a firm, complete the following

I am a member of the firm

Brian Geotechnical Ltd

and I sign this letter on behalf of the firm

(Print name of firm)

When seismic slope stability assessments are involved, level of landslide safety is considered to be a life safety criteria as described in the National Building Code of Canada (NBCC, 2005) Commentary on Design for Seismic Effects in the User's Guide Structural Commentaries, Part 4 of division B. This states:

"The primary objective of seismic design is to provide an acceptable level of safety for building occupants and the general public as the building responds to strong ground motion, in other words, to minimize loss of life. This implies that, although there will likely be extensive structural and non-structural damage during the DGM (design ground motion), there is a reasonable degree of confidence that the building will not collapse nor will its attachments break off and fall on people near the building. This performance level is termed 'extensive damage' because, although the structure may be heavily damaged and may have lost a substantial amount of its initial strength and stiffness, it retains some margin of resistance against collapse."

ASCE 41-10, Revised May 2010

Guidelines for Legislated Landslide Assessments
for Proposed Residential Development in British Columbia

Bldg Dept Fax: (604) 947-0193

Our File: 13-6544

APPENDIX J: FLOOD HAZARD AND RISK ASSURANCE STATEMENT

Note: This Statement is to be read and completed in conjunction with the "APEGBC Professional Practice Guidelines: Legislated Flood Assessments in a Changing Climate" March 2012 ("APEGBC Guidelines") and is to be provided for flood assessments for the purposes of the Land Title Act, Community Charter or the Local Government Act. Italicized words are defined in the APEGBC Guidelines.

To: The Approving Authority

Date: October 22, 2013

BOWEN ISLAND MUNICIPALITY

597 Arman Lane

Bowen Island, BC V8N 1G0

(In addition, any other address)

With reference to (check one):

- ☒ Land title (Section 86) Subdivision Approval
- ☐ Local Government Act (Sections 919.1 and 920) Development Permit
- ☐ Community Charter (Section 86) Building Permit
- ☐ Local Government Act (Section 910) Flood Plain Bylaw Variance
- ☐ Local Government Act (Section 910) Flood Plain Bylaw Exemption

For the Property

1761 King Edward Road, Bowen Island, BC

18 1445 Copt NWB except Portions in PLNs 1486, 1464 and 10, 133064

(Legal description and civic address of the Property)

The undersigned hereby gives assurance that he/she is a *Qualified Professional* and is a *Professional Engineer* or *Professional Geoscientist*.

I have signed, sealed and dated, and thereby certified, the attached flood assessment report on the Property in accordance with the APEGBC Guidelines. That report must be read in conjunction with this Statement. In preparing that report I have:

Check to the left of applicable items

- ☐ 1. Collected and reviewed appropriate background information
- ☐ 2. Reviewed the proposed residential development on the Property
- ☒ 3. Conducted field work on and, if required, beyond the Property
- ☐ 4. Reported on the results of the field work on and, if required, beyond the Property
- ☐ 5. Considered any changed conditions on and, if required, beyond the Property
- ☒ 6. For a flood hazard analysis or flood risk analysis I have:
 - ☒ 6.1 reviewed and characterized, if appropriate, floods that may affect the Property
 - ☒ 6.2 estimated the flood hazard or flood risk on the property
 - ☐ 6.3 included, if appropriate, the effects of climate change and land use change
 - ☐ 6.4 identified existing and anticipated future elements at risk on and, if required, beyond the Property
 - ☐ 6.5 estimated the potential consequences to those elements at risk
- ☐ 7. Where the Approving Authority has adopted a specific level of flood hazard or flood risk tolerance or return period that is different from the standard 200-year return period design criteria, I have:
 - ☐ 7.1 compared the level of flood hazard or flood risk tolerance adopted by the Approving Authority with the findings of my investigation
 - ☐ 7.2 made a finding on the level of flood hazard or flood risk tolerance on the Property based on the comparison
 - ☐ 7.3 made recommendations to reduce flood hazard or flood risk on the Property

For more information on the APEGBC Guidelines, please refer to the APEGBC Guidelines, published by the BC Ministry of Forests, Lands and Natural Resource Operations and the APEGBC Association. Subdivision and Development Review: A Flood Hazard and Risk published by the Ministry of Transportation and Public Infrastructure. It should be noted that the 200-year return period is a standard used primarily for rivers and primary flood protection. For smaller creeks and rivers, the return period is often 100 years. For the threatening events, including 100-year floods, the Ministry of Transportation and Public Infrastructure stipulates in their 2006 publication Subdivision Development Review: A Flood Hazard and Risk that a 100-year return period needs to be considered.

A13-6544 - June 2013

Professional Engineer/Geoscientist, Registered Flood
Assessment in a Changing Climate in BC

8. Where the Approving Authority has **not** adopted a level of flood risk or flood hazard tolerance I have
- ☐ 8.1 described the method of flood hazard analysis or flood risk analysis used
 - ☐ 8.2 referred to an appropriate and identified provincial or national guideline for level of flood hazard or flood risk
 - ☐ 8.3 compared this guideline with the findings of my investigation
 - ☐ 8.4 made a finding on the level of flood hazard or flood risk tolerance on the Property based on the comparison
 - ☐ 8.5 made recommendations to reduce flood risks
 - ☐ 9. Reported on the requirements for future inspections of the Property and recommended who should conduct those inspections

Based on my comparison between

Check one

- ☐ the findings from the investigation and the accepted level of flood hazard or flood risk tolerance (item 7.2 above)
- ☐ the appropriate and identified provincial or national guideline for level of flood hazard or flood risk tolerance (item 8.4 above)

I hereby give my assurance based on conditions contained in the attached flood assessment report

Check one

- ☐ for **subdivision approval** as required by the *Land Title Act* (Section 86): "that the land may be used safely for the use intended"

Check one

- ☐ with one or more recommended registered covenants
- ☐ without any registered covenant

for a **development permit** as required by the *Local Government Act* (Sections 919.1 and 920): my report will assist the local government in determining what conditions or requirements under (Section 920) subsection (2) (1) it will impose in the permit

for a **building permit** as required by the *Community Charter* (Section 56): "the land may be used safely for the use intended"

Check one

- ☐ with one or more recommended registered covenants
- ☐ without any registered covenant

for flood plain bylaw variance as required by the *Flood Hazard Area Land Use Management Guidelines* associated with the *Local Government Act* (Section 919): the development may occur safely

for flood plain bylaw exemption as required by the *Local Government Act* (Section 919): the land may be used safely for the use intended

James Wetherill P.Eng.

Name (print)

Signature

110-19188 94th Avenue

Address (print)

Surrey, BC V4N 4X8

604-513-4190

Phone

October 22, 2013

Date

(AP's Professional seal here)

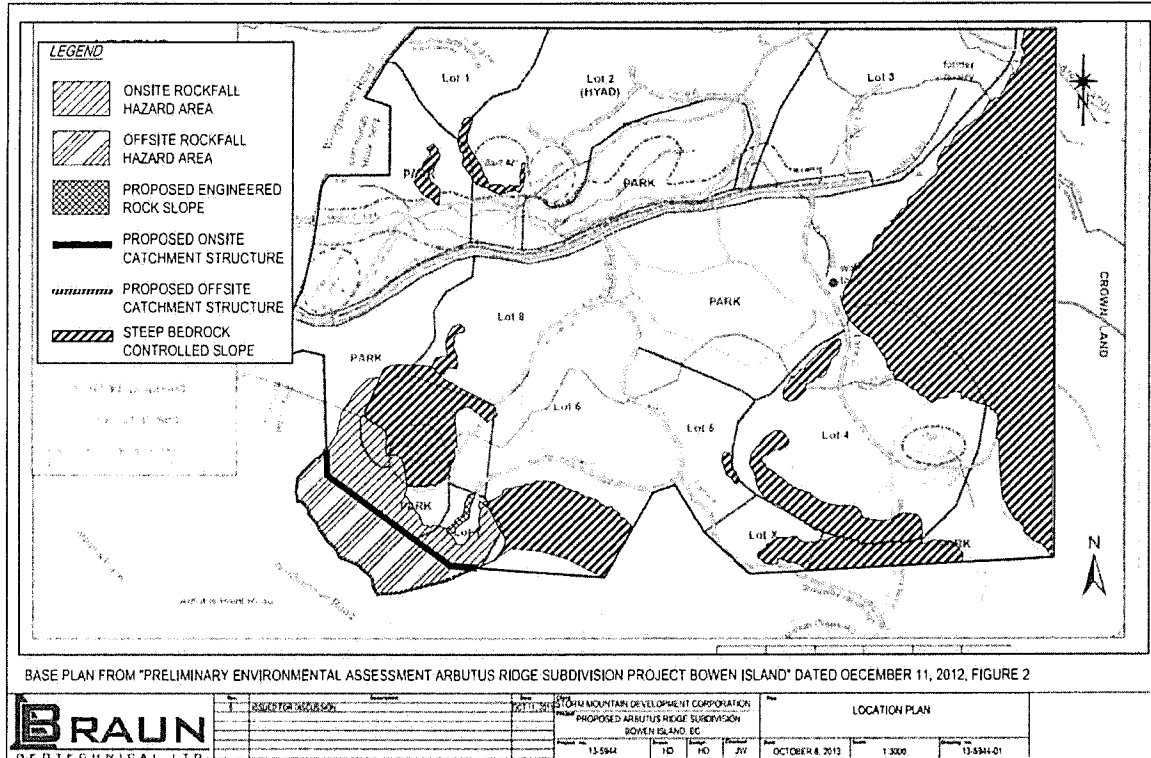
If the Qualified Professional is a member of a Firm, complete the following

I am a member of the firm

and I sign this letter on behalf of the firm

(Print Qualified Firm's Ltd)

(Print name of firm)



**AGREEMENT OF PURCHASE AND SALE
ARBUTUS RIDGE AT KING EDWARD BAY (PHASE 3)**

VENDOR:

1071262 B.C. Ltd.

925 West Georgia Street, Suite 1200
Vancouver, BC V6C 3L2
(the "**Nominee**")

VENDOR'S SOLICITOR:

Singleton Urquhart Reynolds Vogel LLP
925 West Georgia Street, Suite 1200
Vancouver, BC V6C 3L2
(the "**Vendor's Solicitor**")

- AND -

KEB II Limited Partnership

925 West Georgia Street, Suite 1200
Vancouver, BC V6C 3L2
(the "**Beneficial Owner**", which together with the Nominee are collectively, the "**Vendor**")

PURCHASER(S):

Full Name: _____
Address: _____

Full Name: _____
Address: _____

Postal Code: _____
Tel: _____

Postal Code: _____
Tel: _____

E-mail Address: _____

E-mail Address: _____

(collectively, the "**Purchaser**")

The Purchaser hereby covenants to notify the Vendor of any changes to their address or email address as soon as such changes occur.

The Purchaser's Lawyer or Notary Public (if known): _____

_____ [insert Purchaser's name] certifies to the Vendor that the Purchaser is ☐ **OR** is not ☐ a non-resident of Canada under the *Income Tax Act* (Canada)

_____ [insert Purchaser's name] certifies to the Vendor that the Purchaser is ☐ **OR** is not ☐ a non-resident of Canada under the *Income Tax Act* (Canada)

- A. The Purchaser hereby offers to purchase from the Vendor (the "**Offer**") on the terms set out herein and in the attached Supplementary Terms of Agreement of Purchase and Sale (together, the "**Agreement**"), the bare land subdivision lot legally described as:

Parcel Identifier ("**PID**"): TBA, Lot _____ to be created by the subdivision of those properties located in the Bowen Island Municipality, legally described as:

PID: 015-940-837, District Lot 1545, Group 1, New Westminster District except portions in Explanatory Plan 3489, Plan 13464, Plan BCP33065, Plan EPP76340 and EPP103838

(the "**Subdivision Lot**").

The Subdivision Lot is to be created from a subdivision plan to be registered in respect of Phase 3 of the development known as "Arbutus Ridge at King Edward Bay" (the "**Development**") as shown on the proposed subdivision plan attached as Exhibit A-1 to the Disclosure Statement (the "**Subdivision Plan**"), a

copy of which is attached hereto at Schedule "A". The Purchaser has circled and initialled the corresponding Subdivision Lot on the copy of the Subdivision Plan attached at Schedule "A" hereto.

If the full legal description of the Subdivision Lot is not known at the time of entering into this Agreement, the Purchaser hereby authorizes the Vendor to insert in this Agreement the legal Subdivision Lot number and the full Subdivision Lot legal description where applicable, including the final PID, Subdivision Lot number and the Subdivision Plan number and any other details of the legal description for the Subdivision Lot, after the Subdivision Plan has been filed in the Land Title Office.

- B. The purchase price (the "**Purchase Price**") for the Subdivision Lot (excluding goods and services tax ("**GST**") and any other applicable sales tax) is: \$ _____

The Purchase Price is payable in lawful money of Canada as follows:

- i. a deposit of \$ _____ (the "**Deposit**") being 10% of the Purchase Price payable within 7 days after the date of acceptance by the Vendor of the Offer herein. The Deposit will be payable by cheque, certified cheque or bank draft to the Vendor's Solicitor, in trust; and
 - ii. the balance of the Purchase Price, subject to the adjustments and deposits described herein, shall be paid on the Completion Date (as hereinafter defined).
- C. The Purchaser shall, in addition to the Purchase Price, pay to the Vendor the sum of \$3,500.00 by way of non-refundable prepaid fee, which will be shown as an adjustment on the statement of adjustments, for the design review required prior to issuance of a building permit by the Bowen Island Municipality and the commencement of construction of any improvements on the Subdivision Lot (the "**Design Review Fee**"). This Design Review Fee shall not bear interest and shall be paid out to the Developer forthwith upon Completion, and shall be deemed to be earned on Completion.
- D. The Completion Date, Adjustment Date and Possession Date shall be as set out in Sections 4.1, 4.4 and 4.5 respectively of the Supplementary Terms of Agreement of Purchase and Sale (the "**Supplemental Terms**") attached hereto.
- E. This Offer will be open for acceptance by the Vendor on or before 5.00pm PST on the date that is three (3) business days from the date the Vendor receives this Offer from the Purchaser, and is irrevocable prior to that time, and upon acceptance by the Vendor, this Agreement will be a binding contract for the purchase and sale of the Subdivision Lot on the terms and conditions herein contained. This Agreement may be executed in counterparts and delivered by e-mail in accordance with the Supplemental Terms.

THE SUPPLEMENTARY TERMS ATTACHED HERETO ARE PART OF THIS AGREEMENT. READ THIS CAREFULLY BEFORE YOU SIGN.

I/WE, THE ABOVE "PURCHASER", HEREBY OFFER to purchase the Subdivision Lot at the price and on the terms and conditions contained herein.

I/WE hereby confirm that I/WE have read this Agreement and further confirm that other than the warranties and representations and the terms and conditions contained in writing herein and in the Disclosure Statement, NO REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS MADE BY ANY PERSON OR AGENT SHALL BE BINDING UPON THE VENDOR.

IN WITNESS WHEREOF THE PURCHASER HAS EXECUTED THIS AGREEMENT this ____ day of _____, 202__.

