

1529 Atlas lane

Vancouver B.C.

V6P 0C9

April 25th 2017

Attn. Secretary & Director BcUC      **Re; SETES/SWCRA**

**Rate Application**

Dear Mr. Wruck

I am a resident owner in Phase 1 at Shannon Estates and am registered as an “intervener” in the BCUC rate application for SETES, and though I am a member of the Shannon Residents Group (SRG), the following comments are mine solely and made as one individual. As an aside, and by way of background, I am a retired Professional Engineer with an MBA in finance, I have worked at an executive level in the Canadian chemical processing industry, was Board Vice-Chairman and Acting CEO at Columbia Power Corporation at the time that the Waneta Expansion Project was sanctioned. I feel compelled to respond to the recent filing (1-B-1, February 8<sup>th</sup>, 2017) by SWCRA regarding the fee proposal for the Shannon Estates Thermal Energy Service. I will address my comments under three separate headings; 1) the requested approval of a Regulatory Deferral Account (RDA), 2) Capital Costs and 3) Rates and Competitiveness.

***Regulatory Deferral Account***

I believe that the request to establish a Regulatory Deferral Account (RDA), to be solely funded by the resident owners and tenants is outrageous and a further example of the Applicant’s, and its associated corporate entities, poor behaviour in addressing the issues raised by myself and others regarding its initial filing, made back in April/May 2016.

I have tried since early August 2016 to have the Applicant and Wall Financial Corporation come and explain the details of the TES to myself and other residents. It was only after numerous emails and telephone calls that the Applicant and representatives of Wall Financial Corporation- the beneficial owner of the TES- agreed to come and meet with our strata councils. This meeting took place on the evening of November 2<sup>nd</sup>, a full eleven weeks after my initial request for a meeting. The initial meeting was cordial and some information was shared with the strata council members present. Sterling Cooper (SCCI) undertook to provide additional information to us via email, which was done on November 10<sup>th</sup> 2016: we requested some confidential information to us at that time, but this was never forthcoming. It was only after repeated attempts by the Commission that the economic model was released on about January 10<sup>th</sup> 2017. However, our phone calls have gone unanswered since back in November. We have been effectively stonewalled in our attempts to clarify a number of outstanding issues.

Unfortunately, the basis of our complaints go back to the original intervention period that ran back in May-August 2016. I contend that that intervention process was” ineffective, inadequate, hurried and

too brief". As evidence of this, one can merely look at the number and level of intervention at that time and compare that to the number of residents (17) now registered with the Commission (refer to D-8 through D-24) as this process has been re-opened at the request the Shannon Residents Group (SRG). It was only in late August 2016, when the strata councils came into being that the residents began to understand the impact of the interim decision by the council G-77-16A; this was concurrent when the first QMC invoices arrived in early August.

As a result of Mr. Dean Fox letter of October 16<sup>th</sup> 2016, the intervention process was re-opened. Essentially, this was done to have the Commission hear the input from the residents before rendering a Final Decision. Had the initial intervention process been more effective and had the Applicant clarified and informed the residents of the full details of the TES and its perpetual impact on people there would be no need for the current extension. This is the Applicant's first ever filing to the Commission - refer to IR 2.10. We now have an extended intervention and lengthy process - beyond August 2017, due to requests by the Applicant. Is the primary reason for this related to the lack of experience that the Applicant holds with the regulatory process? Are the ratepayers being charged with teaching the Applicant and assisting in their learning of the Commission filing process in this regard? There is a TES Industry developed framework that has been endorsed by the Commission. In the opinion of FAES - Final Submission of July 11<sup>th</sup> 2016 SWCRA's application has failed on 3 of the 5 key principles of that Framework. This application is flawed from the outset and the refiling of February 6<sup>th</sup> merely did two things; 1) answered the outstanding items from IR's 1&2; and 2) requested the approval of the RDA. The resident owners and I did not ask for this extended and lengthy regulatory process, nor had we posed any questions prior to this refiling of the application. To now request this RDA and have the residents held responsible for over \$300,000 of anticipated costs based on the Applicant's earlier failure is both arrogant and outrageous. This request includes recovery of funds for the regulatory process before SRG's involvement! We would not be in this situation had the Applicant, and its associates, openly engaged the residents in appropriate communication and dialogue. If the request for the requested RDA is approved, then the Commission would be *punishing myself and my fellow residents* for being given the opportunity to have our voice heard. This seems both unreasonable and unjust to me, and contrary to good public policy.

It is worth noting that the Applicant has suggested that a portion of RDA funds will be used "to develop materials and hold meetings with customers" – IR SRG 2.2 and 3.79.8. This would be quite an about turn on the Applicant's behalf, given its reticent and reluctance to engaging with the residents over the past 9 months. We do not see any value with "customer presentations" at this stage of the process and the estimated \$52,000 associated with this activity should be fully discounted, at a minimum. In addition, the Applicant in the CPCN documents under section 5.0/ 6.0 CAPITAL shows expenditures of "fees/overhead - \$397k; and, other soft costs- \$368k". These two items amount to a total of \$765k and represent approximately 15% of the "deemed capital expense for the full TES project of \$4.95 million". Has the applicant previously included its expected regulatory costs in these numbers? I note that in the CPCN Guidelines, page 8 of 9, section (iv) (g) states that "cost estimates should include -- any legal, regulatory and other project costs associated with First Nations and public consultation". Am I, and my fellow residents know being asked to pay the public consultation costs twice?

SWCRA has stated in the Feb 6<sup>th</sup> 2017 submittal- 1-B-1, page 7, that "these unexpected (regulatory) costs are several times the forecasted regulatory expenses and represent a significant unrectified risk to the continued operation of the utility". This implies that SWCRA had previously anticipated some level of

regulatory costs. This was outlined in the aforementioned CPCN. How does SWCRA justify this statement when QMC, the metering/billing agent, has told the tenant residents in the WFC rental building that they will not be invoiced for any heat energy consumed by them for the ten-month period of June 2016 through to the end of March 2017. This foregone revenue amounts to approximately \$200,000! Is this amount “a significant unrectified risk”? In addition, the application is a single rate application. Why is it not being administered equitably across all customers?! In response to SRG 3.2.6 SWCRA says “the \$7.5 million is tied to the design/construction/commissioning of the TES”. There are clearly some inconsistencies in the responses from SWCRA regarding its treatment of regulatory expenses. In SRG 3.2.5 SWCRA indicates that \$134,100 regulatory costs were already incurred prior to SRG involvement. This amount would constitute a cost to the bottom line of SETES had the process not been re-opened.

With respect to the request to establish a Regulatory Deferral account (RDA) the Applicant has provided a 371-page document in its recent filing. One might ask why so much superfluous information was filed? There is reference included to an outstanding request for approval to the Commission by PNG(PNE) to establish a RDA to cover the shock from “variances to the actual pension costs versus forecast pension costs” due to the inherent difficulty of getting accurate actuarial calculations for pension for obligations that will occur many years into the future. In a similar vein, and referencing the Creative Energy (CE) information that was part of the February 6<sup>th</sup> 2017 SWCRA filing, the BCUC has approved a TPRCDA (a temporary deferral account) - a 3<sup>rd</sup> party Regulatory Costs Deferral Account – to allow Creative Energy recover these costs. However, one of the key points noted to this approval was that “the intervenors have not opposed or have approved the establishment of this SDDA”. Clearly a number of interested parties have filed their disapproval of the establishment of a deferral account for SETES refer to D-8 through D-24. Is the setting up of deferral accounts consistent to the original intent of the “Rate Rider” mechanism that allowed utilities recover rate shocks?? I do not believe in the suggestion by SWCRA that both of the cases cited above, PNG(PNE) and CE, could form a basis to support, or be taken as precedent setting, to encourage a Commission decision to allow the establishment of a RDA in the case of the Shannon Estate Energy Service. There are clear differences with both of these cases and the SWCRA application. Both cases refer to “future regulatory costs” and exclude expenses already incurred. SWCRA is now requiring that I will have to pay in participate in the intervention process and that the residents of Shannon Estates will also be burdened with the costs of any other/all future intervenors. In addition, the 60-month timeframe is particularly punitive towards the Phase 1 owners in that we would be required to pay this RDA over the entire 60-month period, whereas the phase 3 owners, for example, would only be required to remit payment over 24 months. This mechanism is clearly flawed. The collection of any RDA, if approved, should only commence after January 1<sup>st</sup> 2020 once all the units are essentially occupied.

So, in summary, I contend that the extended intervention process is a result of an ineffective process used by the Applicant last year. I, as a resident, wish to have some input to a decision that has long-term and perpetual impacts on my property and this was not adequately afforded to me. I am merely requesting to be heard: to now have the Commission agree to the establishment of the requested RDA would penalize me and have me pay a further 9.9% premium over the rates that have been set, in the interim ruling.

SWCRA has been instrumental in establishing an elongated regulatory timetable. They can do this, as they now believe that they will not be held accountable for the regulatory costs; both past and

projected future costs. I believe that the Commission should reject any notion that the residents be held accountable for any fees associated with this application and that the requested RDA be rejected.

### ***Capital Costs***

The disclosure agreement that was signed with the purchase of my property in Phase 1 in the Shannon Estates development made no mention of “capital costs” or “capital recovery”. This was the original version of the Disclosure Documents dated in 2013 and these documents have since been augmented on, no less than two separate occasions by the developer, the most recent being on October 6<sup>th</sup> 2016. The version applicable to my purchase contains only one paragraph (3.9 page 13), that outlined that the “DES provides the energy to operate and provide the domestic hot water, domestic cold water, heating and cooling for the Strata Lots and Common Property will be paid by the Strata Corporation and the costs will be allocated to the Strata Lots based on unit entitlement. The DES will be regulated by the B.C. Utilities Commission, and as such, any changes to the EDS rates, operations or services are subject to the review and approval of the B.C. Utilities Commission”. There was no further reference to the DES in my version of the Disclosure Documents. The document goes back to February 2013 and this is the only document that is relevant to my property. In other TES rate applications, there are two separate and parallel legal documents made available to the purchaser. One document relates to the purchase property and the second document is drafted by the utility and relates to the TES. This contributes to clear disclosure for the purchaser. Unfortunately, this procedure was not followed by WFC /SWCRA.

Upon reviewing this document prior to my purchase, my expectations were that I would be dealing with the Strata Corporation when paying for my stated utilities, and that my new home would be provided with heating, cooling and hot/cold water. I also assumed that I would be accountable and have to pay or all these utilities that I consumed while living in my property. In addition, I assumed, like any other residence, that I would be responsible for the maintenance and ultimately the replacement cost to replace any components as they came to the end of their useful life.

Since the “DES is being provide in accordance with the City of Vancouver requirements”, I assumed that any capital costs of the DES were part of the permitting and the set-up site costs of the developer, similar to the costs associated with providing water supply, sewage services, gas and electricity supply, pathways/roadways, public lighting, fire protection etc. None of these items were explicitly outlined to me as expense items at the time of purchase.

Further, the developer “avoided” certain costs by not having to install conventional HVAC and hot water systems in the individual units due to the installation of the TES. SWCRA has been asked a number of time to quantify these “*avoided costs*” –SRG 3.6.2; this is a simple straight forward question. Unfortunately, there has been no answer forthcoming - only a long litany of comments regarding the City of Vancouver TES permitting requirements and some qualitative comments on the quality aspects of the living space impacts. In reality, a conventional HVAC approach with a heat pump and a hot water tank/electrical immersion heater would not have reduced the quality of life, impacted the environment, produces any flue gases and could have been readily installed in each unit. I have had these installed

costs estimated and they run between \$7,000 to \$9,500 per residential unit, depending on water tank size and 1-ton to 2-ton sized heat pumps. Across the full development of 600 units with an average cost of \$8250 per unit this equates to \$4.95 million. At a minimum, the “*deemed project capital costs*” should be adjusted with an offset of \$4.95 million to accommodate the costs avoided by the developer. These are real dollars! As a result, the net project capital cost should be reduced to \$2.55 million, not the \$7.5 million shown by SWCRA. I understand that the commission may not come across the concept of “avoided capital costs” in its regular rate hearings. However, the SETES application is somewhat unique in many aspects and the concept is real and most relevant to this rate application. There is no argument regarding the City of Vancouver requirement for a TES, however, by virtue of the installation of the TES no conventional HVAC or hot water system were installed in each unit. The developer(WFC) **avoided** these costs and the net capital should reflect this offset.

The true economic model should accurately reflect the timing of capital expenditures and should follow the profile outlined below;

Year	2016	2017	2018
Capital	4.0	1.75	1.75
Capital Offset	(1.65)	(1.65)	(1.65)
Net capital	2.35	0.1	0.1

Lastly, there has been a number of IR questions requesting the applicant to provide clarity around the actual capital costs and financing costs of the project. Refer to SRG 3.6.1 and the non-response with answer 47.3; also, Commission staff IR’s 3.86.2 through 3.86.9. The questions are seeking some clarity regarding the difference between the \$4.95 million in the April 1st 2016 CPCN submission and the \$7.5 million in the interim order of May 26<sup>th</sup> 2016. The response provided IR 3.86.2 is trivial, at best, and provides no explanation to the 50% escalation in the project costs when compared to the CPCN approved document of April 21<sup>st</sup> 2016 filing of \$4.95 million. I would expect a more definitive answer from a Professional Engineer and an Engineering Consulting Organization. The current project costs stand at \$7.5 million, with \$4.5 for meters and distribution piping. This leaves a residual amount of only \$3.0 for the TES equipment. IR 3.86.2 states ‘the earlier estimate was based on an older design using a rudimentary cost estimation methodology’. This again is avoiding answering the question. How did the capital cost increase by \$2.5 million on an item that is now listed at \$3.00 million? Also, the timeframe for the capital revision from \$4.95 to \$7.5 million is extremely short and surely most of the equipment would have been installed by April 2016. Something disconnects here! SWCRA has indicated on a number of occasions that capital is being spent over a number of years. However, there is no NEW capital other than the initial \$7.5 million; the maintenance capital that is spent annually comes out of the CRF.

In summary, I again state that the limited disclosure made to me by the developer WFC, the beneficial owner of SETES, prior to my purchase of my property and the same applies to all the owner residents in Phase 1 of Shannon Estates. There was specifically, no mention of capital or capital return. Like any residential property purchaser, I expected my home to come equipped with the appropriate heating, (cooling?) and hot water supply; in my case with a TES, at a competitive cost. I now feel that I

am paying the capital cost of this TES a number of times – with my initial property purchase, with the inordinate returns to WFC, through the Capital Reserve Fund (CRF) and through future Rate Riders. At a minimum, there should be recognition of the “*avoided capital costs*” which is estimated to be approximately \$4.95 million and that the pending Final Decision of this application recognize the true net capital involved in this project. I understand that this application is somewhat unique, given its relatively small size and the non-traditional applicant company that the BCUC is used to dealing with. However, it would be inappropriate to allow the beneficial owner claim that the “capital offset” should not apply and then be further allowed to have the full capital in the base for perpetuity.

### ***Rates and Competitiveness***

On page 13 of the CPCN document it states “to ensure that public utility customers receive safe, reliable, non-discriminatory energy services at just and fair rates to ensure that the utility’s shareholders have a reasonable opportunity to earn a fair return on their investment. In this case, the balance is achieved for the TES’s customers when *they pay a rate no more than a conventional HVAC system and the balance is achieved for shareholders when they receive a positive NPV*. The returns to the shareholder in this the SETES case, using the interim ruling rates, are excessive when measured in return on equity(ROE), in Internal Rate of Return (IRR) and Net Present Value(NPV). The supporting data for this is presented in the expert witness report, authored by Ms. Gail Tabone.