WITNESS PURCHASER (Tel No.)

WITNESS PURCHASER (Tel No.)

THIS OFFER is accepted by the Vendor this ____ day of _____, 202__.

1071262 B.C. LTD. by its authorized signatory:

Per: _____
Authorized Signatory

KEB II Limited Partnership by its General Partner,
KEB II (GP) Ltd., by its authorized signatory:

Per: _____
Authorized Signatory

Disclosure Statement Receipt

The Purchaser hereby acknowledges receiving and having had a reasonable opportunity prior to the execution of this Agreement to read the Disclosure Statement dated _____, 2021. The execution of this Agreement will constitute a receipt by the Purchaser for and in respect of the Disclosure Statement.

This Disclosure Statement relates to a development property that is not yet completed, and the Purchaser acknowledges that the information in section 7.2 of the Disclosure Statement regarding this Agreement has been drawn to the Purchaser's attention.

Purchaser's Signature

Purchaser's Signature

SUPPLEMENTARY TERMS OF AGREEMENT OF PURCHASE AND SALE

ARBUTUS RIDGE AT KING EDWARD BAY (PHASE 3)

1 AGREEMENT TO PURCHASE

1.1 If the Offer is accepted by the Vendor, the Purchaser agrees to purchase from the Vendor by way of conveyance of the Subdivision Lot on the Completion Date at the Purchase Price set out in Section B of this Agreement and upon the terms set forth herein and subject to:

- a) the exceptions listed in Section 23(1) of the *Land Title Act* (British Columbia);
- b) any non financial charges and encumbrances now registered or to be registered against title to the Subdivision Lot or required for the filing of the subdivision plan creating the Subdivision Lot, and without limiting the generality of the foregoing, all proposed encumbrances (including the Building Scheme and the Design Guidelines) disclosed in the Disclosure Statement; and
- c) the Vendors existing mortgage and any related financial charges against title to the Subdivision Lot (subject to the usual protocol for removal of such financial charges by the Vendor on the Completion Date or during the period immediately following the Completion Date in accordance with the provisions of Part 6 hereof),

(collectively the “**Permitted Encumbrances**”).

2 DESCRIPTION OF SUBDIVISION LOT

2.1 The Subdivision Lot is part of one or more subdivisions of the Development as shown on the Subdivision Plan. The Subdivision Plan, or a draft of a plan including the area of the Subdivision Plan as the case may be, is attached hereto as Schedule “A”. The Subdivision Lot is a bare land lot, and does NOT include a house, garage, or any other building or improvement or landscaping nor any on-site services. Services and utilities will be available to the Subdivision Lot as described in the Disclosure Statement.

3 PURCHASE PRICE, DEPOSITS AND PAYMENT

3.1 The Purchaser will pay the Purchase Price to the Vendor as follows:

- a) The Deposit will form part of the Purchase Price and will be held in trust by the Vendor’s Solicitor. The Deposit shall be held in a non-interest-bearing bank account unless specifically herein otherwise provided and shall be credited to the Purchase Price on Completion; and
- b) The balance of the Purchase Price, plus or minus the adjustments pursuant to Section 4.4 hereof shall be paid by the Purchaser to the Vendor’s Solicitor on the Completion Date by way of certified cheque, bank draft or other electronic method of payment acceptable to the Vendor’s Solicitor, at its sole discretion, in accordance with the provisions of Section 6.1 hereof.

3.2 Subject to Section 3.3 hereof, the Deposit shall be dealt with as follows:

- a) Upon failure of the Purchaser to pay the Deposit on or by the due date or in the event the Deposit payment is refunded or dishonored by the drawing bank, this Agreement will thereupon be null and void;
- b) If the Purchaser fails to complete the purchase of the Subdivision Lot in accordance with the terms of this Agreement, then the Deposit shall be released by the Vendor's Solicitor to the Vendor forthwith pursuant to Section 8.1 herein; and
- c) If the Vendor fails to complete the sale of the Subdivision Lot in accordance with the terms of this Agreement, without lawful reason or excuse, then the Deposit shall be released by the Vendor's Solicitor to the Purchaser and the Purchaser shall have no further claim against the Vendor.

3.3 The Vendor and the Purchaser hereby irrevocably authorize the Vendor's Solicitor:

- a) to deal with the Deposit in accordance with the provisions hereof, as stakeholder and not as agent for one of the parties; and
- b) to interplead the Deposit, at the expense of the party ultimately determined to be entitled to such funds, should any dispute arise regarding the obligations of the Vendor's Solicitor with respect to the Deposit.

4 COMPLETION, POSSESSION AND ADJUSTMENT DATES

4.1 **Completion Date:** The closing of the purchase of the Subdivision Lot shall take place on the completion date (the "**Completion Date**"), which shall be:

- a) If title to the Subdivision Lot has already been raised in the Land Title Office as of the date of execution of this Agreement by the Purchaser, the Completion Date shall be _____; or
- b) If title to the Subdivision Lot has not yet been raised in the Land Title Office as of the date of execution of this Agreement by the Purchaser, the Completion Date shall be the date set out in a notice given by the Vendor to the Purchaser as set out below in Section 4.2.

4.2 **Notice for Completion Date:** If the Completion Date is not set out in Section 4.1(a) hereof, the Vendor will give the Purchaser not less than twenty-one (21) days written notice (the "**Notice**") addressed to the Purchaser and:

- a) delivered to the Purchaser's address as set out above, which Notice will be deemed to have been received by the Purchaser on the date of delivery thereof; or
- b) by e-mail transmission to the e-mail address given above by the Purchaser (or as amended by notice from the Purchaser), which Notice will be deemed to have been received on the date the e-mail transmission was sent,

specifying the date which shall be the Completion Date, PROVIDED that such Completion Date will not occur prior to March 1, 2022 and in any event shall not be later than December 1, 2022 (the "**Outside Completion Date**").

Notwithstanding the foregoing, the Outside Completion Date shall be extended for an additional period of time equivalent to the amount of time necessary for completing requisite services and filing the final plan of subdivision and raising title for the Subdivision Lot in the Land Title Office where that time is lost as a result of fire, explosion or accident, however caused, act or requirement of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, materials or equipment, inclement weather, flood, delay or failure by carriers or contractors, unavailability of supplies or materials, breakage or other casualty, interference of the Purchaser, or any other event beyond the control of the Vendor, then the time within which the Vendor must do anything hereunder and the date referred to in this Section 4.2 will be extended for a period equivalent to such period of delay.

In addition to and not in substitution for any extension pursuant to this clause, the Vendor may, at its sole discretion, at any time further extend the Outside Completion Date by notice in writing delivered to the Purchaser, for up to a maximum of ONE YEAR. After expiry of such year, any further extension of the Completion Date may only be made by the mutual agreement of the Vendor and the Purchaser.

- 4.3 **Major Outside Event:** The parties agree that if on or before the Completion Date (i) any act of God, accident or other major event beyond the reasonable control of the Vendor, or (ii) any condition discovered within the Subdivision Lot or in the vicinity of the Subdivision Lot, including, without limitation, any soil condition or archaeology or environmental condition making construction not possible or not reasonably feasible on the Subdivision Lot, or (iii) any action or step taken by any applicable governmental or regulatory authority, renders it impossible or not reasonably feasible or economical for the Vendor to perform its obligations under this Agreement, or (iv) subdivision of the property to create the Subdivision Lot has not been achieved on or before THREE YEARS following the date of this Agreement, then in any such case the Vendor may cancel this Agreement upon written notice to the Purchaser, upon which the Vendor will repay to the Purchaser the Deposit and any interest earned thereon, and shall have no further obligation or liability to the Purchaser by reason of this Agreement.
- 4.4 **Taxes and Adjustments:** The Purchase Price does not include GST or any other applicable taxes. The Purchaser will pay all applicable GST in respect of this transaction to the Vendor on the Completion Date and the Vendor will be responsible for remitting the GST to the applicable authority. The Purchase Price does not include any applicable real property taxes, property transfer tax, or provincial sales tax and the Purchaser agrees to pay for all such applicable taxes and rates, levies, local improvement assessments, utilities, and other such charges on the Completion Date. All adjustments both incoming and outgoing of any nature whatsoever will be made as of the Completion Date (the "**Adjustment Date**").
- 4.5 **Possession Date:** Provided the Vendor's Solicitor has received the balance of the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Subdivision Lot on the Completion Date, the Purchaser shall have vacant possession of the Subdivision Lot, free and clear of all encumbrances, except the Permitted Encumbrances, on the day immediately following the Completion Date (the "**Possession Date**").

5 BUILDING SCHEME AND SECURITY DEPOSIT

- 5.1 All the following terms and conditions of this entire part 5 (Sections 5.1 to 5.3 hereof) of the Agreement shall be deemed not to merge on closing and shall survive the closing and remain enforceable following the Completion Date.

- 5.2 **Building Scheme:** The Purchaser warrants and represents that it has reviewed the Statutory Building Scheme and Design Guidelines (or the restrictive covenant or section 219 covenant in lieu thereof) (the “**Building Scheme**”) referred to in the Disclosure Statement and to be filed on title to the Subdivision Lot, and following the Completion Date the Purchaser agrees only to construct a residential dwelling, and to complete landscaping within the timeframes set out in the Building Scheme (collectively, the “**Improvements**”) on the Subdivision Lot in accordance with designs as represented in the plans and specifications to be prepared by or on behalf of the Purchaser (the “**Designs and Specifications**”). The Purchaser agrees to present its Designs and Specifications for development of the Subdivision Lot either directly to the Vendor or to the affiliate or authorized agent or assignee acting in the capacity of the Approval Authority as defined in and contemplated under the Building Scheme, for the purposes of review, consideration and approval by the Approval Authority.
- 5.3 **Design Review Fee:** Pursuant to Section B of this Agreement, the Purchaser shall pay on Completion, (as an adjustment on the statement of adjustments), the prepaid Design Review Fee. The Design Review Fee will be paid by the Vendor to the Approval Authority for a review of the Purchaser’s Designs and Specifications to determine their overall compliance with the Building Scheme. The Purchaser acknowledges that the Approval Authority may approve or reject a design for any of the proposed Improvements, as represented in the Purchaser’s Designs and Specifications, as the Approval Authority deems necessary or desirable for the application of the Building Scheme and the Purchaser agrees to comply with the Approval Authority’s decision with respect to the Designs and Specifications. The Purchaser further agrees that the approval of the Approval Authority is not a warranty as to the fitness of the Improvements or their compliance with building regulations, nor a permit for any construction on the Subdivision Lot. The Purchaser agrees not to vary the Designs and Specifications unless the Approval Authority has consented to such changes. Any cost or expense to the Approval Authority associated with any changes requested by the Purchaser in the Designs and Specifications following the first approval by the Approval Authority will be paid directly by the Purchaser.

6 CONVEYANCE, RISK, PERMITTED ENCUMBRANCES

- 6.1 The Vendor will take whatever steps are necessary in order to obtain or make arrangements for the release or discharge of any registered liens, mortgages, charges and encumbrances save and except for the Permitted Encumbrances pursuant to Section 1 hereof. On the Completion Date, the Vendor will transfer to the Purchaser title to the Subdivision Lot, free and clear of all registered liens, mortgages, charges and encumbrances of any nature whatsoever save and except for the Permitted Encumbrances, subject to the following acknowledged protocol for the release from title to the Subdivision Lot of any mortgage(s) granted by the Vendor and any security collateral thereto. The Purchaser acknowledges and agrees that the Vendor will be using the purchase monies received from the Purchaser to obtain a partial discharge of any mortgage(s) and any related security collateral thereto on title that was granted by the Vendor. The Purchaser’s solicitor or notary public (the “**Purchaser’s Solicitor**”) will pay the balance of the adjusted Purchase Price on the Completion Date by way of **certified trust cheque, bank draft or electronic method of payment acceptable to the Vendor’s Solicitor at its sole discretion**, made payable to the Vendor’s Solicitor, in trust, on their undertaking to pay sufficient funds to the Vendor’s lender(s) to legally oblige such lender(s) to provide a registrable partial discharge of such mortgage(s) and security collateral thereto so as to release such mortgage(s) and security collateral thereto from the title to the Subdivision Lot. If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the balance of the adjusted Purchase Price on the Completion Date, may wait to pay same until after

the transfer and new mortgage documents have been lodged for registration at the applicable Land Title Office but only if before such lodging against title to the Subdivision Lot, the Purchaser has:

- a) deposited in trust with the Purchaser's Solicitor the cash balance of the Purchase Price not being financed by the new mortgage;
- b) fulfilled all the new mortgagee's conditions for funding except lodging for registration; and
- c) made available to the Vendor's Solicitor an undertaking given by the Purchaser's Solicitor to pay on the Completion Date the balance of the adjusted Purchase Price upon the lodging in the Land Title Office of the transfer and the new mortgage documents and the advance by the new mortgagee of the mortgage proceeds.

6.2 **Closing Documents:** The Purchaser will prepare the documents necessary to complete this transaction and will deliver a Form A – Freehold Transfer, in registrable form and a Statement of Adjustments at least five (5) days prior to the Completion Date (the “**Closing Documents**”). The Purchaser will bear all costs of preparing and registering the Closing Documents. The Vendor shall not be required to execute or deliver any further agreements, transfers documents, certificates, statutory declarations or assurances.

6.3 The Subdivision Lot shall be at the risk of the Vendor up to and including the date preceding the Completion Date and at the risk of the Purchaser from and including the Completion Date.

7 RESTRICTION ON ASSIGNMENT OF AGREEMENT BY PURCHASER

7.1 The Vendor and the Purchaser agree that this Agreement may not be assigned without the express written consent of the Vendor, which may be arbitrarily withheld at the sole discretion of the Vendor, and any consent to such assignment shall entitle the Vendor to any profit resulting therefrom to the Purchaser or any subsequent assignee.

7.2 Without limiting Section 7.1, an assignment with the express written consent of the Vendor may be subject to conditions including an assignment fee and handling charge payable to the Vendor in the amount named by the Vendor as a condition of consent.

7.3 No assignment by the Purchaser of the Purchaser's interest in the Subdivision Lot or this Agreement or direction of transfer to any other person shall have the effect of releasing the Purchaser from any of the Purchaser's obligations or liabilities hereunder.

7.4 The Purchaser further agrees not to advertise or solicit offers from the public before the Completion Date with respect to the resale of the Subdivision Lot or assignment of this Agreement by the Purchaser.

8 MISCELLANEOUS

8.1 **Time:** Time will be of the essence hereof and unless all payments on account of the Purchase Price, together with adjustments thereto as provided herein and all other amounts payable by the Purchaser hereunder are paid when due, then the Vendor may, at the Vendor's option, terminate this Agreement and in such event the Deposit will be absolutely forfeited to the Vendor on account of

damages, without prejudice to the Vendor's other remedies, including a right to recover any additional damages.