SWCRA has chosen from a variety of other utility rates and has ended up with both a high Fixed Component and a high Variable Component. The variable component is 2.5 times the variable component in the CORIX (NEU) at UBC; a short distance from Shannon Estates. Yet the CORIX project yields a 9.5% return on equity. The SETES variable rate is simply not competitive. It tracks the average (Step1 and Step2) of the future BC Hydro Residential Rate Schedule. It bears no relevance to the cost of purchased power from BC Hydro, as SETES pays the lower Industrial Tariff rate. It also bears no relevance to the actual input costs of energy to SETES. Keeping in mind that the COP of solar energy is infinite and that Sterling Cooper (SCCI) has advised myself and others, in our November10th 2016 email message, that the energy make-up at full operation is supported *by 41% recovered energy* through the Thermenex system.

On the Fixed Component side SETES will track the SEFC fixed component. However, the SEFC fixed component is made up of two separate and distinct factors—1) an inflationary factor and,2) an escalation factor. The latter factor is to allow catch-up in returns that were foregone in the earlier years for the City of Vancouver owned project. (a COV decision) Why should the SETES ratepayers be exposed to this escalation factor? It has no relevance to the TES in Shannon.

Further, please refer to the attached summary below which is extracted from the GCOC economic model that was filed by SWCRA on March 23 in response to SRG IR 3.7.1; ( in millions \$)

The interim rates are clearly not competitive and are significantly higher than Creative Energy, SEFC and CORIX.

## TABLE REDACTED

The returns in the first 4 years are very poor, but this is primarily because the TES project is in its build-out phase and full unit occupancy only occurs after the end of 2019. Also 2016 has revenues for only 7 months, commencing on June 1<sup>st</sup> of that year. **REDACTED** Why are the ratepayers being asked to pay these exorbitant fees? A more modest rate structure seems appropriate and can strike a balance of appropriate utility returns to the shareholder and also provide competitive rates for the customers.

In response to SRG 3.6.5 SWCRA indicates that the NPV of the project EBITDA line amounts to \$7.8 million. This is significantly higher than a “modest” NPV as outlined in the CPCN guidelines.

It is also worth commenting on the relative costs of the metering and distribution costs of SETES. In Commission IR 1.16.1 the cost breakdown attributes \$1606k to meters (\$2700 per residential unit) and \$2,974k to the piping distribution system. Why are the metering costs so high? BC Hydro incurred costs of \$500 per customer (\$930 million for 1.8 customers) when installing the SMART meters a number of years ago across the Province. Are the residents unnecessarily paying excessively for the meters? It is interesting to note, that the average cost of meters and distribution is approximately \$7,650 per unit – comparable to the “avoided capital costs”.

I now estimate that for my 2867 sq.ft. unit in Shannon that I will be invoice approximately \$4,000, plus an RDA of approximately \$400 annually. This compares with approximately \$2,000, including maintenance, that I was paying in the 3300 sq.ft. detached family home in the DUNBAR area prior to my relocation to Shannon. This seems inordinately high to me!

### *Summary*

In overall conclusion, I believe that the requested RDA should be declined. If approved by the commission the ratepayers will bear all the regulatory cost burden, past and future, of this process, be punished for being afforded the opportunity to participate in a rate hearing, with rates that will live on in perpetuity, and contribute to SCCI as it climbs the TES learning curve at the ratepayer’s expense. All this, despite the fact that SWCRA outlined some regulatory costs in its CPCN filing of April 1<sup>st</sup> 2016 and failed to effectively communicate with its “customers” regarding the Commission process back in the summer of 2016.

The beneficial owner of SETES, Wall Financial Corporation, has “*avoided spending capital of approximately \$4.95 million*” on conventional HVAC and hot water systems. This amount should be an offset to the net deemed capital expense of the SETES project. There is no argument that the City of Vancouver required a TES for the development. In fact, this allowed the beneficial owner, WFC, to avoid supplying conventional HVAC and hot water systems to each individual residence. I also recognise that I paid the prevailing market price for my property at the time of purchase. However, the Phase 1 resident owners were not informed of the capital costs or the capital return aspects of the TES and our simple expectations were that we would have the simple attributes of heating etc. similar to all residential properties. The owner residents believe they are now paying for this TES a number of times.

The interim rates are clearly not competitive and provide an inordinate return to Wall Financial Corporation, the beneficial owner of SETES. In its submission FAES “submits that the Application has not met the TES Framework requirements, there is no basis for the Commission to conclude that the rates are just and reasonable, and the Application should be rejected”. I also concur with the FAES conclusions. Unfortunately, this Application is deficient on a number of points and is not in the public interest.

Thank you for allowing me provide my input to this rate application.

Yours truly

Gerard F Duffy P.Eng. MBA

**SHANNON WALL CENTRE KERRISDALE - COACH HOUSE**

**INFORMATION STATEMENT**

(NOTE DISCLAIMER BELOW - THIS IS NOT A DISCLOSURE STATEMENT)

**DATED FEBRUARY 15 , 2013**

*This Information Statement is with respect to an offering by Shannon Wall Centre Condominium Developments Limited Partnership for the sale of 4 strata lots being developed on the property, which is proposed to be municipally described as 1525, 1527, 1529 and 1531 Atlas Lane , Vancouver, British Columbia, in a development known as "Shannon Wall Centre Kerrisdale - Coach House" (the "Development").*

**DEVELOPER:** Shannon Wall Centre Condominium  
Developments Limited Partnership

**Address for Service:** c/o McLachlan Brown Anderson  
Barristers & Solicitors  
10th Floor, 938 Howe Street  
Vancouver, British Columbia V6Z 1N9

**Developer's Business and Mailing Address:** c/o 3502 - 1088 Burrard Street  
Vancouver, British Columbia V6Z 2R9

**Developer's Real Estate Agent:** Rennie Marketing Systems  
51 East Pender Street  
Vancouver, British Columbia V6A 1S9

The Developer reserves the right to appoint additional or replacement agents or subagents and to use its own employees of its holding or affiliated corporation, who are not licensed under the *Real Estate Services Act*, to market the Strata Lots and the Development, in which case, such employees will be acting on behalf of the Developer and will not be acting on behalf of any purchaser.

**DISCLAIMER**

THE REAL ESTATE DEVELOPMENT MARKETING ACT OF BRITISH COLUMBIA (THE "ACT") REQUIRES THAT A DEVELOPER FILE WITH THE SUPERINTENDENT OF REAL ESTATE, A DISCLOSURE STATEMENT IN RESPECT OF ANY DEVELOPMENT THAT CONTAINS FIVE OR MORE STRATA LOTS. THIS DEVELOPMENT, AS DESCRIBED IN THE INFORMATION STATEMENT, CONTAINS FOUR STRATA LOTS, THUS THERE IS NO REQUIREMENT OR ABILITY TO FILE A DISCLOSURE STATEMENT WITH THE SUPERINTENDENT OF REAL ESTATE AND ACCORDINGLY, THIS INFORMATION STATEMENT HAS NOT BEEN FILED WITH THE SUPERINTENDENT OF REAL ESTATE. THE DEVELOPER HAS HOWEVER CREATED THE INFORMATION STATEMENT IN A FORM SIMILAR TO THAT OF A DISCLOSURE STATEMENT. THE PURCHASER SHOULD BE AWARE THAT NEITHER THE SUPERINTENDENT OF REAL ESTATE, NOR ANY OTHER AUTHORITY OF THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA, HAS RECEIVED THIS INFORMATION STATEMENT AND THUS HAS NOT DETERMINED THE MERITS OF ANY STATEMENT CONTAINED IN THE INFORMATION STATEMENT, OR WHETHER THE INFORMATION STATEMENT CONTAINS A MISREPRESENTATION OR OTHERWISE FAILS TO COMPLY WITH THE REQUIREMENTS OF THE ACT. IT IS THE RESPONSIBILITY OF THE DEVELOPER TO DISCLOSE PLAINLY ALL MATERIAL FACTS, WITHOUT MISREPRESENTATION.

This Information Statement relates to a development property that is not yet completed. Please refer to section 7.3 of the Information Statement for information on the purchase agreement. That information has been drawn to the attention of:

\_\_\_\_\_ [insert name(s) of purchaser(s)]  
who has (have) confirmed that fact by initialling in the space provided here:



## TABLE OF CONTENTS

1	THE DEVELOPER.....	4
1.1	Developer .....	4
1.2	Purpose of Developer .....	4
1.3	Registered and Records Office .....	4
1.4	Directors of Developer.....	4
1.5	Developer, Directors and Officers Disclosure of Experience.....	4
1.6	Conflicts of Interest.....	5
2	GENERAL DESCRIPTION .....	6
2.1	General Description of the Development .....	6
2.2	Permitted Use .....	7
2.3	Phasing.....	7
3	STRATA INFORMATION .....	7
3.1	Unit Entitlement.....	7
3.2	Voting.....	8
3.3	Common Property and Facilities .....	8
3.4	Limited Common Property.....	9
3.5	By-laws.....	10
3.6	Parking & Storage Lockers.....	10
3.7	Furnishings and Equipment .....	11
3.8	Budget.....	11
3.9	Utilities and Services.....	13
3.10	Strata Management Contracts .....	13
3.11	Insurance .....	14
3.12	Rental Disclosure.....	14
4	TITLE AND LEGAL MATTERS.....	14
4.1	Legal Description .....	14
4.2	Ownership .....	15
4.3	Existing Encumbrances and Legal Notations .....	15
4.4	Proposed Encumbrances .....	17
4.5	Outstanding or Contingent Litigation or Liabilities .....	19
4.6	Environmental Matters.....	19
5	CONSTRUCTION AND WARRANTIES .....	19
5.1	Construction Dates.....	19
5.2	Warranties .....	19
5.3	Previously Occupied Building .....	20
6	APPROVALS AND FINANCES .....	20
6.1	Development Approval.....	20
6.2	Construction Financing.....	21
7	MISCELLANEOUS .....	21
7.1	Lands.....	21
7.2	Deposits .....	22

7.3 Agreement of Purchase and Sale .....22  
7.4 Developer’s Commitments .....25  
7.5 Other Material Facts.....26

**SCHEDULES**

- Exhibit "A" - Preliminary Strata Plans
- Exhibit "B" - Form V - Schedule of Unit Entitlement
- Exhibit "C" - Form Y - Owner Developer’s Notice of Different Bylaws
- Exhibit "D-1"- Interim Budget
- Exhibit "D-2" - Monthly Assessments
- Exhibit "E" - Form J - Rental Disclosure Statement
- Exhibit "F" - Sample of the New Home Limited Warranty Certificate
- Exhibit "G" - Agreement of Purchase and Sale
- Exhibit "H" - Public Access
- Exhibit "I" - Subdivision Plan

## 1 THE DEVELOPER

### 1.1 Developer

The Developer, Shannon Wall Centre Condominium Developments Limited Partnership is a British Columbia limited partnership. The Partnership was formed on November 27, 2012 under Certificate No. LP596285. The General Partner of the Developer is Shannon Wall Centre Condominiums GP Inc.. The General Partner was incorporated under the *Business Corporations Act* of British Columbia on November 19, 2012 under Incorporation No. BC955453.

### 1.2 Purpose of Developer

The Developer is a single purpose partnership which was established for the purpose of developing the Strata Lots and Lot 1 as hereinafter defined. The Developer does not have any assets other than the Strata Lots and Lot 1, the subject of this Information Statement.

### 1.3 Registered and Records Office

The registered office of the General Partner of the partnership is 1600 - 925 West Georgia Street, Vancouver, British Columbia V6C 3L2.

### 1.4 Directors of Developer

Bruno Wall is the sole director of Shannon Wall Centre Condominiums GP Inc.

### 1.5 Developer, Directors and Officers Disclosure of Experience

1.5.1 The following is a description of the nature and extent of the experience that the Developer and its officers and directors have in the real estate development industry:

- (a) The Developer is a partnership created for the purposes of developing the Strata Lots and Lot 1 (as defined in Section 2.1(f)) and marketing them to the public and has not undertaken any other real estate developments.
- (b) Bruno Wall being a director and president of the General Partner of the Developer has been active in the real estate industry since 1983 as a property manager and as a senior executive of companies which have developed and constructed single family lots, townhome developments, lowrise and highrise condominium developments and hotels throughout the Lower Mainland including the City of Vancouver and the City of Richmond.

## 1.5.2 Developer's Knowledge of Penalties or Sanctions

To the best of the Developer's knowledge, none of the Developer, any principal holder of the Developer, or any director or officer of the Developer or principal holder, within 10 years before the date of the Developer's declaration attached to this Information 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 dealings in mortgages of land, or to theft or fraud.

## 1.5.3 Disclosure of Knowledge of Insolvency

1.5.3.1 To the best of the Developer's knowledge, none of the Developer, any principal holder of the Developer, or 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 Information Statement, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation related 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.

1.5.3.2 To the best of the Developer's knowledge, none of the directors, officers or principal holders of the Developer, or the directors or officers of any principal holder, within the five years prior to the date of the Developer's declaration attached to this Information Statement, has been a director, officer or principal holder of any developer that, while that person was acting in that capacity, that other developer:

- (a) was subject to any penalties or sanctions imposed by a court or a 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 the mortgages of land, or to theft or fraud; or
- (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with the creditors or had a receiver, receiver-manager or trustee appointed to hold its assets.

## 1.6 Conflicts of Interest

1.6.1 The following is disclosure of any existing or potential conflicts of interest among the Developer, manager, any directors, officers and principal holders of the Developer and any manager, any directors and officers of the principal holders, and any person providing goods or services to the Developer, manager or holders of the Strata Lots (as defined in Section 2.1) in connection with the Development (as defined in Section 2.1) which could reasonably be expected to affect the purchaser's decision:

- (a) Nil.

- 1.6.2 The offering made pursuant to this Information Statement is being made solely by the Developer and as set out in the first page, it is not required and accordingly, has not filed a Disclosure Statement with the Superintendent of Real Estate pursuant to the *Real Estate Development Marketing Act*. No director, officer or principal holder of the Developer or any entity affiliated is participated in the in the offering contained in this Information Statement in any way.

## 2 GENERAL DESCRIPTION

### 2.1 General Description of the Development

#### (a) General Description

The Development will consist of one two storey building containing four Strata Lots (each lot is hereinafter referred to as the "Strata Lot" and collectively as the "Strata Lots"), created pursuant to the *Strata Property Act*. Each Strata Lot will be owned individually together with a proportionate share in the common property including common facilities (the "Common Property") and other assets of the Strata Corporation which will be owned by the owners of the Strata Lots as tenants-in-common (subject to section 3.6).

#### (b) Type of Construction

Concrete and wood frame construction.

#### (c) Type of Units - the Strata Lots will be of the following types:

One bedroom & den	1
Two bedroom & den	1
Two bedroom & family room	1
Four bedroom, study & den	1
Total:	4

#### (d) Legal Description:

Parcel Identifier: 015-978-982

Lot BB (Reference Plan 808), Except the East 10 Feet Now Road District Lot 526 Group 1 New Westminster District.

## (e) Civic Address:

The proposed civic addresses for the units are set out below:

1525, 1527, 1529 and 1531 Atlas Lane, Vancouver, BC.

## (f) Strata Plan:

The layout of the Development and the approximate size and locations of the Strata Lots are as shown on the preliminary strata plans attached hereto as Exhibit "A". The dimensions of the Strata Lots or the Common Property may vary slightly from those shown on the plans when the construction is completed. The Exhibit "A" plans have been prepared from preliminary architectural plans, and this may result in some minor adjustments to the Schedule of Unit Entitlement on the final form of the strata plan.