- 8.2 **Conditions/"Subject to" Provisions:** Despite anything herein contained to the contrary, (except Sections 9.1 and 9.2) if the Purchaser's obligation to purchase the Subdivision Lot is subject to one or more conditions then the conditions shall be set out in an Addendum attached hereto and if such conditions exist then the Vendor may, on written notice delivered to the Purchaser and despite any noted "Condition Removal Date" on the Addendum, require the Purchaser to either satisfy or waive the satisfaction of all conditions by delivering return written notice to the Vendor within 72 hours from the time the Vendor gives notice to the Purchaser. If such written waiver is not received within such time, then this Agreement shall terminate and the Deposit shall be promptly refunded to the Purchaser.
- 8.3 **Notice:** Any notice to be given to the Purchaser will be well and sufficiently given if deposited in any postal receptacle in Canada addressed to the Purchaser at the Purchaser's address or the Purchaser's Solicitor at their office and sent by regular mail, postage prepaid, or if delivered by hand or if transmitted by e-mail to the Purchaser's Solicitor at their office or to the Purchaser. Such notice shall be deemed to have been received if so delivered or transmitted, when delivered or transmitted and if mailed, on the second business day (exclusive of Saturdays, Sundays and statutory holidays) after such mailing. The address and e-mail (if any) for the Purchaser will be as set out above or will be such other address or e-mail of which the Purchaser has last notified the Vendor in writing. Any documents to be tendered on the Purchaser may be tendered on the Purchaser or the Purchaser's Solicitor. Any notice to be given to the Vendor may be given to the Vendor or the Vendor's Solicitor in the same manner, and shall be deemed to have been received, as provide for in the preceding provisions of this section, mutatis mutandis. Any documents or money to be tendered on the Vendor shall be tendered by way of certified cheque or bank draft and shall be delivered at the Purchaser's expense to the Vendor or the Vendor's Solicitor.
- 8.4 **Laws of British Columbia:** This Agreement, including the Offer and the contract resulting from the acceptance of the Offer and all terms and matters arising hereunder will be construed in accordance with and governed by the laws of British Columbia which will be deemed to be the proper law hereof, and the courts of British Columbia will have the exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this offer and the validity, existence and enforceability hereof.
- 8.5 **Obligations Joint and Several:** If the Purchaser is comprised of more than one party, then the obligations of the Purchaser hereunder will be the joint and several obligations of each party comprising the Purchaser and any notice given to one of such parties shall be deemed to have been given at the same time to each other such party.
- 8.6 **Counterparts and Transmittal:** This Agreement may be executed by the parties in counterparts or transmitted by e-mail, or both, and if so executed and delivered, or if so transmitted, or if so executed and transmitted, this Agreement will be for all purposes as effective as if the parties had executed and delivered to one another a single original agreement.
- 8.7 **Resident of Canada:** The Vendor represents and warrants to the Purchaser that it is a resident of Canada within the meaning of the *Income Tax Act* of Canada.
- 8.8 **Contractual Rights:** The Offer and acceptance under this Agreement create contractual rights only and not any interest in land.

- 8.9 **Number and Gender:** All references to any party, whether a party to this Agreement or not, will be read with such changes in number and gender as the context or reference requires.
- 8.10 **Continuing Effect:** The covenants, representations and warranties contained in this Agreement shall survive the Completion Date and shall not merge in the conveyance and transfer to the Purchaser.
- 8.11 **Electronic Delivery of Disclosure Statement:** As permitted by the BC *Real Estate Development Marketing Act* and the *Electronic Transactions Act* the Purchaser agrees to receiving from the Vendor a copy of the Disclosure Statement and all subsequent consolidations or amendments thereto by electronic means, including by email, the Vendor's or the Vendor's Solicitor's website, or by a third party internet-based host-site such as dropbox.
- 8.12 **Entire Agreement:** This Agreement constitutes the entire agreement between the Purchaser and Vendor with respect to the purchase and sale of the Subdivision Lot. There are no oral or written representations, warranties, terms, conditions or contracts or collateral representations, warranties, terms, conditions or contracts, expressed or implied, statutory or otherwise applicable hereto, made by the Vendor or the Vendor's agents or employees, or any other person on behalf of the Vendor, including, without limitation, arising out of any marketing material such as advertisements, brochures, photographs, illustrations, blogs, iPads (or other tablets), websites, social media or any other electronic media including any simulated view or representation generated by a computer simulator or any other marketing material in respect of the Subdivision Lot or the Development other than those contained in this Agreement signed by all parties and in the Disclosure Statement.
- 8.13 **Privacy Consent:** The Purchaser consents to the collection, use and disclosure of personal information contained in this Agreement and otherwise as collected by or on behalf of the Vendor and its agents, affiliates and service providers for the following purposes:
- a) to complete the transaction contemplated by this Agreement;
 - b) to engage in business transactions including securing financing for the construction of the Development;
 - c) to provide ongoing products and services to the Purchaser;
 - d) to market, sell, provide and inform the Purchaser of the Vendor's products and services including information about future projects;
 - e) as required by law; and
 - f) for additional purposes identified when or before the information is collected.

9 CONDITIONS FOR AGREEMENT OF PURCHASE AND SALE CONCLUDED PRIOR TO DEVELOPER OBTAINING A SATISFACTORY FINANCING COMMITMENT

9.1 Purchaser's Right to Cancel and Limit on Deposit Amount:

- a) The amount of the deposit to be paid by a Purchaser who has not yet received an amendment to the Disclosure Statement that sets out particulars of a satisfactory financing commitment is to be no more than 10% of the Purchase Price;

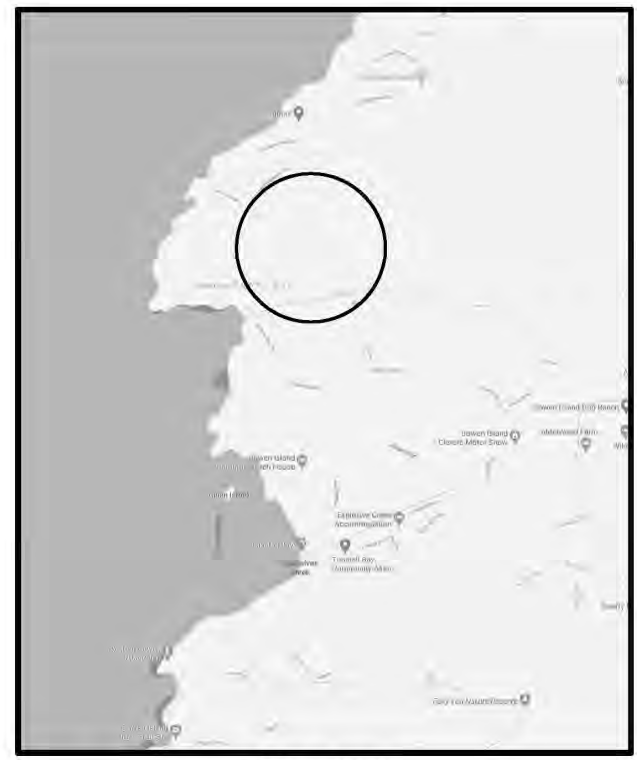
- b) If an amendment to the Disclosure Statement that sets out particulars of a satisfactory financing commitment is not received by the Purchaser within 12 months after the initial Disclosure Statement was filed, the Purchaser may at his or her option cancel this purchase Agreement, by giving notice to the Vendor, at any time after the end of that 12 month period until the required amendment is received by the Purchaser; and
- c) All deposits paid by a Purchaser, including any interest earned thereon if applicable, will be returned promptly to the Purchaser upon notice of such a cancellation from the Purchaser.

9.2 Vendor's Right to Cancel Prior to Vendor Satisfying any Pre-Sale Condition to Obtain Satisfactory Lending :

- a) The Vendor may at any time within 12 months after the initial Disclosure Statement was filed, at its option, cancel this purchase Agreement (by giving notice to the Purchaser) if the Vendor has not pre-sold a sufficient number of Subdivision Lots required in a conditional commitment letter under qualifying agreements of purchase and sale as determined by the Vendor's lender, or if the Vendor has otherwise not secured a satisfactory financing commitment for the Development during that time; and
- b) All deposits paid by a Purchaser, including any interest earned thereon if applicable, will be returned promptly to the Purchaser upon notice of such a cancellation by the Vendor.

SCHEDULE "A"

**PRELIMINARY DRAFT OF THE AREA OF THE SUBDIVISION PLAN SHOWING THE ARBUTUS RIDGE AT KING
EDWARD BAY SUBDIVISION LOT REFERENCE NUMBERS ATTACHED**



SITE MAP

DRAWING LEGEND

	EXISTING	PROP.	TO BE REMOVED
LEGAL LINE	---	---	---
EASEMENT	---	---	---
WATERMAIN	---	---	---
SANITARY	---	---	---
STORM	---	---	---
HYDRO	---	---	---
TSL	---	---	---
STREETLIGHT	---	---	---
GAS	---	---	---
FIRE HYDRANT	---	---	---
GATE VALVE	---	---	---
AIR VALVE	---	---	---
REDUCER	---	---	---
INSPECTION CHAMBER	---	---	---
CATCH BASIN (STD/SI)	---	---	---
CAP	---	---	---
MANHOLE	---	---	---
POWER POLE	---	---	---
STREETLIGHT	---	---	---

approved

client

KEB II LIMITED PARTNERS

project

ARBUTUS RIDGE - PHASE 3
BOWEN ISLAND, BC

title

PROPOSED
SUBDIVISION 3

8	21-04-30	UPDATED FOR SUBDIVISION APPLICATION	MHS
7	21-04-28	UPDATED FOR SUBDIVISION APPLICATION	MHS
6	21-03-12	UPDATED FOR SUBDIVISION APPLICATION	MHS
5	21-01-29	UPDATED FOR SUBDIVISION APPLICATION	MHS
4	21-01-26	UPDATED FOR SUBDIVISION APPLICATION	MHS
3	21-01-08	ISSUED FOR SUBDIVISION APPLICATION	MHS
2	20-12-07	ISSUED FOR PLR	MHS
1	20-12-03	ISSUED FOR CLIENT REVIEW	MHS
NO.	(y/m/d)	revision	CHK'D

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engineer of record	scale	hor: 1:250	vert: -
designed by	file no.	16353	
drawn by	drawing no.	KEY-PH3-7C	
date		2020-01-31	

NOT FOR CONSTRUCTION

SECOND AMENDMENT TO DISCLOSURE STATEMENT

(Amending the Disclosure Statement dated May 26, 2021, as amended by the First Amendment to Disclosure Statement dated as of March 9th, 2022)
Date: August 11, 2022

ARBUTUS RIDGE AT KING EDWARD BAY (PHASE 3)

780 Windjammer Road & Joan Audrey Lane, Bowen Island, BC

Developer:

KEB II Limited Partnership together with
1071262 B.C. Ltd.

**Mailing Address and Address
for service:**

KEB II Limited Partnership
4996 Quebec Street,
Vancouver, BC, V5W 2N2

1071262 B.C. Ltd.
1200-925 West Georgia Street,
Vancouver, BC, V6C 3L2

Attention:

David Todd Beckow

Real Estate Agent:

The Developer reserves the right to
engage a realtor of their choice.

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

This First Amendment to Disclosure Statement amends the Disclosure Statement dated May 26, 2021 (the "**Disclosure Statement**") with respect to an offering by KEB II Limited Partnership together with 1071262 B.C. Ltd. (collectively, the "**Developer**") for the sale of certain strata lots located at 780 Windjammer Road & Joan Audrey Lane, Bowen Island, BC in a development known as "Arbutus Ridge at King Edward Bay". All capitalized terms used herein shall have the meanings given to them in the Disclosure Statement, unless expressly defined herein.

The Disclosure Statement is hereby amended as follows:

1. The particulars of the Real Estate Agent listed on the title page of the Disclosure Statement and amended by the First Amendment to Disclosure Statement, are deleted.

2. Section 5.1 is amended by the addition of the following:

"Construction of the Developers Works was completed on or about June 20th, 2022, and the Developer received a Certificate of Completion on that date."

3. The first clause of section 6.2 is deleted, and replaced by the following:

"Financing for Phase 3 of the Development was secured by the Developer from Blueshore Financial Credit Union, and a first Mortgage and Assignment of Rents was registered against the lands comprising Phase 3. The Developer will cause the lender to provide partial discharges of the security in respect of each lot within a reasonable period of time after completion of the purchase and sale thereof."

DEEMED RELIANCE

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

[Remainder of page left blank intentionally. Declaration page follows]

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 August 11, 2022.

DEVELOPER:

KEB II LIMITED PARTNERSHIP
by it's General Partner, **KEB II (GP)**
Ltd., by it's authorized signatory:



David Todd Beckow

DIRECTORS OF DEVELOPER:

By the sole Director of **KEB II (GP) Ltd.** in
their personal capacity:



David Todd Beckow

1071262 B.C. Ltd. by it's
authorized signatory:



David Todd Beckow

By the sole Director of **1071262 B.C. Ltd.** in
their personal capacity:



David Todd Beckow

THIRD AMENDMENT TO DISCLOSURE STATEMENT

(Amending the Disclosure Statement dated May 26, 2021, as amended by a First Amendment to Disclosure Statement dated March 9, 2022, and as further amended by a Second Amendment to Disclosure Statement dated August 11, 2022)

This Third Amendment to Disclosure Statement is dated March 15, 2023.

ARBUTUS RIDGE AT KING EDWARD BAY (PHASE 3)

780 Windjammer Road & Joan Audrey Lane, Bowen Island, BC

Developer:

KEB II Limited Partnership together with
1071262 B.C. Ltd.

**Mailing Address and Address
for service:**

KEB II Limited Partnership
4996 Quebec Street,
Vancouver, BC, V5W 2N2

1071262 B.C. Ltd.
1200-925 West Georgia Street,
Vancouver, BC, V6C 3L2

Attention:

David Todd Beckow

Real Estate Agent:

Frazer B. Elliott
Personal Real Estate Corporation
MacDonald Realty Ltd.
1050 Howe Street
Vancouver, B.C.
bowenhomes.ca

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

This Third Amendment to Disclosure Statement amends the Disclosure Statement dated May 26, 2021, as amended by a First Amendment to Disclosure Statement dated March 9, 2022, and as further amended by a Second Amendment to Disclosure Statement dated August 11, 2022 (collectively, the "**Disclosure Statement**") with respect to an offering by KEB II Limited Partnership together with 1071262 B.C. Ltd. (collectively, the "**Developer**") for the sale of certain strata lots located at 780 Windjammer Road & Joan Audrey Lane, Bowen Island, BC in a development known as "Arbutus Ridge at King Edward Bay". All capitalized terms used herein shall have the meanings given to them in the Disclosure Statement, unless expressly defined herein.

The Disclosure Statement is hereby amended as follows:

1. Section 2.1C. is deleted and replaced with the following:

- "C. On May 4, 2021, the Developer obtained a third Preliminary Layout Review (the "**3rd PLR**"), from the approving officer of the Municipality to subdivide the Second Remainder Parcel to create 12 separate lots, to be described as:
- (a) Lots 1 through 9 Plan EPP125322 (the "**Residential Lots**");
 - (b) Lot 10 Plan EPP125322, for use as a shared septic system for proposed lots 2, 3, and 5 (the "**Septic Field Lot**");
 - (c) Lot 11 Plan EPP125322, for use as a public open space and natural area and trail use to be deeded to the Municipality upon subdivision of the Lands (the "**Public Space Lot**"); and
 - (d) Remainder parcel DL1545, Plan EPP125322, which the Developer intends to develop by way of further subdivision at some future date (the "**Third Remainder Parcel**", which together with the Residential Lots, the Septic Field Lot and the Public Space Lot are collectively, the "**Phase 3 Lots**").

The subdivision set out in the 3rd PLR was filed on February 7, 2023."

2. Section 2.1 "Layout, Dimension, and Location of the Development" is deleted and replaced with the following:

"All of the Residential Lots offered for sale by the Developer pursuant to this Disclosure Statement will each be issued separate municipal addresses.

The layout of the Development and the areas and location of the Phase 3 Lots are set out in the filed subdivision plan EPP125322 attached as **Exhibit A-1** to this Disclosure Statement."

3. The subdivision sketch plan attached at Exhibit A-1 is removed and replaced with the copy of filed subdivision plan EPP125322 attached as Schedule "A" hereto.
4. Section 4.3 is amended by the addition of the following:

"The Phase 3 Lots are subject to the following legal notations, charges and encumbrances:

Legal Notations

Hereto is Annexed Easement CB466263 over Part of Lots 3-9 Plan EPP125322 as shown on Plan EPP125326 – This easement is granted over Lot 2

Charges, Liens and Interests

Covenant CB466254 and Priority Agreement CB466255 – this septic covenant identifies certain areas of Lot 1, 4, 6, 7, 8 and 9 suitable for the construction of septic fields and prohibits construction of any buildings or structures on such areas. The priority agreement grants Covenant CB466254 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Covenant CB466257 and Priority Agreement CB466258 – this covenant is a tree protection covenant which restricts the development and use of Lot 4 in order to preserve certain amenities and trees on Lot 4 and to provide privacy to Lot 5. The priority agreement grants Covenant CB466257 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Statutory Right of Way CB466260 and Priority Agreement CB466261 – this encumbrance grants the Municipality a statutory right of way over Lot 10 for the purpose of the Municipality maintaining, repairing and facilitating the existing trail system and for the purpose of permitting the public to access and use the trail system. The priority agreement grants Statutory Right of Way CB466260 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Easement CB466263, Equitable Charge CB466269, Covenant CB466271 and Priority Agreements CB466264, CB466266, CB466268, CB466270 and CB466272 – this easement over Lots 3 – 9, inclusive, is for the installation, maintenance, operation, replacement, and use of a forcemain sewerage system and to provide access to the Septic Field Lot septic system.

Pursuant to the equitable charge, the registered owners of Lots 2, 3 and 5 grant the registered owners of Lots 4, 6, 7, 8 and 9 an equitable charge of all of their right, title and interest in their Lots as security for full payment of their respective shares of the costs and expenses incurred in connection with the maintenance, repair, operation and insuring of the septic field on Lot 10 (the “**Septic Field**”) and the underground sanitary pipelines, together with any ancillary equipment and fittings (the “**Sanitary Line**”).

The covenant requires the registered owners of Lots 2, 3, and 5 to: (i) not less than once per year, appoint a professional engineer to review the Sanitary Line and the Septic Field and to provide the registered owners of Lots 2,3 and 5 with a written report (the “**Report**”) setting out their recommendations and any actions required to maintain the Sanitary Line in a proper state of repair; (ii) provide the Municipality with a copy of the Report and request the Municipality’s approval of the maintenance works; and (iii) carry out or cause to be carried out any approved or recommended maintenance works in a good and workmanlike manner and in accordance with the Report.

The priority agreements grant Easement CB466263, Equitable Charge CB466269 and Covenant CB466271 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Statutory Right of Way CB466274 and Priority Agreement CB466275 – this encumbrance grants the Municipality a statutory right of way over Lot 5 for the purpose of trail maintenance and emergency access. The priority agreement grants Statutory Right of Way CB466274 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Statutory Right of Way CB466276 and Priority Agreement CB466277 – this encumbrance grants the Municipality a statutory right of way over Lot 10 for the purpose of its domestic water distribution system, including but not limited to all pipes, valves, fittings, pumps, conduits, culverts, manholes, fire hydrants, facilities, and appurtenances necessary or convenient for the carrying of water as part of the Municipality's system of waterworks. The priority agreement grants Statutory Right of Way CB466276 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Covenant CB466278 and Priority Agreement CB466279 – this no build covenant is registered over Lot 10 to prohibit any development on Lot 10, other than the construction and installation of the onsite sewage disposal and primary/reserve septic fields (the "**Septic System**"), the water main and associated works installed or to be installed and maintained as part of the Municipality's domestic water system, as well as access for the Municipality and others, with and without vehicles for the purpose of access to and maintenance thereof and to the lands to the south, and trails located on Lot 10. The priority agreement grants Covenant CB466278 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Covenant CB466280 and Priority Agreement CB466281 – this covenant ensures that any undivided fee simple interest of the registered owners of Lots 2, 3, and 5 are transferred only in conjunction with the transfer of its respective undivided fee simple interest in Lot 10. The priority agreement grants Covenant CB466280 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Mortgage CA9283394 and Assignment of Rents CA9283395 – these financial encumbrances are in favour of BlueShore Financial Credit Union. They will be discharged as against such lots upon transfer thereof to the purchasers.

Statutory Building Scheme CB466252 – this encumbrance sets out the requirements for the construction of dwellings, designs and improvements on all of the Residential Lots in order to adhere to specific design guidelines acceptable to the Municipality and imposes a design review and approval process

Copies of these encumbrances and charges are available from the Developer or its solicitor for inspection by any prospective purchaser.

5. Section 4.4 Proposed Encumbrances is deleted in its entirety and replaced with the following:

“The Developer anticipates registration of an easement over a portion of Lot 10 and a portion of the Third Remainder Parcel for the purpose of creating access for vehicular traffic to the lands to the south of the Development, approximately as shown on the as-

constructed survey plan prepared by Creus Engineering attached as Schedule B to the Third Amendment to Disclosure Statement dated March 15, 2023.”

Said as-constructed survey plan is attached hereto as Schedule “B”.

6. The form of purchase agreement attached at Exhibit E is removed and replaced with the form of contract of purchase and sale attached hereto as Schedule "C", amended as required in each case.

DEEMED RELIANCE

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

[Declaration and Signature Page to Follow]

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 March 15th, 2023.

DEVELOPER:

KEB II LIMITED PARTNERSHIP
by it's General Partner, **KEB II (GP)**
Ltd., by it's authorized signatory:



David Todd Beckow

DIRECTORS OF DEVELOPER:

By the sole Director of **KEB II (GP) Ltd.** in
their personal capacity:



David Todd Beckow

1071262 B.C. Ltd. by it's
authorized signatory:



David Todd Beckow

By the sole Director of **1071262 B.C. Ltd.** in
their personal capacity:



David Todd Beckow

SCHEDULE "A"

SUBDIVISION PLAN EPP125322

**SUBDIVISION PLAN OF PART OF DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT
EXCEPT PORTIONS IN EXPLANATORY PLAN 3489, PLAN 13464, PLANS BCP33065, EPP76340 AND EPP130838
BOWEN ISLAND MUNICIPALITY
BCGS 82G.033**

PLAN EPP125322

ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF.
THE INTENDED PLOT SIZE OF THIS PLAN IS 84mm IN
WIDTH BY 56mm IN HEIGHT (1:500) WHEN PLOTTED AT
A SCALE OF 1:500

STATION	NORTHING	EASTING	ABSOLUTE ACCURACY
106	548836.604	498207.877	0.05
107	548806.200	498412.931	0.05

NOTE: FOR MAPPING PURPOSES ONLY.

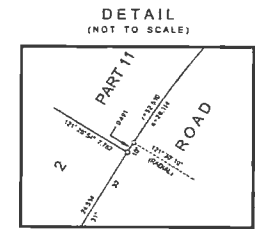
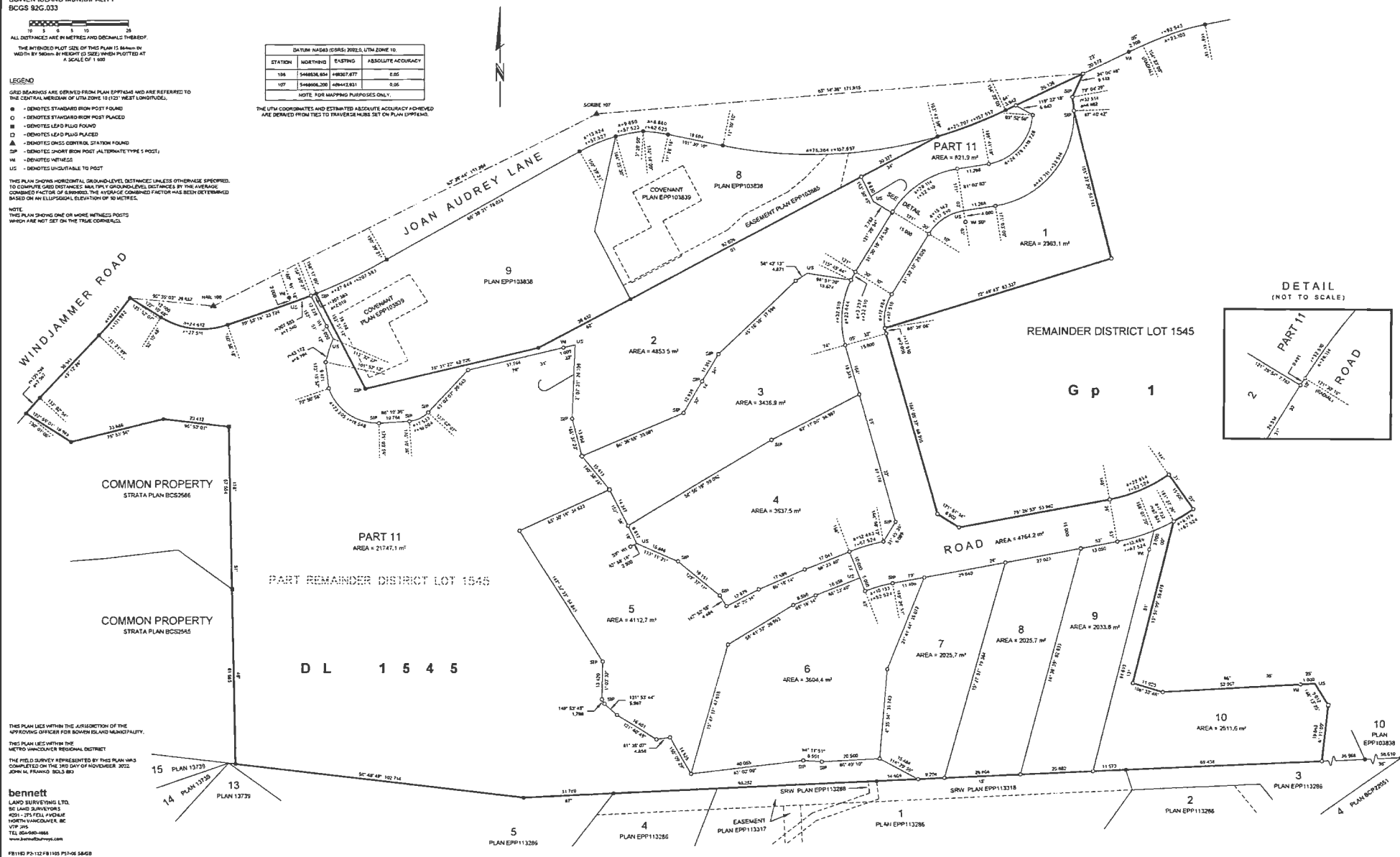
THE UTM COORDINATES AND ESTIMATED ABSOLUTE ACCURACY PROVIDED
ARE DERIVED FROM TIES TO TRAVERSE MBS SET ON PLAN EPP103838.

LEGEND

- DENOTES STANDARD POST FOUND
- DENOTES STANDARD RISK POST FOUND
- DENOTES LEAD PILE FOUND
- DENOTES LEAD PILE PLACED
- ▲ DENOTES CHS CONTROL STATION FOUND
- SP DENOTES SHORT BORN POST (ALTERNATE TYPE 1 POST)
- W DENOTES WITNESS
- US DENOTES UNSTABLE TO POST

THIS PLAN SHOWS HORIZONTAL GROUND-LEVEL DISTANCES UNLESS OTHERWISE SPECIFIED.
TO COMPUTE GRID DISTANCES MULTIPLY GROUND-LEVEL DISTANCES BY THE AVERAGE
CORRECTION FACTOR OF 0.99998. THE AVERAGE CORRECTION FACTOR HAS BEEN DETERMINED
BASED ON AN ELLIPSOIDAL ELEVATION OF 10 METRES.

NOTE:
THIS PLAN SHOWS ONE OR MORE WITNESS POSTS
WHICH ARE NOT SET ON THE TRUE CORNERS.



THIS PLAN LIES WITHIN THE JURISDICTION OF THE
APPLICABLE OFFICER FOR BOWEN ISLAND MUNICIPALITY.
THIS PLAN LIES WITHIN THE
METRO VANCOUVER REGIONAL DISTRICT
THE FIELD SURVEY REPRESENTED BY THIS PLAN WAS
COMPLETED ON THE 2ND DAY OF NOVEMBER 2022
JOHN H. FRANKO BCGS 803

bennett
LAND SURVEYING LTD.
30 LAND SURVEYORS
4001 - 25 FELL AVENUE
NORTH VANCOUVER, BC
V7P 2J5
TEL: 604-960-8866
www.bennettsurveying.com

FB1161 P2-12 F8 1105 P3-06 54G8

H:\2022\9441-2022\9441-00-247-01\DRM\ACUT\A\H-6516\H52P-DR\H52G-05-09-10-LEGAL_PLAN\2530-05-07_2ND

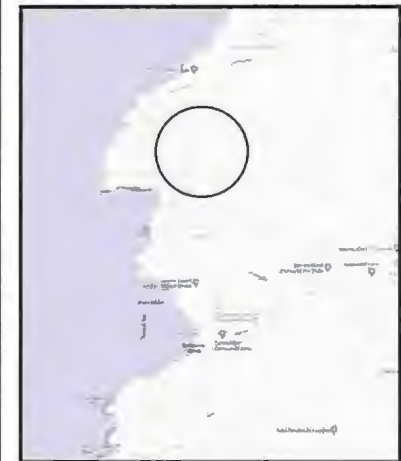
SCHEDULE "B"

AS-CONSTRUCTED SURVEY PLAN

CREUS

Engineering

Civil Engineers & Project Managers
SUITE 200-901 16TH ST WEST, NORTH VANCOUVER BC, V7P1R2
PH: 804-887-9070 WEBSITE: www.creus.ca