## 2.2 Permitted Use

The zoning applicable to the Lands as of the date of this Information Statement is Comprehensive Development-1 ("CD-1"), pursuant to an amendment to the City of Vancouver Zoning and Development Bylaw 3575, which was enacted by the City council on January 17, 2012 (the "Rezoning Bylaw"). The Rezoning Bylaw permits the following uses (as defined in Section 3.2 of the City's Zoning and Development Bylaw (No. 10413)) within the Development, subject to the conditions set out therein (a) Cultural and Recreational Use; (b) Dwelling Uses; (c) Retail Uses; (d) Service Uses; and (e) Accessory Uses customarily ancillary to the foregoing uses.

The Strata Lots will be used for residential use only and no Strata Lot may be used for commercial or other purposes not ancillary to residential purposes except as may otherwise be permitted in the City's Zoning and Development Bylaw and except as may be specifically provided in the Rezoning Bylaw.

There are no occupancy restrictions with respect to the Development other than as specified in the Rezoning Bylaw, the by-laws of the Strata Corporation and in any existing and proposed encumbrances and covenants described in Sections 4.3 and 4.4 hereto.

## 2.3 Phasing

The Development will not be constructed in phases.

## 3 STRATA INFORMATION

## 3.1 Unit Entitlement

The Unit Entitlement of each Strata Lot is a figure indicating its share in the Common Property and assets of the Development and is used to determine each Strata Lot's contribution to the expenses incurred in respect of the Common Property. The Unit Entitlement for the Strata Lots is based on the habitable square metres in each Strata Lot, excluding any areas such as an exterior planter, balcony or terrace. A schedule of the proposed Unit Entitlement for the Strata Lots in Form V

under the *Strata Property Act* (British Columbia) is attached as Exhibit "B". The calculation of Unit Entitlement set out in Exhibit "B" is based on architectural drawings and may vary slightly when calculated on the basis of the final surveyed strata plan. The Form V will be filed in the Vancouver/New Westminster Land Title Office (the "Land Title Office") concurrently with the deposit of the strata plan.

### 3.2 Voting

At meetings of the Strata Corporation, each Strata Lot will have one vote.

### 3.3 Common Property and Facilities

The Developer also intends to include within the Common Property for the benefit of the purchasers of the Strata Lots the following facilities:

Nil

The Strata Lots will also have access to certain of the facilities to be located in the development described in Section 7.1(A)(iii), the Mansion Development as follows:

- (a) Outdoor lap pool;
- (b) Fitness room and equipment;
- (c) Meeting rooms.

In addition there will be a shared parkade elevator, stairs, storage locker areas, bicycle storage rooms, garbage recycling, landscape areas, mechanical, electrical, utility and maintenance rooms.

The approximate size and location for some of these facilities are indicated in the preliminary strata plan attached as Exhibit "A". The Developer reserves the right to increase or decrease the size of the common facilities by no more than 35% and alter the configuration and location of the these common facilities all without compensation to the Strata Corporation and/or the purchasers of the Strata Lots.

The Development will also include additional service facilities and equipment such as transformers, fire protection systems and equipment, mechanical and electrical systems and equipment, emergency generator systems, and equipment, electrical room, vents, ducts, fans and other such facilities and equipment which may not be depicted on the preliminary strata plan attached as Exhibit "A" but which will be required by the City of Vancouver in connection with the Development.

The service facilities will be located as required by the City of Vancouver or as recommended by the Developer's consultants. In addition, some or all of the services facilities may be connected or integrated with the service facilities located in the developments described in Sections 7.1(A), (B), (C) and (D).

In the Parking Facility described in 3.6 in Level P1 there will be five storage facilities for approximately five bicycles for the Strata Lots as shown on the Preliminary Strata Plan in Exhibit "A" and located as described in Section 3.6(a). The bicycle storage rooms and stalls located therein will not be designated as Limited Common Property and will be available only on a first come, first serve basis. The Developer

reserves the right to change the size, location and number of bicycle storage rooms or stalls within the Development.

### 3.4 Limited Common Property

#### (a) Limited Common Property

Limited Common Property is an area within the Common Property that may be used exclusively by one or more Strata Lot owners. The Developer will cause the registered owner to designate the areas shown as planters, balconies and/or patios as Limited Common Property approximately as set out on the preliminary strata plan attached as Exhibit "A" to this Information Statement. Such designations will be shown on the Strata Plan for the Development to be deposited for registration in the Land Title Office. A designation of Limited Common Property on the Strata Plan may only be removed by unanimous resolution of the members of the Strata Corporation.

#### (b) Terraces and Balconies

Balconies or terraces adjacent to a Strata Lot will be designated as Limited Common Property for that particular Strata Lot.

#### (c) Maintenance of Common Property / Limited Common Property

The Strata Corporation is responsible for maintaining all Common Property including Limited Common Property. However, the Strata Corporation may, by bylaw, make owners responsible for the repair and maintenance of Limited Common Property which they use. The owners of the Strata Lots are responsible for maintaining and repairing Limited Common Property which they use, other than the following items which are to be maintained and repaired by the Strata Corporation:

- (i) repair and maintenance that in the ordinary course of events occurs less than once a year;
- (ii) the structure of a building;
- (iii) the exterior of a building;
- (iv) chimneys, stairs, balconies and other things attached to the exterior of a building;
- (v) doors, windows or skylights, on the exterior of a building or that front on the common property; and
- (vi) fences, railings and similar structures that enclose balconies and terraces.

Common expenses of the Strata Corporation that relate to repairing and maintaining Limited Common Property are allocated only to those Strata Lots entitled to use that Limited Common Property, and shared among such Strata Lots on the basis of their relative Unit Entitlement. Any special levy,

however, which relates to Limited Common Property, will be paid for by the owners of all Strata Lots in proportion to the relative Unit Entitlement of the Strata Lots.

### 3.5 By-laws

The proposed by-laws of the Strata Corporation will be those contained in the Schedule of Standard Bylaws attached to the *Strata Property Act* (British Columbia) as amended by the Developer's Notice of Difference Bylaws in Form Y under the *Strata Property Act* (British Columbia) attached as Exhibit "C" to this Information Statement, which contains a provision that the number of Strata Lots that may be leased shall not be limited in any way.

There are by-laws that impose restrictions on age of occupancy, pets, rentals or the use of resale strata lots, the contents of which is set out below:

- (a) Pets - There are pet restrictions as are set out in Exhibit "C" in paragraph 2, Use of Property under 2(c) and (d);
- (b) Rentals - There are no rental restrictions however landlord obligations are set out in Exhibit "C", paragraph 11 under heading 3.6 - Leasing Requirements;
- (c) Resale of Strata Lots - In Exhibit "C", paragraph 10 under 30 - Promotion subparagraph (iii) contains restrictions regarding signage;

### 3.6 Parking & Storage Lockers

#### (a) Parking:

The Developer will construct an underground parking facility ("Parking Facility") which will form part of the Development and is generally as shown on the Preliminary Strata Plan attached as Exhibit "A" hereto. The underground parking facility will be located on levels P1 to P2.

The Parking Facility will provide parking facilities for Air Space Parcel A, Air Space Parcel C, the Remainder and this Development as described in Section 7.1(A), Lot 2 as described in Section 7.1(B) herein and Lot 4 as described in Section 7.1(D) once redeveloped and all the developments will have access through the Parking Facility for ingress and egress purposes.

Further, within the Parking Facility there will be various storage rooms, bike storage rooms and recycling facilities, located within the Parking Facility that will be accessed by Air Space Parcel A, Air Space Parcel C and this Development.

The Developer reserves the right to increase or decrease the size of the Parking Facility, to increase or decrease the number of Parking Stalls located within the Parking Facility and to alter the size and the layout of the Parking Facility prior to the filing of the Strata Plan.

Each Strata Lot shall have available to it one two car garage located on Level P1 within the Parking Facility with each Strata Lot having designated for its use one such garage as limited common property on the Strata Plan.

(b) Storage Lockers:

There will be no Storage Lockers located within the Parking Facility for the use of this Development.

(c) Loading Bay and Recycling Facility:

The loading dock located at grade will be a shared facility servicing the Development, Air Space Parcel A and Air Space Parcel C . The recycling facility located on level P1 of the Parking Facility will be a shared facility servicing the Development, Air Space Parcel A, Air Space Parcel C .

### 3.7 Furnishings and Equipment

The following are the furnishings and equipment that are included in the purchase price of a Strata Lot:

- (a) Refrigerator, oven, garburator, cooktop, dishwasher, range hood, microwave, washer/dryer, window blinds.

### 3.8 Budget

(a) Strata Lot Expenses

- (i) Each Strata Lot owner will be responsible for real property taxes for his or her Strata Lot, together with a proportionate share of the property taxes levied in respect of the Common Property, calculated based on the Unit Entitlement for the Strata Lot. Property taxes are levied by and payable to the City.
- (ii) Electricity and other utilities supplied to the Common Property, including the electricity and other utilities supplied to the portions of the Parking Facility., will be paid by the Strata Corporation and the costs thereof will be prorated amongst all of the owners of the Strata Lots in accordance with the Unit Entitlement thereof and included in the monthly assessments.
- (iii) Garbage collection and recycling services will be provided to the owners of the Strata Lots by the City or a private company not affiliated with the Developer. The cost of such services will be paid for by the Strata Corporation and the cost will be prorated to the owners of the Strata Lots in accordance with the Unit Entitlement thereof and included in the monthly assessments.

- (iv) The Strata Corporation will pay for the water and sewer charges levied by the City in respect of the Development and the cost thereof will be prorated to the owners of the Strata Lots in accordance with the Unit Entitlement thereof and included in the monthly assessments.
- (v) With the exception of those utilities listed in paragraphs 3.8(a)(ii) through (iv) above, all utilities will be separately metered or assessed to each Strata Lot and will be the responsibility of each Strata Lot owner.

In the future, the billing structure for those utilities and services listed in paragraphs 3.8(a)(ii) to (iv) above may change such that each owner will be billed separately for these charges. Likewise, the billing structure for those utilities that are currently separately metered or assessed to each Strata Lot as contemplated in paragraph 3.8(a)(v) may change such that the Strata Corporation will be billed for these charges and the cost thereof will be prorated to all of the owners of the Strata Lots in accordance with their Unit Entitlement and included in each Strata Lot's monthly assessments.

The Developer has made its best effort to estimate the rates charged by the various utilities or the City in preparing the interim budget attached as Exhibit "D-1" to this Information Statement. However, these rates are subject to adjustments by the billing authority.

(b) Interim Budget

An interim budget for the Strata Corporation for the 12-month period commencing on the first day of the month following the date of the first conveyance of a Strata Lot to a purchaser is attached as Exhibit "D-1" to this Information Statement (the "Interim Budget"). As required by the *Strata Property Act* (British Columbia), the Developer will pay for all expenses of the Strata Corporation up to the end of the month in which the first conveyance of a Strata Lot to a purchaser occurs.

Exhibit "D-2" to this Information Statement also sets out the estimated monthly assessments for the Strata Lots during the initial operating year based on the Interim Budget and the Unit Entitlement figures as set out in Exhibit "D-1" to this Information Statement. The actual monthly assessments, for the Strata Lots will be calculated upon the finalization of the Unit Entitlement, and monthly assessments will be further adjusted upon the establishment by the Strata Corporation of the actual annual budget of operating expenses following the first annual general meeting of the Strata Corporation.

At the first annual general meeting of the Strata Corporation and each annual general meeting thereafter, the Strata Corporation will approve a new annual budget for the Strata Corporation for the following 12-month period. The monthly assessments for each such 12-month period will be calculated based on the approved budget and the Unit Entitlement for each Strata Lot.

### 3.9 Utilities and Services

#### (a) Provision of Utilities and Services to the Development

The Development will be serviced with water supply, electricity, telephone, cablevision, sanitary sewers, storm water sewer, wiring for high speed internet access, natural gas, garbage disposal, recycling and road access and fire protection. The Lands will be serviced by a District Energy System (the "DES") to provide thermal energy required for domestic hot water and HVAC heating and cooling for the Strata Lots and the Common Property. The DES is being provided in accordance with City of Vancouver requirements. There will be additional capacity provided by way of natural gas fired boilers to deliver thermal energy for the heat and domestic hot water system should the DES require supplementary back up energy. These boilers are designed with capacity to generate 100% of the heating and hot water requirements of the Strata Development. Each Strata Lot will be individually metered for lighting and electrical appliances. The Developer may enter into, or may cause the Strata Corporation to enter into, agreements, licenses, covenants, easements and/or statutory rights of way with and/or in favour of the City of Vancouver, the DES provider, the owner of the Remainder, public or private utilities or other entities with respect to the provision of these utilities and services. The DES which provides the energy to operate and provide the domestic hot water, domestic cold water, heating and cooling for the Strata Lots and Common Property will be paid by the Strata Corporation and the costs will be allocated to the Strata Lots based on Unit Entitlement. The DES operation will be regulated by the B.C. Utilities Commission, and as such, any changes to the DES rates, operations or services are subject to the review and approval of the B.C. Utilities Commission.

#### 3.10 Strata Management Contracts

The Developer intends to cause the Registered Owner to cause the Strata Corporation to enter into a management agreement with respect to the control, management and administration of the Common Property. Under section 24 of the *Strata Property Act* (British Columbia), such management agreement will terminate automatically on the earlier of (i) the date that is four weeks after the date of the second annual general meeting of the Strata Corporation, (ii) the termination date contained in the management agreement, and (iii) at any time on two months' notice by the Strata Corporation if the cancellation is approved by a  $\frac{3}{4}$  vote at a meeting of the Strata Corporation, unless the Strata Corporation, by majority vote at the second annual general meeting, resolves to continue the contract. The management agreement may also be terminated at any time on two months notice by the manager.

### 3.11 Insurance

The Developer will obtain the following insurance coverage in the name of the Strata Corporation:

- (a) full replacement insurance on the Common Property, common assets, buildings and fixtures, built or installed in the Strata Lots by the Developer as part of the original construction, including floor and wall coverings and electrical and plumbing fixtures, but excluding, if they can be removed without damage to the building, refrigerators, stoves, dishwashers, microwaves, washers, dryers or other similar items; and
- (b) liability insurance for property damage and bodily injury in an amount not less than \$2,000,000.

The items described in subsection 3.11(a) and 3.11(b) above will be insured against major perils, including fire, lightning, smoke, windstorm, explosion, earthquake, water escape, vandalism and malicious acts.

Each Purchaser will be responsible for insuring property within his own Strata Lot, and for arranging third party liability coverage, in conjunction with the transfer of such Strata Lot to the Purchaser.

### 3.12 Rental Disclosure

Under section 139 of the *Strata Property Act* (British Columbia), the Developer must disclose to any Purchaser the intention to lease the Strata Lots in order to preserve the right of the Developer and the first Purchaser from the Developer of each Strata Lot to lease the Strata Lots in the future. A rental disclosure statement in respect of the Strata Lots in Form J under the *Strata Property Act* (British Columbia) is attached as Exhibit "E" to this Information Statement. The Form J will be filed with the Superintendent of Real Estate by the Developer and the Registered Owner concurrently with this Information Statement.

## 4 TITLE AND LEGAL MATTERS

### 4.1 Legal Description

The current legal description of the lands on which the Development will be constructed is:

Parcel Identifier: 015-978-982

Lot BB (Reference Plan 808), Except the East 10 Feet Now Road District Lot 526 Group 1 New Westminster District ("Lands").

## 4.2 Ownership

The registered owner of the Lands is Wall Financial Corporation. Wall Financial Corporation and the Developer have entered into a Purchase and Sale Agreement whereby the Developer will acquire the beneficial interest in the Development upon the subdivision plans set out in Exhibit "I" being registered in the Land Title Office and Wall Financial Corporation will then hold legal title to the Development in trust for the Developer.