SITE MAP

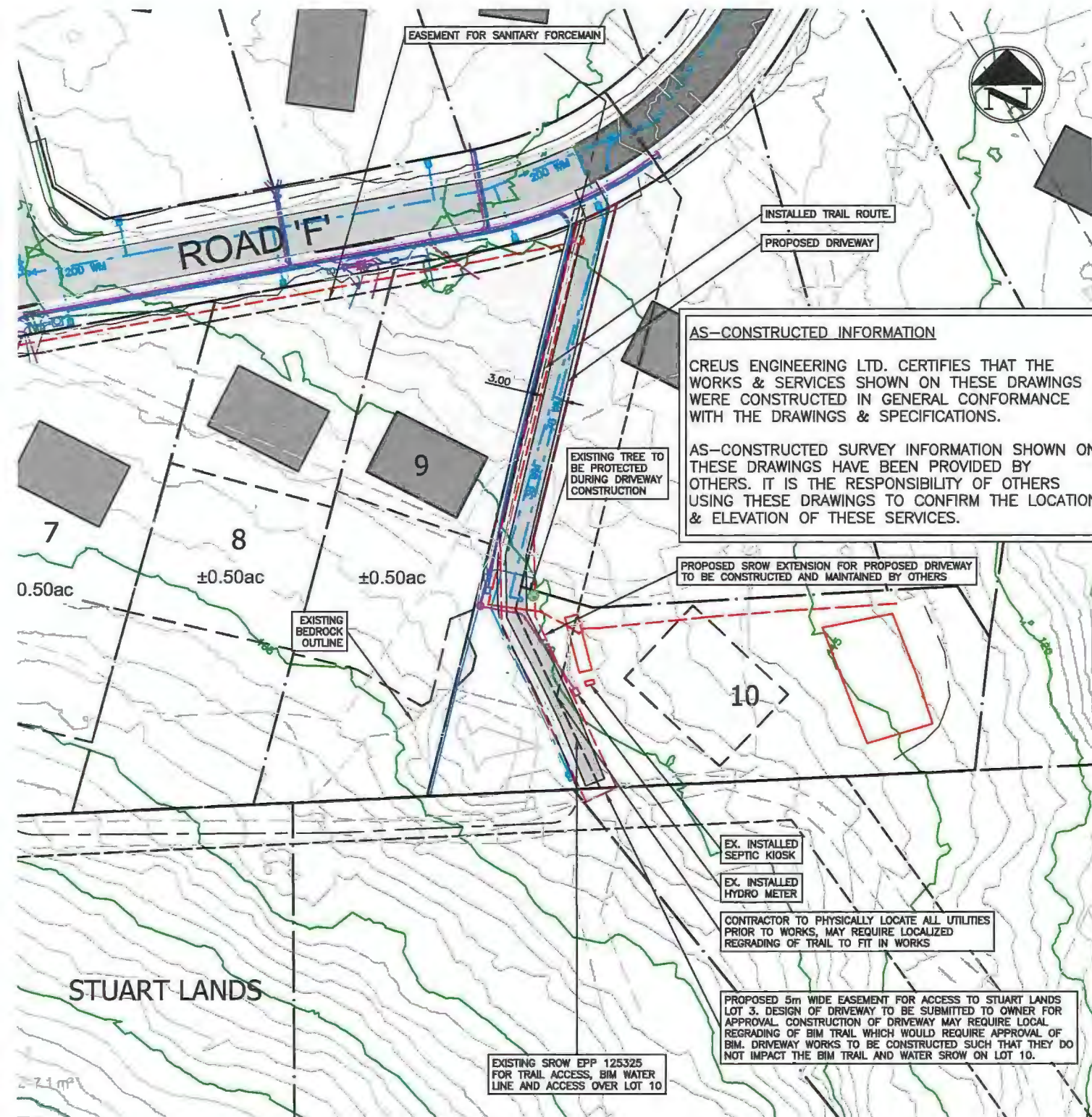
DRAWING LEGEND

	EXISTING	PROP.	TO BE REMOVED
LEGAL LINE	---	---	---
EASEMENT	---	---	---
WATERMAIN	---	---	---
SANITARY	---	---	---
STORM	---	---	---
HYDRO	---	---	---
TEL	---	---	---
STREETLIGHT	---	---	---
GAS	---	---	---
FIRE HYDRANT	---	---	---
GATE VALVE	---	---	---
AIR VALVE	---	---	---
REDUCER	---	---	---
INSPECTION CHAMBER	---	---	---
CATCHBASIN (STD/SI)	---	---	---
CAP	---	---	---
MANHOLE	---	---	---
POWER POLE	---	---	---
STREETLIGHT	---	---	---

approved

client

KEB II LIMITED PARTNERS



SCHEDULE "C"

FORM OF CONTRACT OF PURCHASE AND SALE

INFORMATION ABOUT THE CONTRACT OF PURCHASE AND SALE RESIDENTIAL

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

1. **CONTRACT:** This document, when signed by both parties, is a legally binding contract. READ IT CAREFULLY. The parties should ensure that everything that is agreed to is in writing.

Notwithstanding the foregoing, under Section 42 of the *Property Law Act* a purchaser of "residential real property" (as defined in the *Home Buyer Rescission Period Regulation*) that is not exempt may rescind (cancel) the Contract of Purchase and Sale by serving written notice to the seller within the prescribed period after the date that the acceptance of the offer is signed. If the buyer exercises their right of rescission within the prescribed time and in the prescribed manner, this Contract of Purchase and Sale will be of no further force and effect, except for provisions relating to payment of the deposits, if any.

2. **DEPOSIT(S):** In the *Real Estate Services Act*, under Section 28 it requires that money held by a brokerage in respect of a real estate transaction for which there is an agreement between the parties for the acquisition and disposition of the real estate be held by the brokerage as a stakeholder. The money is held for the real estate transaction and not on behalf of one of the parties. If a party does not remove one or more conditions, the brokerage requires the written agreement of both parties in order to release the deposit. If both parties do not sign the authorization to release the deposit, then the parties will have to apply to court for a determination of the deposit issue.

Notwithstanding the foregoing, if the buyer exercises their rescission rights under Section 42 of the *Property Law Act* and a deposit has been paid to the seller or the seller's brokerage or anyone else, the prescribed amount that the buyer is required to pay in connection with the exercise of their rescission right will be paid to the seller from the deposit and the balance, if any, will be paid to the buyer without any further direction or agreement of the parties.

3. **COMPLETION:** (Section 4) Unless the parties are prepared to meet at the Land Title Office and exchange title documents for the purchase price, it is, in every case, advisable for the completion of the sale to take place in the following sequence:
 - (a) The buyer pays the purchase price or down payment in trust to the buyer's lawyer or notary (who should advise the buyer of the exact amount required) several days before the completion date and the buyer signs the documents.
 - (b) The buyer's lawyer or notary prepares the documents and forwards them for signature to the seller's lawyer or notary who returns the documents to the buyer's lawyer or notary.
 - (c) The buyer's lawyer or notary then attends to the deposit of the signed title documents (and any mortgages) in the appropriate Land Title Office.
 - (d) The buyer's lawyer or notary releases the sale proceeds at the buyer's lawyer's or notary's office.

Since the seller is entitled to the seller's proceeds on the completion date, and since the sequence described above takes a day or more, it is strongly recommended that the buyer deposits the money and the signed documents at least two days before the completion date, or at the request of the conveyancer, and that the seller delivers the signed transfer documents no later than the morning of the day before the completion date.

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

4. **POSSESSION:** (Section 5) The buyer should make arrangements through the REALTORS® for obtaining possession. The seller will not generally let the buyer move in before the seller has received the sale proceeds. Where residential tenants are involved, buyers and sellers should consult the *Residential Tenancy Act*.
5. **TITLE:** (Section 9) It is up to the buyer to satisfy the buyer on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the property and any encumbrances which are staying on title before becoming legally bound. It is up to the seller to specify in the contract if there are any encumbrances, other than those listed in section 9, which are staying on title before becoming legally bound. If you as the buyer are taking

INFORMATION ABOUT THE CONTRACT OF PURCHASE AND SALE **RESIDENTIAL** (continued)

out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. In certain circumstances, the mortgage company could refuse to advance funds. If you as the seller are allowing the buyer to assume your mortgage, you may still be responsible for payment of the mortgage, unless arrangements are made with your mortgage company.

6. **CUSTOMARY COSTS:** (Section 15) In particular circumstances there may be additional costs, but the following costs are applicable in most circumstances:

Costs to be Borne by the Seller

Lawyer or notary Fees and Expenses:
- attending to execution documents
Costs of clearing title, including:
- investigating title,
- discharge fees charged by
encumbrance holders,
- prepayment penalties.
Real Estate Commission (plus GST).
Goods and Services Tax (if applicable).

Costs to be Borne by the Buyer

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

In addition to the above costs there maybe financial adjustments between the seller and the buyer pursuant to section 6 and additional taxes payable by one or more of the parties in respect of the property or the transaction contemplated hereby (eg. Empty Home Tax and Speculation Tax).

7. **CLOSING MATTERS:** The closing documents referred to in Sections 11, 11A and 11B of this contract will, in most cases, be prepared by the buyer's lawyer or notary and provided to the seller's lawyer or notary for review and approval. Once settled, the lawyers/notaries will arrange for execution by the parties and delivery on or prior to the completion date. The matters addressed in the closing documents referred to in sections 11A and 11B will assist the lawyers/notaries as they finalize and attend to various closing matters arising in connection with the purchase and sale contemplated by this contract.
8. **RISK:** (Section 16) The buyer should arrange for insurance to be effective as of 12:01 am on the completion date.
9. **FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold residences. If your transaction involves: a house or other building under construction, a lease, a business, an assignment, other special circumstances (including the acquisition of land situated on a First Nations reserve), additional provisions, not contained in this form, may be needed, and professional advice should be obtained. In some instances, a Contract of Purchase and Sale specifically related to these circumstances may be available. Please check with your REALTOR® or legal professional for more information. A Property Disclosure Statement completed by the seller may be available.
10. **REALTOR® Code, Article 11:** A REALTOR® shall not buy or sell, or attempt to buy or sell an interest in property either directly or indirectly for himself or herself, any member of his or her immediate family, or any entity in which the REALTOR® has a financial interest, without making the REALTOR®'s position known to the buyer or seller in writing. Among the obligations included in Section 53 of the Real Estate Services Rules: If a licensee acquires, directly or indirectly, or disposes of real estate, or if the licensee assists an associate in acquiring, directly or indirectly, or disposing of real estate, the licensee must make a disclosure in writing to the opposite party before entering into any agreement for the acquisition or disposition of the real estate.
11. **RESIDENCY:** When completing their residency and citizenship status, the buyer and the seller should confirm their residency and citizenship status and the tax implications thereof with their lawyer/accountant.
12. **AGENCY DISCLOSURE:** (Section 21) All designated agents with whom the seller or the buyer has an agency relationship should be listed. If additional space is required, list the additional designated agents on an addendum to the Contract of Purchase and Sale.



BCREA
British Columbia
Real Estate Association



THE CANADIAN
BAR ASSOCIATION
British Columbia Branch

CONTRACT OF PURCHASE AND SALE

BROKERAGE: Macdonald Realty DATE: _____
ADDRESS: 1050 Howe Street Vancouver BC V6Z1P5 PHONE: (604) 689-5115
PREPARED BY: Frazer Elliott MLS® NO: _____

BUYER: _____ SELLER: 1071262 B.C. Ltd.
BUYER: _____ SELLER: KEB II Limited Partnership
BUYER: _____ SELLER: _____
ADDRESS: _____ ADDRESS: 925 West Georgia Street, Suite 1200

PC: _____ Vancouver PC: V6C 3L2

This may not be the Seller's address for the purpose of giving notice to exercise the Rescission Right. See address in Section 26.

PROPERTY:

UNIT NO. _____ ADDRESS OF PROPERTY _____
CITY/TOWN/MUNICIPALITY _____ POSTAL CODE _____
PID _____ OTHER PID(S) _____

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LEGAL DESCRIPTION

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

- PURCHASE PRICE:** The Purchase Price of the Property will be \$ _____

_____ DOLLARS (Purchase Price)
and, if the Property is "residential real property" (as defined in the *Home Buyer Rescission Period Regulation*) that is not exempt from the Rescission Right (as defined below) and the Buyer exercises the Rescission Right the amount payable by the Buyer to the Seller will be \$ _____

_____ (Rescission Amount). The parties acknowledge and agree that if the Buyer exercises the Rescission Right, the Buyer will pay (or cause to be paid) the Rescission Amount to the Seller promptly and in any event within 14 days after the Buyer exercises the Rescission Right.
- DEPOSIT:** A deposit of \$ _____ which will form part of the Purchase Price, will be paid **within 24 hours of acceptance** unless agreed as follows: _____

All monies paid pursuant to this Section (Deposit) will be paid in accordance with Section 10 or by uncertified cheque

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BUYER'S INITIALS

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SELLER'S INITIALS

PROPERTY ADDRESS

except as otherwise set out in this Section 2 and will be delivered in trust to _____ and held in trust in accordance with the provisions of the *Real Estate Services Act*. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that:

- A. the Conveyancer is a Lawyer or Notary;
- B. such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the *Real Estate Services Act* pending the completion of the transaction and not on behalf of any of the principals to the transaction; and

The parties acknowledge and agree that if the Buyer exercises the Rescission Right within the prescribed period and in the prescribed manner and the Deposit has been paid by the Buyer, the prescribed amount that the Buyer is required to pay in connection with the exercise of the Rescission Right will be paid to the Seller from the Deposit and the balance of the Deposit, if any, will be paid to the Buyer, all without any further direction or agreement of the parties. If the Deposit is less than the prescribed amount required to be paid by the Buyer, the Buyer must promptly pay the shortfall to the Seller in accordance with the *Home Buyer Rescission Period Regulation* and this Contract of Purchase and Sale.

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

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

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BUYER'S INITIALS

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SELLER'S INITIALS

PROPERTY ADDRESS

4. **COMPLETION:** The sale will be completed on _____, yr. _____ (Completion Date) at the appropriate Land Title Office.
5. **POSSESSION:** The Buyer will have vacant possession of the Property at _____ o'clock ____m. on _____, yr. _____ (Possession Date) or, subject to the following existing tenancies, if any:
6. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of _____, yr. _____ (Adjustment Date).
7. **INCLUDED ITEMS:** The Purchase Price includes any buildings, improvements, fixtures, appurtenances and attachments thereto, and all blinds, awnings, screen doors and windows, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, INCLUDING:
- _____
- _____
- _____
- BUT EXCLUDING:** _____
8. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on _____, yr. _____
9. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies set out in Section 5, if any, and except as otherwise set out herein.
10. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, wire transfer or Lawyer's/Notary's or real estate brokerage's trust cheque.
11. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.
- 11A. **SELLER'S PARTICULARS AND RESIDENCY:** The Seller shall deliver to the Buyer on or before the Completion Date a statutory declaration of the Seller containing: (1) particulars regarding the Seller that are required to be included in the Buyer's Property Transfer Tax Return to be filed in connection with the completion of the transaction contemplated by this Contract (and the Seller hereby consents to the Buyer inserting such particulars on such return); (2) a declaration regarding the Vancouver Vacancy By-Law for residential properties located in the City of Vancouver; and (3) if the Seller is not a non-resident of Canada as described in the non-residency provisions of the *Income Tax Act*, confirmation that the Seller is not then, and on the Completion Date will not be, a non-resident of Canada. If on the Completion Date the Seller is a non-resident of Canada as described in the residency provisions of the *Income Tax Act*, the Buyer shall be entitled to hold back from the Purchase Price the amount provided for under Section 116 of the *Income Tax Act*.
- 11B. **GST CERTIFICATE:** If the transaction contemplated by this Contract is exempt from the payment of Goods and Services Tax ("GST"), the Seller shall execute and deliver to the Buyer on or before the Completion Date, an appropriate GST exemption certificate to relieve the parties of their obligations to pay, collect and remit GST in respect of the

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BUYER'S INITIALS

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SELLER'S INITIALS

PROPERTY ADDRESS

transaction. If the transaction contemplated by this Contract is not exempt from the payment of GST, the Seller and the Buyer shall execute and deliver to the other party on or before the Completion Date an appropriate GST certificate in respect of the transaction.

12. **TIME:** Time will be of the essence hereof, and unless the balance of the payment is paid and such formal agreements to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be non-refundable and absolutely forfeited to the Seller, subject to the provisions under the *Real Estate Services Act*, on account of damages, without prejudice to the Seller's other remedies.
13. **BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").
14. **CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.
15. **COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.
16. **RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer.
17. **PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.
18. **REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and the representations contained in the Property Disclosure Statement if incorporated into and forming part of this Contract, all of which will survive the completion of the sale.
19. **PERSONAL INFORMATION:** The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the Managing Broker(s), Associate Broker(s) and representative(s) of those Brokerages (collectively the "Designated Agent(s)") described in Section 21, the real estate boards of which those Brokerages and Licensees are members and, if the Property is listed on a Multiple Listing Service®, the real estate board that operates the Multiple Listing Service®, of personal information about the Buyer and the Seller:
- A. for all purposes consistent with the transaction contemplated herein:
 - B. if the Property is listed on a Multiple Listing Service®, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service® and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of that real estate board and other real estate boards;

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BUYER'S INITIALS

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SELLER'S INITIALS

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- C. for enforcing codes of professional conduct and ethics for members of real estate boards; and
 D. for the purposes (and to the recipients) described in the British Columbia Real Estate Association's Privacy Notice and Consent form.

The personal information provided by the Buyer and Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

20. ASSIGNMENT OF REMUNERATION: The Buyer and the Seller agree that the Seller's authorization and instruction set out in Section 26(c) below is a confirmation of the equitable assignment by the Seller in the listing contract and is notice of the equitable assignment to anyone acting on behalf of the Buyer or Seller.

20A. RESTRICTION ON ASSIGNMENT OF CONTRACT: The Buyer and the Seller agree that this Contract: (a) must not be assigned without the written consent of the Seller; and (b) the Seller is entitled to any profit resulting from an assignment of the Contract by the Buyer or any subsequent assignee.

21. AGENCY DISCLOSURE: The Seller and the Buyer acknowledge and confirm as follows (initial appropriate box(es) and complete details as applicable):

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INITIALS

- A. The Seller acknowledges having received, read and understood the BC Financial Services Authority (BCFSA) form entitled "*Disclosure of Representation in Trading Services*" and hereby confirms that the Seller has an agency relationship with Frazer Elliott
 DESIGNATED AGENT(S)

who is/are licensed in relation to Macdonald Realty VAN

BROKERAGE

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INITIALS

- B. The Buyer acknowledges having received, read and understood the BCFSA form entitled "*Disclosure of Representation in Trading Services*" and hereby confirms that the Buyer has an agency relationship with _____
 DESIGNATED AGENT(S)

who is/are licensed in relation to _____

BROKERAGE

INITIALS

- C. The Seller and the Buyer each acknowledge having received, read and understood the BCFSA form entitled "*Disclosure of Risks Associated with Dual Agency*" and hereby confirm that they each consent to a dual agency relationship with _____
 DESIGNATED AGENT(S)

who is/are licensed in relation to _____

BROKERAGE

having signed a dual agency agreement with such Designated Agent(s) dated _____

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INITIALS

- D. If only (A) has been completed, the Buyer acknowledges having received, read and understood the BCFSA form "*Disclosure of Risks to Unrepresented Parties*" from the Seller's agent listed in (A) and hereby confirms that the Buyer has no agency relationship.

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INITIALS

- E. If only (B) has been completed, the Seller acknowledges having received, read and understood the BCFSA form "*Disclosure of Risks to Unrepresented Parties*" from the Buyer's agent listed in (B) and hereby confirms that the Seller has no agency relationship.

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BUYER'S INITIALS

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SELLER'S INITIALS

PROPERTY ADDRESS

22. ACCEPTANCE IRREVOCABLE (Buyer and Seller):

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BUYER'S INITIALS



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SELLER'S INITIALS



The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale, whether executed and sealed by hand or by digital or electronic signature and seal, or otherwise, is hereby executed under seal, which is evidenced by each of the Buyer and the Seller making the deliberate, intentional and conscious act of inserting their initials (whether by hand or electronically) in the appropriate space provided beside this Section 22. The parties intend that the act of inserting their initials as set out above is to have the same effect as if this Contract of Purchase and Sale had been physically sealed by wax, stamp, embossing, sticker or any other manner. It is agreed and understood that, without limiting the foregoing, the Seller's acceptance is irrevocable including without limitation during the period prior to the date specified for the Buyer to either:

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

23. DISCLOSURE OF BUYER'S RESCISSION RIGHT The Seller and the Buyer hereby acknowledge that, unless the Property is exempt from the Rescission Right, the Buyer is entitled pursuant to Section 42(1) of the *Property Law Act* (British Columbia) to rescind (cancel) this Contract of Purchase and Sale by serving written notice of the rescission on the Seller within the prescribed period and in the prescribed manner (the "Rescission Right") and the parties hereby acknowledge the following:

- A. the Buyer cannot waive the Rescission Right;
- B. the Rescission Right may only be exercised by the Buyer giving notice on any day within three (3) business days (being any day other than a Saturday, a Sunday or a holiday in British Columbia) after the Final Acceptance Date (defined below);
- C. if the Buyer exercises the Rescission Right, the Buyer must promptly pay to the Seller the Rescission Amount, being 0.25% of the Purchase Price, as calculated and set out in Section 1 of this Contract of Purchase and Sale.
- D. If the Buyer has paid a Deposit, the Rescission Amount will be promptly paid from the Deposit and the balance of the Deposit, if any, will be paid to the Buyer, all without any further direction or agreement of the parties. If the Deposit is less than the Rescission Amount, the Buyer will be required to pay the shortfall; and
- E. the following are exempt from the Rescission Right:
 - (i) residential real property that is located on leased lands;
 - (ii) a leasehold interest in residential real property;
 - (iii) residential real property that is sold at auction;
 - (iv) residential real property that is sold under a court order or the supervision of the court; and
 - (v) a Contract of Purchase and Sale to which Section 21 of the *Real Estate Development Marketing Act* applies.

The Buyer and the Seller each acknowledge that the foregoing constitutes disclosure made pursuant to Section 57.1 of the Real Estate Services Rules.

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BUYER'S INITIALS

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SELLER'S INITIALS

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

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BUYER'S INITIALS

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SELLER'S INITIALS

PROPERTY ADDRESS

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

If the Buyer is an individual, the Buyer declares that they are a Canadian citizen or a permanent resident as defined in the *Immigration and Refugee Protection Act*:

YES




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INITIALS

NO

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INITIALS

		
_____ BUYER	_____ BUYER	_____ BUYER
_____ PRINT NAME	_____ PRINT NAME	_____ PRINT NAME
_____ WITNESS	_____ WITNESS	_____ WITNESS

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

The Seller declares their residency:




RESIDENT OF CANADA

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 INITIALS NON-RESIDENT OF CANADA

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 INITIALS as defined under the *Income Tax Act*.

		
_____ SELLER	_____ SELLER	_____ SELLER
1071262 B.C. Ltd. PRINT NAME	KEB II Limited Partnership PRINT NAME	_____ PRINT NAME
_____ WITNESS	_____ WITNESS	_____ WITNESS

NOTICE FOR BUYER'S RESCISSION RIGHT: If the Buyer is entitled to exercise the Rescission Right, the Seller's mailing address, email address and/or fax number for notice of rescission is as follows:

Attention: _____
 Address: _____
 Email: _____ Fax: _____

Any notice of rescission given by the Buyer will be deemed to have been delivered on the day it was sent if delivered in accordance with the Home Buyer Rescission Period Regulation.

The date of acceptance of this contract is _____ (the "**Final Acceptance Date**") and, if applicable, the date by which the Buyer must exercise the Rescission Right, is _____.

*PREC represents Personal Real Estate Corporation
 Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

SOLICITOR'S CERTIFICATE


**IN THE MATTER OF THE *REAL ESTATE MARKETING ACT* AND THE THIRD
AMENDMENT TO DISCLOSURE STATEMENT OF “ARBUTUS RIDGE AT KING
EDWARD BAY (PHASE 3)” FOR THE PROPERTY DESCRIBED AS:**

Municipality of Bowen Island:

(a) Parcel Identifier: 015-940-837
District Lot 1545 Group 1 New Westminster District Except Portions in
Explanatory Plan 3489, Plan 13464, Plans BCP33065, EPP76340 and EPP103838

I, MARK S. THOMPSON, Solicitor, a member of the Law Society of British Columbia, having read over the above-described Third Amendment to Disclosure Statement dated March 15, 2023, made any required investigations in public offices, and reviewed same with the Developer therein named, and that the facts contained in paragraphs 4.1, 4.2 and 4.3 of the Disclosure Statement are correct.

DATED at Vancouver, British Columbia on March 15, 2023.



Mark S. Thompson

FOURTH AMENDMENT TO DISCLOSURE STATEMENT

(Amending the Disclosure Statement dated May 26, 2021, as amended by the First Amendment to Disclosure Statement dated March 9, 2022, the Second Amendment to Disclosure Statement dated August 11, 2022, and the Third Amendment to Disclosure Statement dated March 15, 2023)

This Fourth Amendment to Disclosure Statement is dated April 23, 2025.

ARBUTUS RIDGE AT KING EDWARD BAY (PHASE 3)

780 Windjammer Road & Joan Audrey Lane, Bowen Island, BC

Developer: **KEB II Limited Partnership** together with
1071262 B.C. Ltd.

**Mailing Address and Address
for service:** **KEB II Limited Partnership**
4996 Quebec Street,
Vancouver, BC, V5W 2N2

1071262 B.C. Ltd.
1200-925 West Georgia Street,
Vancouver, BC, V6C 3L2

Attention: **David Todd Beckow**

**Name and Business Address of
Real Estate Brokerage acting
on behalf of Developer:** **RAREEARTH PROJECT MARKETING LTD.**
502-134 Abbott Street
Vancouver, BC V6B 2K4

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

This Fourth Amendment to Disclosure Statement amends the Disclosure Statement dated May 26, 2021, as amended by a First Amendment to Disclosure Statement dated March 9, 2022, a Second Amendment to Disclosure Statement dated August 11, 2022, and a Third Amendment to Disclosure Statement dated March 15, 2023 (collectively, the “**Disclosure Statement**”) with respect to an offering by KEB II Limited Partnership together with 1071262 B.C. Ltd. (collectively, the “**Developer**”) for the sale of certain strata lots located at 780 Windjammer Road & Joan Audrey Lane, Bowen Island, BC in a development known as “**Arbutus Ridge at King Edward Bay**”. All capitalized terms used herein shall have the meanings given to them in the Disclosure Statement, unless expressly defined herein.

The Disclosure Statement is hereby amended as follows:

1. The particulars of the Real Estate Agent listed on the title page of the Disclosure Statement are deleted and replaced with the following:

Name and Business Address of	RAREEARTH PROJECT MARKETING LTD.
Real Estate Brokerage acting	502-134 Abbott Street
on behalf of Developer:	Vancouver, BC V6B 2K4

2. Section 2.1C. is deleted and replaced with the following:

“C. On May 4, 2021, the Developer obtained a third Preliminary Layout Review (the “**3rd PLR**”), from the approving officer of the Municipality to subdivide the Second Remainder Parcel to create 12 separate lots as follows:

- (a) Lots 1 through 9 Plan EPP125322 (the “Residential Lots”) which are legally described as follows:

PID: 031-890-938, LOT 1 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322

PID: 031-890-946, LOT 2 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322

PID: 031-890-954, LOT 3 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322

PID: 031-890-962, LOT 4 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322

PID: 031-890-971, LOT 5 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322

PID: 031-890-989, LOT 6 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322

PID: 031-890-997, LOT 7 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322

PID: 031-891-004, LOT 8 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322

PID: 031-891-012, LOT 9 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322

- (b) Lot 10 Plan EPP125322, for use as a shared septic system for proposed lots 2, 3, and 5 (the "Septic Field Lot") PID: 031-891-021, LOT 10 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322
- (c) Lot 11 Plan EPP125322, for use as a public open space and natural area and trail use to be deeded to the Municipality upon subdivision of the Lands (the "Public Space Lot"); PID: 031-891-039, LOT 11 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322
- (d) Remainder parcel DL1545, Plan EPP125322, which has now been subdivided and registered with the Land Title Office (the "Third Remainder Parcel", which together with the Residential Lots, the Septic Field Lot and the Public Space Lot are collectively, the "Phase 3 Lots"). PID: 015-940-837, DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT EXCEPT PORTIONS IN EXPLANATORY PLAN 3489, PLAN 13464, PLANS BCP33065, EPP76340, EPP103838 AND EPP125322
- (e) The following Residential Lots have been sold and are no longer offered for sale:

PID: 031-890-938, LOT 1 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322

PID: 031-890-946, LOT 2 DISTRICT LOT 1545 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP125322

The subdivision set out in the 3rd PLR was filed on February 7, 2023."

3. Section 2.1 "Layout, Dimension, and Location of the Development" is deleted and replaced with the following:

"All of the Residential Lots offered for sale by the Developer pursuant to this Disclosure Statement have been issued separate municipal addresses. The Residential Lots in plan EPP125322 are civically known as follows:

PID: 031-890-938, LOT 1: 782 Hayes Road, Bowen Island, BC

PID: 031-890-946, LOT 2: 786 Hayes Road, Bowen Island, BC

PID: 031-890-954, LOT 3: 782 Hayes Road, Bowen Island, BC

PID: 031-890-962, LOT 4: 778 Hayes Road, Bowen Island, BC

PID: 031-890-971, LOT 5: 774 Hayes Road, Bowen Island, BC

PID: 031-890-989, LOT 6: 770 Hayes Road, Bowen Island, BC

PID: 031-890-997, LOT 7: 766 Hayes Road, Bowen Island, BC

PID: 031-891-004, LOT 8: 762 Hayes Road, Bowen Island, BC

PID: 031-891-012, LOT 9: 756 Hayes Road, Bowen Island, BC

PID: 015-940-837, THIRD REMAINDER PARCEL: 1760 Joan Audrey Lane,
Bowen Island, BC

The layout of the Development and the areas and location of the Phase 3 Lots are set out in the filed subdivision plan EPP125322 attached as Exhibit A-1 to the Disclosure Statement as appended to the Third Amendment.”