## 4.3 Existing Encumbrances and Legal Notations

The legal notations and encumbrances on title to the Lands are described below:

### LEGAL NOTATIONS

- (a) Housing Agreement Notice, Vancouver Charter, S. 565.2. See BB1353836
- (b) Heritage Revitalization Agreement Notice Vancouver Charter Section 592(9)(A) and 601(1)(C). See BB1353837.
- (c) Heritage Revitalization Agreement Notice Vancouver Charter Section 592. See BB1353838.
- (d) Heritage Designation Bylaw, Vancouver Charter, Section 593. See BB4018280.  
See 4.3(h) below.

### CHARGES, LIENS AND INTERESTS:

- (e) Right of Way No. 493736M in favour of British Columbia Hydro and Power Authority dated July 1968. This provides for excavation, installation, maintenance, etc. for the underground conduits, pipeline transmission and distribution of electrical energy and gas and for communication purposes and permits clearing of all portions of the land "lying within five feet of a line formed by raising perpendiculars to the surface of the ground from the outer most parts of any underground portion of the Works and to keep the adjacent areas cleared of all or any part of any trees, etc." that might interfere with the Works.
- (f) Encroachment Agreement No. GD64124 in favour of the City of Vancouver dated May 28, 1990. This grants the Owner permission to maintain an encroachment comprising "landscaping and a wall on Granville Street 10 foot road widening strip" as noted in the plan attached to the agreement.
- (g) Statutory Right of Way No. BP27576 in favour of Shaw Cablesystems Company which grants access over the property to permit Shaw to provide communication services.
- (h) Covenant No. BB4028088 in favour of the City of Vancouver dated December 12, 2011 - Heritage Revitalization Agreement (BB4028088-BB402093).

Equitable Charge No. BB4028092 in favour of the City of Vancouver dated December 12, 2011 - part of Heritage Revitalization Agreement.

This agreement comprises a Section 219 Covenant, a Statutory Right of Way and an Equitable Charge. The main feature is the definition of Rehabilitation Work in Section 1.1(j) and what is required to complete the Rehabilitation Work. The heritage components of this project are located within the components of the Lands that are described in Section 7.1 as Air Space Parcel A, Air Space Parcel B (the Development), Air Space Parcel C, Lot 2 and Lot 4 and in respect of the perimeter wall on the north and east side in the Development. This agreement contains an ongoing obligation regarding maintenance of the heritage buildings for these portions of the Lands that contain the heritage component.

- (i) Covenant No. BB4028094 in favour of the City of Vancouver dated December 12, 2011 - Housing Agreement and Building Use Covenant (BB4028094-BB4028095).

This agreement provides that in respect of Lot 2 as described in Section 7.1, there are to be 202 new residential units and that such residential units must only be used for rental housing and cannot be sold as individual units.

- (j) Covenant No. BB4028096 in favour of the City of Vancouver dated December 12, 2011 - Park Agreement (BB4028096-BB4028101).

Option to Purchase No. BB4028098 in favour of the City of Vancouver dated December 12, 2011 - part of Parking Agreement.

Statutory Right of Way No. BB4028100 in favour of the City of Vancouver dated December 12, 2011. - part of Parking Agreement.

This agreement provides that in respect of the property described as Lot 3 and a portion of Lot 4, the Developer is to construct, install and complete for use by the general public a park. It provides that the City of Vancouver, once the park is fully constructed, can exercise an option to acquire the park.

- (k) Covenant No. BB4028102 in favour of the City of Vancouver dated December 12, 2011 - Public Art Agreement (BB4028102-BB4028103).

This agreement provides that the Developer must satisfy the public art conditions as set out in the agreement and once the conditions are satisfied this covenant will be released by the City.

- (l) Statutory Right of Way No. BB4028104 in favour of the City of Vancouver dated December 12, 2011 - Services Agreement (BB4028104-BB4028107).

- (m) Covenant No. BB4028106 in favour of the City of Vancouver dated December 12, 2011 - part of Services Agreement.

- (n) Covenant No. BB4028110 in favour of the City of Vancouver dated December 12, 2011 - SRW - Public Access (BB4028110-BB4028113).

Statutory Right of Way No. BB4028112 in favour of the City of Vancouver dated December 12, 2011 – part of SRW – Public Access.

This agreement provides for the construction, maintenance and repair of certain public walkways throughout the Development and the Lands and until the public walkways have been constructed there will be no occupancy permits issued to the buildings. The walkways are set out on the sketch attached hereto as Exhibit "H" and the agreement further imposes ongoing obligations regarding the maintenance and repair of the public walkways and in respect of the Development.

- (o) Low Carbon Energy System Agreement No. CA2828291-298.

This agreement grants a Statutory Right of Way and 219 Covenants to the City of Vancouver. It provides for certain low carbon energy generating, distribution and delivery system for each building that incorporates low carbon energy sources for space and domestic hot water heating and, in some cases, cooling, including all monitoring works (Energy Works). The SRW provides for City access to inspect the Energy Works. The agreement provides that there is to be no building permit issued to the developer until the plans and specifications for the Energy Works have been prepared, no occupancy permit can be issued until a letter of credit has been issued and the Energy Works have been completed and it also further provides for a monitoring report of the Energy Works 60 days after the Energy Works have been accepted by the City and after one year and three years. The letter of credit is to be released at the time of the time of the SRW and the 219 Covenant can be discharged.

#### 4.4 Proposed Encumbrances

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

- (a) encumbrances such as covenants, easements, statutory rights of way and/or agreements to be granted with and/or in favour of the City, public utilities or other entities (which may be related to the Developer) with respect to the provision of utilities, including without limitation the provision of telecommunication services (including cable television) to the Development including, without limitation:
- (i) a Cable Service Agreement with the Cable Supplier:
    - (1) providing for cable television service to the Development, at a monthly fee set by the supplier; and
    - (2) confirming that all telecommunications equipment located within the Development for the provision of cable services are owned by the Cable Supplier;
  - (ii) all encumbrances required or deemed necessary by the City and/or Her Majesty the Queen in Right of the Province of British Columbia to be registered against title to the Lands in order to approve all

development, building and occupancy permits in respect of the development of the Lands;

- (iii) the Parking Area/Storage Locker Lease referred to in Section 3.6;
- (iv) modifications or replacements of the existing encumbrances registered against title to the Lands to accommodate the siting of the Development and/or any specific requirements of the Development Permit;
- (v) any and all such rights of way, easements, restrictive covenants, dedications and other rights or restrictions required by the City, British Columbia Hydro and Power Authority, Telus or any other applicable governmental authority or public or private utility or deemed necessary or advisable by the Developer in connection with the Development;
- (vi) any such security documents as may be necessary or advisable in connection with the construction financing as described in section 6.2;
- (vii) reciprocal easements among the Development and those portions of the overall development described in Section 7.1 herein, those being Air Space Parcel A, Air Space Parcel C, the Remainder Lot 2 and Lot 4 providing for, inter alia, the following:
  - (1) reciprocal vehicular and pedestrian access easements through certain portions of the parking facility related to the Development, Air Space Parcel A, Air Space Parcel C, the Remainder, Lot 2 and Lot 4 for the purposes of providing access and egress to and from portions of the Development and the Parking Facility;
  - (2) reciprocal encroachment easements for portions of the Development and those Air Space Parcel A, Air Space Parcel C, the Remainder, Lot 2 and Lot 4 that encroach onto and into each other;
  - (3) easements among the Development, Air Space Parcel A, Air Space Parcel C and the Remainder to the extent necessary to service, operate and maintain mechanical and other components of the Development;
  - (4) such other provisions as may be required to properly address all access, support, encroachment, servicing and other issues as are necessary to properly integrate the Development, Air Space Parcel A, Air Space Parcel C, the Remainder, Lot 2 and Lot 4;
  - (5) repair and maintenance obligations of the Development, Air Space Parcel A, Air Space Parcel C, the Remainder, Lot 2 and Lot 4;
  - (6) cost sharing for operation, maintenance and repair of the aforesaid shared facilities as between the Development, Air Space Parcel A, Air Space Parcel C, the Remainder, Lot 2 and Lot 4;

(7) reciprocal easements for pipes, flues, shafts, elevators, exhaust systems, wiring, utilities, service rooms, fire prevention equipment, garbage and refuse facilities, sanitary sewer, storm sewer drainage, emergency generator system, landscape, mechanical facilities and district energy system through the Development, Air Space Parcel A, Air Space Parcel C, the Remainder, Lot 2 and Lot 4.