4. Section 7.2 of the Disclosure Statement is amended to include the following statement:

“The Developer has entered into an exclusive sales and marketing agreement with RAREEARTH PROJECT MARKETING LTD. for the marketing and sale of the remaining Residential Lots in Phase 3 of the Development.”

5. Section 4.3 is amended by the addition of the following:

“The Phase 3 Lots are subject to the following legal notations, charges and encumbrances:

Legal Notations

Hereto is Annexed Easement CB466263 over Part of Lots 3-9 Plan EPP125322 as shown on Plan EPP125326 – This easement is granted over Lot 2

Charges, Liens and Interests

Covenant CB466254 and Priority Agreement CB466255 – this septic covenant identifies certain areas of Lot 1, 4, 6, 7, 8 and 9 suitable for the construction of septic fields and prohibits construction of any buildings or structures on such areas. The priority agreement grants Covenant CB466254 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Covenant CB466257 and Priority Agreement CB466258 – this covenant is a tree protection covenant which restricts the development and use of Lot 4 in order to preserve certain amenities and trees on Lot 4 and to provide privacy to Lot 5. The priority agreement grants Covenant CB466257 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Statutory Right of Way CB466260 and Priority Agreement CB466261 – this encumbrance grants the Municipality a statutory right of way over Lot 10 for the purpose of the Municipality maintaining, repairing and facilitating the existing trail system and for the purpose of permitting the public to access and use the trail system. The priority agreement grants Statutory Right of Way CB466260 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Easement CB466263, Equitable Charge CB466269, Covenant CB466271 and Priority Agreements CB466264, CB466266, CB466268, CB466270 and CB466272–

this easement over Lots 3 – 9, inclusive, is for the installation, maintenance, operation, replacement, and use of a forcemain sewerage system and to provide access to the Septic Field Lot septic system.

Pursuant to the equitable charge, the registered owners of Lots 2, 3 and 5 grant the registered owners of Lots 4, 6, 7, 8 and 9 an equitable charge of all of their right, title and interest in their Lots as security for full payment of their respective shares of the costs and expenses incurred in connection with the maintenance, repair, operation and insuring of the septic field on Lot 10 (the “**Septic Field**”) and the underground sanitary pipelines, together with any ancillary equipment and fittings (the “**Sanitary Line**”).

The covenant requires the registered owners of Lots 2, 3, and 5 to: (i) not less than once per year, appoint a professional engineer to review the Sanitary Line and the Septic Field and to provide the registered owners of Lots 2,3 and 5 with a written report (the “**Report**”) setting out their recommendations and any actions required to maintain the Sanitary Line in a proper state of repair; (ii) provide the Municipality with a copy of the Report and request the Municipality’s approval of the maintenance works; and (iii) carry out or cause to be carried out any approved or recommended maintenance works in a good and workmanlike manner and in accordance with the Report.

The priority agreements grant Easement CB466263, Equitable Charge CB466269 and Covenant CB466271 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Statutory Right of Way CB466274 and Priority Agreement CB466275 – this encumbrance grants the Municipality a statutory right of way over Lot 5 for the purpose of trail maintenance and emergency access. The priority agreement grants Statutory Right of Way CB466274 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Statutory Right of Way CB466276 and Priority Agreement CB466277 – this encumbrance grants the Municipality a statutory right of way over Lot 10 for the purpose of its domestic water distribution system, including but not limited to all pipes, valves, fittings, pumps, conduits, culverts, manholes, fire hydrants, facilities, and appurtenances necessary or convenient for the carrying of water as part of the Municipality’s system of waterworks. The priority agreement grants Statutory Right of Way CB466276 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Covenant CB466278 and Priority Agreement CB466279 – this no build covenant is registered over Lot 10 to prohibit any development on Lot 10, other than the construction and installation of the onsite sewage disposal and primary/reserve septic fields (the “**Septic System**”), the water main and associated works installed or to be installed and maintained as part of the Municipality’s domestic water system, as well as access for the Municipality and others, with and without vehicles for the purpose of access to and maintenance thereof and to the lands to the south, and trails located on Lot 10. The priority agreement grants Covenant CB466278 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Covenant CB466280 and Priority Agreement CB466281 – this covenant ensures that

any undivided fee simple interest of the registered owners of Lots 2, 3, and 5 are transferred only in conjunction with the transfer of its respective undivided fee simple interest in Lot 10. The priority agreement grants Covenant CB466280 priority over Mortgage CA9283394 and Assignment of Rents CA9283395 in favour of BlueShore Financial Credit Union.

Mortgage CA9283394 and Assignment of Rents CA9283395 – these financial encumbrances are in favour of BlueShore Financial Credit Union. They will be discharged as against such lots upon transfer thereof to the purchasers.

Statutory Building Scheme CB466252 – this encumbrance sets out the requirements for the construction of dwellings, designs and improvements on all of the Residential Lots in order to adhere to specific design guidelines acceptable to the Municipality and imposes a design review and approval process.

Mortgage CB1989831 and Assignment of Rents – this mortgage was registered on April 16, 2025, in favor of Aperture Development Group Ltd. (Incorporation No. BC1049306). This financial encumbrance affects the Remainder Parcel and Residential Lots 3-9. Like the BlueShore Financial Credit Union mortgage, it will be discharged as against such lots upon transfer thereof to the purchasers.

Priority Agreement CB1996803 – this priority agreement was registered on April 22, 2025, and grants the BlueShore Financial Credit Union mortgage (CA9283394) and Assignment of Rents (CA9283395) priority over Mortgage CB1989831 registered in favor of Aperture Development Group Ltd. The agreement establishes that BlueShore Financial Credit Union (now known as Beem Credit Union as of January 1, 2025) has first priority on the security, with Aperture Development Group Ltd. taking a subordinate position. This arrangement ensures that purchasers receiving discharges of the BlueShore/Beem mortgage will obtain clear title without complications from the subsequent Aperture mortgage.

Copies of these encumbrances and charges are available from the Developer or its solicitor for inspection by any prospective purchaser.”

6. The form of purchase agreement attached at Exhibit E is removed and replaced with the form of contract of purchase and sale attached hereto as Schedule “A”, amended as required in each case.

DEEMED RELIANCE

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

DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of April 23, 2025.

KEB II LIMITED PARTNERSHIP
by its General Partner, KEB II (GP) Ltd.,
by its authorized signatory:



David Todd Beckow

1071262 B.C. Ltd.
by its authorized signatory:



David Todd Beckow

By the sole ~~Director~~ of **KEB II (GP) Ltd.** in their personal capacity:



David Todd Beckow

By the sole Director of **1071262 B.C. Ltd.** in their personal capacity:



David Todd Beckow

SCHEDULE "A"

FORM OF CONTRACT OF PURCHASE AND SALE

**AGREEMENT OF PURCHASE AND SALE
ARBUTUS RIDGE AT KING EDWARD BAY
(PHASE 3)**

VENDOR:

1071262 B.C. Ltd.

925 West Georgia Street, Suite
1200 Vancouver, BC V6C 3L2
(the "**Nominee**")

- AND -

KEB II Limited Partnership

925 West Georgia Street, Suite
1200 Vancouver, BC V6C 3L2

(the "**Beneficial Owner**", which together with the Nominee are collectively, the "**Vendor**")

PURCHASER

Full Name: _____
Address: _____

Full Name: _____
Address: _____

Postal Code: _____
Tel: _____

Postal Code: _____
Tel: _____

E-mail Address: _____
(collectively, the "**Purchaser**")

E- _____

The Purchaser hereby covenants to notify the Vendor of any changes to their address or email address as soon as such changes occur.

The Purchaser's Lawyer or Notary Public (if known): _____

_____ [insert Purchaser's name] certifies to the Vendor that the Purchaser is ☐ **OR** is not ☐ a non-resident of Canada under the *Income Tax Act* (Canada)

_____ [insert Purchaser's name] certifies to the Vendor that the Purchaser is ☐ **OR** is not ☐ a non-resident of Canada under the *Income Tax Act* (Canada)

- A. The Purchaser hereby offers to purchase from the Vendor (the "**Offer**") on the terms set out herein and in the attached Supplementary Terms of Agreement of Purchase and Sale (together, the "**Agreement**"), the subdivision lot legally described as:

Parcel Identifier ("PID"): _____, Lot _____ DISTRICT LOT 1545 GROUP 1
NEW WESTMINSTER DISTRICT PLAN EPP125322 (the "**Subdivision Lot**").

The Subdivision Lot is part of the development known as "Arbutus Ridge at King Edward Bay" (the "Development"). The civic address of the Subdivision Lot is as set out in the Disclosure Statement dated May 26, 2021, as amended.

- B. The Completion Date shall be _____. Adjustment Date shall be the Completion Date. Possession Date shall be the day immediately following the Completion Date.

- C. The purchase price (the “**Purchase Price**”) for the Subdivision Lot (excluding goods and services tax (“**GST**”) and any other applicable sales tax) is: \$_____.

The Purchase Price is payable in lawful money of Canada as follows:

- i. a deposit of \$_____ (the “**Deposit**”) payable within 7 days after the date of acceptance by the Vendor of the Offer herein. The Deposit will be payable by cheque, certified cheque or bank draft to Ledding & Company LLP (the “Vendor’s Solicitor”), in trust; and
 - ii. the balance of the Purchase Price, subject to the adjustments and deposits described herein, shall be paid on the Completion Date (as hereinafter defined).
- D. The Purchaser shall, in addition to the Purchase Price, pay to the Vendor the sum of \$3,500.00 by way of non-refundable prepaid fee, which will be shown as an adjustment on the statement of adjustments, for the design review required prior to issuance of a building permit by the Bowen Island Municipality and the commencement of construction of any improvements on the Subdivision Lot (the “Design Review Fee”). This Design Review Fee shall not bear interest and shall be paid out to the Developer forthwith upon Completion, and shall be deemed to be earned on Completion.
- E. This Offer will be open for acceptance by the Vendor on or before 5.00pm PST on the date that is three (3) business days from the date the Vendor receives this Offer from the Purchaser, and is irrevocable prior to that time, and upon acceptance by the Vendor, this Agreement will be a binding contract for the purchase and sale of the Subdivision Lot on the terms and conditions herein contained. This Agreement may be executed in counterparts and delivered by e-mail in accordance with the Supplemental Terms.

THE SUPPLEMENTARY TERMS ATTACHED HERETO ARE PART OF THIS AGREEMENT. READ THIS CAREFULLY BEFORE YOU SIGN.

I/WE, THE ABOVE “PURCHASER”, HEREBY OFFER to purchase the Subdivision Lot at the price and on the terms and conditions contained herein.

I/WE hereby confirm that I/WE have read this Agreement and further confirm that other than the warranties and representations and the terms and conditions contained in writing herein and in the Disclosure Statement, NO REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS MADE BY ANY PERSON OR AGENT SHALL BE BINDING UPON THE VENDOR.

In consideration of the mutual promises contained in this Agreement and the sum of One Dollar (\$1.00) now paid by each party to the other (the receipt and sufficiency of which is hereby acknowledged by each party), the parties agree to be bound by the terms of this Agreement, if accepted by the Vendor.

This Agreement is executed under seal and the delivery of this Agreement by the Purchaser to the Vendor constitutes the delivery of a deed, whether or not a physical seal is affixed to this Agreement by any party. By executing this Agreement, each individual delivering it as or on behalf of a party is deemed to have delivered this Agreement under seal.

[signature page follows]

IN WITNESS WHEREOF THE PURCHASER HAS EXECUTED THIS AGREEMENT this _____
day of _____, 202__.

_____ WITNESS	_____ PURCHASER	_____ (Tel No.)
		_____ (Email)

_____ WITNESS	_____ PURCHASER	_____ (Tel No.)
		_____ (Email)

THIS OFFER is accepted by the Vendor this _____ day of __, 202__.

1071262 B.C. LTD. by its authorized signatory:

Per: _____
Authorized Signatory

KEB II Limited Partnership by its General
Partner, KEB II (GP) Ltd., by its authorized
signatory:

Per: _____
Authorized Signatory

Disclosure Statement Receipt

The Purchaser hereby acknowledges receiving and having had a reasonable opportunity prior to the execution of this Agreement to read the Disclosure Statement dated _____, 2021. The execution of this Agreement will constitute a receipt by the Purchaser for and in respect of the Disclosure Statement.

This Disclosure Statement relates to a development property that is not yet completed, and the Purchaser acknowledges that the information in section 7.2 of the Disclosure Statement regarding this Agreement has been drawn to the Purchaser's attention.

Purchaser's

Purchaser's

SUPPLEMENTARY TERMS OF AGREEMENT OF PURCHASE AND SALE

ARBUTUS RIDGE AT KING EDWARD BAY (PHASE 3)

1 AGREEMENT TO PURCHASE

1.1 If the Offer is accepted by the Vendor, the Purchaser agrees to purchase from the Vendor by way of conveyance of the Subdivision Lot on the Completion Date at the Purchase Price set out in Section B of this Agreement and upon the terms set forth herein and subject to:

- a) the exceptions listed in Section 23(1) of the *Land Title Act* (British Columbia);
- b) any non financial charges and encumbrances now registered or to be registered against title to the Subdivision Lot or required for the filing of the subdivision plan creating the Subdivision Lot, and without limiting the generality of the foregoing, all proposed encumbrances (including the Building Scheme and the Design Guidelines) disclosed in the Disclosure Statement; and
- c) the Vendors existing mortgage and any related financial charges against title to the Subdivision Lot (subject to the usual protocol for removal of such financial charges by the Vendor on the Completion Date or during the period immediately following the Completion Date in accordance with the provisions of Part 6 hereof),

(collectively the “**Permitted Encumbrances**”).

2 DESCRIPTION OF SUBDIVISION LOT

2.1 The Subdivision Lot is part of one or more subdivisions of the Development as shown on the Subdivision Plan. The Subdivision Plan, is appended to the Disclosure Statement. The Subdivision Lot is a bare land lot, and does NOT include a house, garage, or any other building or improvement or landscaping nor any on- site services. Services and utilities will be available to the Subdivision Lot as described in the Disclosure Statement.

3 PURCHASE PRICE, DEPOSITS AND PAYMENT

3.1 The Purchaser will pay the Purchase Price to the Vendor as follows:

- a) The Deposit will form part of the Purchase Price and will be held in trust by the Vendor's Solicitor. The Deposit shall be held in a non-interest-bearing bank account unless specifically herein otherwise provided and shall be credited to the Purchase Price on Completion; and
- b) The balance of the Purchase Price, plus or minus the adjustments pursuant to Section 4.4 hereof shall be paid by the Purchaser to the Vendor's Solicitor on the Completion Date by way of certified cheque, bank draft or other electronic method of payment acceptable to the Vendor's Solicitor, at its sole discretion, in accordance with the provisions of Section 6.1 hereof.

3.2 Subject to Section 3.3 hereof, the Deposit shall be dealt with as follows:

- a) Upon failure of the Purchaser to pay the Deposit on or by the due date or in the event the Deposit payment is refunded or dishonored by the drawing bank, this Agreement will thereupon be null and void;
- b) If the Purchaser fails to complete the purchase of the Subdivision Lot in accordance with the terms of this Agreement, then the Deposit shall be released by the Vendor's Solicitor to the Vendor forthwith pursuant to Section 8.1 herein; and
- c) If the Vendor fails to complete the sale of the Subdivision Lot in accordance with the terms of this Agreement, without lawful reason or excuse, then the Deposit shall be released by the Vendor's Solicitor to the Purchaser and the Purchaser shall have no further claim against the Vendor.

3.3 The Vendor and the Purchaser hereby irrevocably authorize the Vendor's Solicitor:

- a) to deal with the Deposit in accordance with the provisions hereof, as stakeholder and not as agent for one of the parties; and
- b) to interplead the Deposit, at the expense of the party ultimately determined to be entitled to such funds, should any dispute arise regarding the obligations of the Vendor's Solicitor with respect to the Deposit.

4 COMPLETION, POSSESSION AND ADJUSTMENT DATES

4.1 **Completion Date:** The closing of the purchase of the Subdivision Lot shall take place on the completion date (the "**Completion Date**"), which shall be as set forth in recital B to this Agreement.

4.2 **Taxes and Adjustments:** The Purchase Price does not include GST or any other applicable taxes. The Purchaser will pay all applicable GST in respect of this transaction to the Vendor on the Completion Date and the Vendor will be responsible for remitting the GST to the applicable authority. The Purchase Price does not include any applicable real property taxes, property transfer tax, or provincial sales tax and the Purchaser agrees to pay for all such applicable taxes and rates, levies, local improvement assessments, utilities, and other such charges on the Completion Date. All adjustments both incoming and outgoing of any nature whatsoever will be made as of the Completion Date (the "**Adjustment Date**").

4.3 **Possession Date:** Provided the Vendor's Solicitor has received the balance of the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Subdivision Lot on the Completion Date, the Purchaser shall have vacant possession of the Subdivision Lot, free and clear of all encumbrances, except the Permitted Encumbrances, on the day immediately following the Completion Date (the "**Possession Date**").

5 BUILDING SCHEME AND SECURITY DEPOSIT

5.1 All the following terms and conditions of this entire part 5 (Sections 5.1 to 5.3 hereof) of the Agreement shall be deemed not to merge on closing and shall survive the closing and remain enforceable following the Completion Date.

- 5.2 **Building Scheme:** The Purchaser warrants and represents that it has reviewed the Statutory Building Scheme and Design Guidelines (or the restrictive covenant or section 219 covenant in lieu thereof) (the “**Building Scheme**”) referred to in the Disclosure Statement and to be filed on title to the Subdivision Lot, and following the Completion Date the Purchaser agrees only to construct a residential dwelling, and to complete landscaping within the timeframes set out in the Building Scheme (collectively, the “**Improvements**”) on the Subdivision Lot in accordance with designs as represented in the plans and specifications to be prepared by or on behalf of the Purchaser (the “**Designs and Specifications**”). The Purchaser agrees to present its Designs and Specifications for development of the Subdivision Lot either directly to the Vendor or to the affiliate or authorized agent or assignee acting in the capacity of the Approval Authority as defined in and contemplated under the Building Scheme, for the purposes of review, consideration and approval by the Approval Authority.
- 5.3 **Design Review Fee:** Pursuant to Section B of this Agreement, the Purchaser shall pay on Completion, (as an adjustment on the statement of adjustments), the prepaid Design Review Fee. The Design Review Fee will be paid by the Vendor to the Approval Authority for a review of the Purchaser’s Designs and Specifications to determine their overall compliance with the Building Scheme. The Purchaser acknowledges that the Approval Authority may approve or reject a design for any of the proposed Improvements, as represented in the Purchaser’s Designs and Specifications, as the Approval Authority deems necessary or desirable for the application of the Building Scheme and the Purchaser agrees to comply with the Approval Authority’s decision with respect to the Designs and Specifications. The Purchaser further agrees that the approval of the Approval Authority is not a warranty as to the fitness of the Improvements or their compliance with building regulations, nor a permit for any construction on the Subdivision Lot. The Purchaser agrees not to vary the Designs and Specifications unless the Approval Authority has consented to such changes. Any cost or expense to the Approval Authority associated with any changes requested by the Purchaser in the Designs and Specifications following the first approval by the Approval Authority will be paid directly by the Purchaser.

6 CONVEYANCE, RISK, PERMITTED ENCUMBRANCES

- 6.1 The Vendor will take whatever steps are necessary in order to obtain or make arrangements for the release or discharge of any registered liens, mortgages, charges and encumbrances save and except for the Permitted Encumbrances pursuant to Section 1 hereof. On the Completion Date, the Vendor will transfer to the Purchaser title to the Subdivision Lot, free and clear of all registered liens, mortgages, charges and encumbrances of any nature whatsoever save and except for the Permitted Encumbrances, subject to the following acknowledged protocol for the release from title to the Subdivision Lot of any mortgage(s) granted by the Vendor and any security collateral thereto. The Purchaser acknowledges and agrees that the Vendor will be using the purchase monies received from the Purchaser to obtain a partial discharge of any mortgage(s) and any related security collateral thereto on title that was granted by the Vendor. The Purchaser’s solicitor or notary public (the “**Purchaser’s Solicitor**”) will pay the balance of the adjusted Purchase Price on the Completion Date by way of **certified trust cheque, bank draft or electronic method of payment acceptable to the Vendor’s Solicitor at its sole discretion**, made payable to the Vendor’s Solicitor, in trust, on their undertaking to pay sufficient funds to the Vendor’s lender(s) to legally oblige such lender(s) to provide a registrable partial discharge of such mortgage(s) and security collateral thereto so as to release such mortgage(s) and security collateral thereto from the title to the Subdivision Lot. If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the balance of the adjusted Purchase Price on the Completion Date, may wait to pay same until after the transfer and new mortgage documents have been lodged for registration at the applicable Land Title Office but only if before such lodging against title to the Subdivision Lot, the Purchaser has:

- a) deposited in trust with the Purchaser's Solicitor the cash balance of the Purchase Price not being financed by the new mortgage;
- b) fulfilled all the new mortgagee's conditions for funding except lodging for registration; and
- c) made available to the Vendor's Solicitor an undertaking given by the Purchaser's Solicitor to pay on the Completion Date the balance of the adjusted Purchase Price upon the lodging in the Land Title Office of the transfer and the new mortgage documents and the advance by the new mortgagee of the mortgage proceeds.

6.2 **Closing Documents:** The Purchaser will prepare the documents necessary to complete this transaction and will deliver a Form A – Freehold Transfer, in registrable form and a Statement of Adjustments at least five (5) days prior to the Completion Date (the “**Closing Documents**”). The Purchaser will bear all costs of preparing and registering the Closing Documents. The Vendor shall not be required to execute or deliver any further agreements, transfers documents, certificates, statutory declarations or assurances.

6.3 The Subdivision Lot shall be at the risk of the Vendor up to and including the date preceding the Completion Date and at the risk of the Purchaser from and including the Completion Date.

7 RESTRICTION ON ASSIGNMENT OF AGREEMENT BY PURCHASER

7.1 The Vendor and the Purchaser agree that this Agreement may not be assigned without the express written consent of the Vendor, which may be arbitrarily withheld at the sole discretion of the Vendor, and any consent to such assignment shall entitle the Vendor to any profit resulting therefrom to the Purchaser or any subsequent assignee.

7.2 Without limiting Section 7.1, an assignment with the express written consent of the Vendor may be subject to conditions including an assignment fee and handling charge payable to the Vendor in the amount named by the Vendor as a condition of consent.

7.3 No assignment by the Purchaser of the Purchaser's interest in the Subdivision Lot or this Agreement or direction of transfer to any other person shall have the effect of releasing the Purchaser from any of the Purchaser's obligations or liabilities hereunder.

7.4 The Purchaser further agrees not to advertise or solicit offers from the public before the Completion Date with respect to the resale of the Subdivision Lot or assignment of this Agreement by the Purchaser.

8 MISCELLANEOUS

8.1 **Time:** Time will be of the essence hereof and unless all payments on account of the Purchase Price, together with adjustments thereto as provided herein and all other amounts payable by the Purchaser hereunder are paid when due, then the Vendor may, at the Vendor's option, terminate this Agreement and in such event the Deposit will be absolutely forfeited to the Vendor on account of damages, without prejudice to the Vendor's other remedies, including a right to recover any additional damages.

- 8.2 **Conditions/"Subject to" Provisions:** Despite anything herein contained to the contrary, (except Sections 9.1 and 9.2) if the Purchaser's obligation to purchase the Subdivision Lot is subject to one or more conditions then the conditions shall be set out in an Addendum attached hereto and if such conditions exist then the Vendor may, on written notice delivered to the Purchaser and despite any noted "Condition Removal Date" on the Addendum, require the Purchaser to either satisfy or waive the satisfaction of all conditions by delivering return written notice to the Vendor within 72 hours from the time the Vendor gives notice to the Purchaser. If such written waiver is not received within such time, then this Agreement shall terminate and the Deposit shall be promptly refunded to the Purchaser.
- 8.3 **Notice:** Any notice to be given to the Purchaser will be well and sufficiently given if deposited in any postal receptacle in Canada addressed to the Purchaser at the Purchaser's address or the Purchaser's Solicitor at their office and sent by regular mail, postage prepaid, or if delivered by hand or if transmitted by e-mail to the Purchaser's Solicitor at their office or to the Purchaser. Such notice shall be deemed to have been received if so delivered or transmitted, when delivered or transmitted and if mailed, on the second business day (exclusive of Saturdays, Sundays and statutory holidays) after such mailing. The address and e-mail (if any) for the Purchaser will be as set out above or will be such other address or e-mail of which the Purchaser has last notified the Vendor in writing. Any documents to be tendered on the Purchaser may be tendered on the Purchaser or the Purchaser's Solicitor. Any notice to be given to the Vendor may be given to the Vendor or the Vendor's Solicitor in the same manner, and shall be deemed to have been received, as provide for in the preceding provisions of this section, mutatis mutandis. Any documents or money to be tendered on the Vendor shall be tendered by way of certified cheque or bank draft and shall be delivered at the Purchaser's expense to the Vendor or the Vendor's Solicitor.
- 8.4 **Laws of British Columbia:** This Agreement, including the Offer and the contract resulting from the acceptance of the Offer and all terms and matters arising hereunder will be construed in accordance with and governed by the laws of British Columbia which will be deemed to be the proper law hereof, and the courts of British Columbia will have the exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this offer and the validity, existence and enforceability hereof.
- 8.5 **Obligations Joint and Several:** If the Purchaser is comprised of more than one party, then the obligations of the Purchaser hereunder will be the joint and several obligations of each party comprising the Purchaser and any notice given to one of such parties shall be deemed to have been given at the same time to each other such party.
- 8.6 **Counterparts and Transmittal:** This Agreement may be executed electronically by the parties and/or in counterparts or transmitted by e-mail, or both, and if so executed and delivered, or if so transmitted, or if so executed and transmitted, this Agreement will be for all purposes as effective as if the parties had executed and delivered to one another a single original agreement.
- 8.7 **Resident of Canada:** The Vendor represents and warrants to the Purchaser that it is a resident of Canada within the meaning of the *Income Tax Act* of Canada.
- 8.8 **Contractual Rights:** The Offer and acceptance under this Agreement create contractual rights only and not any interest in land.

- 8.9 **Number and Gender:** All references to any party, whether a party to this Agreement or not, will be read with such changes in number and gender as the context or reference requires.
- 8.10 **Continuing Effect:** The covenants, representations and warranties contained in this Agreement shall survive the Completion Date and shall not merge in the conveyance and transfer to the Purchaser.
- 8.11 **Electronic Delivery of Disclosure Statement:** As permitted by the BC *Real Estate Development Marketing Act* and the *Electronic Transactions Act* the Purchaser agrees to receiving from the Vendor a copy of the Disclosure Statement and all subsequent consolidations or amendments thereto by electronic means, including by email, the Vendor's or the Vendor's Solicitor's website, or by a third party internet-based host-site such as dropbox.
- 8.12 **Entire Agreement:** This Agreement constitutes the entire agreement between the Purchaser and Vendor with respect to the purchase and sale of the Subdivision Lot. There are no oral or written representations, warranties, terms, conditions or contracts or collateral representations, warranties, terms, conditions or contracts, expressed or implied, statutory or otherwise applicable hereto, made by the Vendor or the Vendor's agents or employees, or any other person on behalf of the Vendor, including, without limitation, arising out of any marketing material such as advertisements, brochures, photographs, illustrations, blogs, iPads (or other tablets), websites, social media or any other electronic media including any simulated view or representation generated by a computer simulator or any other marketing material in respect of the Subdivision Lot or the Development other than those contained in this Agreement signed by all parties and in the Disclosure Statement.
- 8.13 **Privacy Consent:** The Purchaser consents to the collection, use and disclosure of personal information contained in this Agreement and otherwise as collected by or on behalf of the Vendor and its agents, affiliates and service providers for the following purposes:
- a) to complete the transaction contemplated by this Agreement;
 - b) to engage in business transactions including securing financing for the construction of the Development;
 - c) to provide ongoing products and services to the Purchaser;
 - d) to market, sell, provide and inform the Purchaser of the Vendor's products and services including information about future projects;
 - e) as required by law; and
 - f) for additional purposes identified when or before the information is collected.

9 ADDITIONAL TERMS AND CONDITIONS OF THE VENDOR

- 9.1 The obligations of the Vendor under this Agreement are subject to the following condition precedent, which is for the sole benefit of the Vendor and may be waived by the Vendor at its sole discretion: (a) The consent of the Vendor's lenders to a partial discharge of their mortgage(s) over the Subdivision Lot. If this condition precedent is not satisfied or waived by the Vendor on or before the Completion Date, this Agreement shall be terminated and the Deposit shall be returned to the Purchaser without interest or deduction and both parties shall be released from all obligations hereunder.

- 9.2 The Purchaser covenants and agrees to provide, and cause any third parties to provide, to the Vendor, the Vendor's agents and the Vendor's Solicitor, promptly upon request, any additional personal or other information not contained herein that is required in order for such person to comply with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and regulations, rules and policies thereunder or relating thereto, and the Purchaser acknowledges that the foregoing consent applies to any such personal information.
- 9.3 The Vendor may in its sole discretion terminate this Agreement if the Vendor has reasonable grounds to suspect that any part of the transaction contemplated by this Agreement is related to the commission or attempted commission of a "money laundering offence" or a "terrorist activity financing offence", as defined in the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and regulations under that Act, as amended from time to time, in which event the portion of the Deposit that has been paid (excluding interest earned thereon) will be returned to the Purchaser and the Purchaser will have no further claims against the Vendor.
- 9.4 The Vendor may in its sole discretion terminate this Agreement if the Vendor has reasonable grounds to suspect that the Purchaser is both: (a) a "non-Canadian" within the meaning of the *Non-Canadian Prohibition Act* and the regulations thereunder, as amended from time to time; and (b) not an exempt person pursuant to section 4(2) of the *Non-Canadian Prohibition Act*, in which event the portion of the Deposit that has been paid (excluding interest earned thereon, if any) will be returned to the Purchaser and the Purchaser will have no further claims against the Vendor.

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