(viii) one or more mortgages, assignment of rents, personal property security charges or other similar financing charges for the construction of the Development, as contemplated in Section 6.2.

#### 4.5 Outstanding or Contingent Litigation or Liabilities

The Developer is not aware of any outstanding or contingent litigation in respect of the Lands or against the Developer that may affect the Strata Corporation or Strata Lot Owners.

#### 4.6 Environmental Matters

Based on a physical inspection of the Lands and the Developer's knowledge of the site, the Developer is not aware of any dangers or any requirements imposed by any governmental authority with respect to flooding or the condition of the soil or subsoil and there are no environmental concerns with regard to the Lands.

### 5 CONSTRUCTION AND WARRANTIES

#### 5.1 Construction Dates

Construction is estimated to commence on or about February 2013 and the outside date for completion is June 2016. The Developer reserves the right to move back or bring forward these dates.

#### 5.2 Warranties

##### (a) Construction Warranty

The Developer will obtain coverage with respect to home warranty insurance for the Strata Lots with National Home Warranty Programs Ltd. in accordance with the requirements of the *Homeowner Protection Act* (British Columbia) in respect of the following:

- (i) defects in materials and labour for a period of two years after the date on which the warranty begins, as follows:
  - (1) in the first 12 months, for other than the Common Property, common facilities and other assets of the Strata Corporation:
    - coverage for any defect in materials and labour; and
    - coverage for a violation of the Building Code\*,
  - (2) in the first 15 months, for the Common Property, common facilities and other assets of the Strata Corporation:

- coverage for any defect in materials and labour; and
  - coverage for a violation of the Building Code\*,
- (3) in the first 24 months:
- coverage for any defect in materials and labour supplied for the electrical, plumbing, heating, ventilation and air conditioning delivery and distribution systems;
  - coverage for any defect in materials and labour supplied for the exterior cladding, caulking, windows and doors that may lead to detachment or material damage to the Strata Lot;
  - coverage for any defect in materials and labour which renders the Strata Lot unfit to live in; and
  - coverage for violation of the Building Code\*.
- (ii) defects in the building envelope, including defects resulting in unintended water penetration, for a period of five years after the date on which the warranty begins; and
- (iii) structural defects for a period of ten years after the date on which the warranty begins.

A sample form of the New Home Limited Warranty Certificate to be issued by National Home Warranty Programs Ltd. is attached hereto as Exhibit "F".

(b) **Equipment Warranty**

Any manufacturers' warranties for appliances and equipment whether located in the Common Property or the Strata Lots will be passed on to the Strata Corporation or the Purchasers, as the case may be, if and to the extent permitted by such warranties.

5.3 **Previously Occupied Building**

N/A.

6 **APPROVALS AND FINANCES**

6.1 **Development Approval**

The Developer has received development approval for the Development from the City of Vancouver under Permit No. DE 415627.

A full building permit has not yet been issued by the City of Vancouver. The estimated date for issuance of a building permit is March 2013. The Development will be constructed in accordance with the "Certified Professional Program" which facilitates the issuance of a "phased" building permit. An amendment to this

\*Subject to Section 1(2) of Schedule #3 of the Homeowner Protection Act Regulation which provides as follows:

"Non-compliance with the Building Code is considered a defect covered by home warranty insurance if the non-compliance:

- (a) constituted an unreasonable health or safety risk, or
- (b) has resulted in, or is likely to result in, material damage to the Strata Lot.

Information Statement confirming a full building permit for the Development will be delivered to each Purchaser after the building permit has been issued.

## 6.2 Construction Financing

The Developer intends to arrange financing with an institutional lender to finance the construction of the Development and, pursuant to this financing, partial discharges of the security interest in respect of each Strata Lot will be provided upon payment to this lender of all or an agreed portion of the net sale proceeds from the sale of such Strata Lots. After this financing has been arranged, an amendment to the Information Statement will be delivered to each Purchaser.

The Developer has not made any arrangements for financing the purchase of any Strata Lot.

## 7 MISCELLANEOUS

### 7.1 Lands

The Lands as defined in Section 2.1(d) and Section 4.1 herein, will be subdivided into four lots; Lot 1, Lot 2, Lot 3 and Lot 4 generally as set out in the Subdivision Plan attached as Exhibit "I". The four lots will be developed as follows:

#### A. Lot 1

Lot 1 will be further subdivided into the following:

- (i) Air Space Parcel B - the Development containing the Strata Lots will be created within Air Space Parcel B and will contain the Strata Lots that are the subject of this Information Statement;
- (ii) the Remainder - the Remainder will be physically distinct from the Development and will contain what is referred to as the Cartier House and Churchill House, which when completed will contain 55 residential strata lots in two buildings;
- (iii) Air Space Parcel A - Air Space Parcel A will be physically distinct from the development and will contain what is referred to as the "Mansion" development, which when completed will contain eight residential strata lots;
- (iv) Air Space Parcel C - Air Space Parcel C will be physically distinct from the development and will contain what is referred to as the "Gate House" development, which when completed will contain one residential strata lot.

## B. Lot 2

There will be constructed a 7 storey residential building that will consist of approximately 213 units in a non-strata titled market rental building and approximately 4,000 square feet of retail space.

## C. Lot 3

There will be a City park accessible to the general public.

## D. Lot 4

As currently developed, Lot 4 is improved within three, two-storey buildings and underground parking structure consisting of 99 rental apartments. The City of Vancouver has enacted a Comprehensive Development Bylaw for Lot 4 authorizing the development of four concrete buildings ranging in height from four to ten storeys, a total of approximately 470 condominium units and an underground parking structure and this lot will be further subdivided.

## 7.2 Deposits

All monies received from a Purchaser shall be held in trust in the manner required by the *Real Estate Development Marketing Act* until an instrument evidencing the interest of the Purchaser in the Strata Lot has been accepted for registration with the appropriate Land Title Office, and the Strata Lot being purchased or leased is capable of being occupied, provided that in the event a Purchaser fails to complete the purchase of a lot in accordance with the Purchase and Sale Agreement, the Developer shall be entitled to retain any deposit paid by each Purchaser.

## 7.3 Agreement of Purchase and Sale

## 7.3.1 Contract Form

The Developer intends to offer each Strata Lot for sale generally in conformance with the terms and conditions set out in the Agreement of Purchase and Sale attached as Exhibit "G" (the "Agreement of Purchase and Sale") hereto and such other terms as are negotiated between the Developer and the purchaser. The Developer reserves the right to amend, from time to time, the form of the Agreement of Purchase and Sale as the Developer, in its discretion, sees fit provided that prior to any significant change in the form of the Agreement of Purchase and Sale, the Developer will file an amendment to the Information Statement.

## 7.3.2 The Agreement of Purchase and Sale provides, among other things, the following:

## (a) Termination:

On page 2 of the Agreement of Purchase and Sale under the heading "Vendor's Condition" it provides that the Vendor may terminate the Agreement of Purchase and Sale if a certain number of sales have not been achieved by a certain date as follows:

"VENDOR'S CONDITION - The Vendor may, at its sole option, terminate this Agreement of Purchase and Sale and refund the Deposit received from the Purchaser if the Vendor has not entered into binding agreements of purchase and sale with respect to at least 100% of the Strata Lots (4 out of a total 4 Strata Lots) on or before the 31st day of December, 2013. The Vendor reserves the right to remove this condition if less than the specified number of Strata Lots have been sold prior to the time specified. The Vendor shall give notice to the Purchaser or the Purchaser's solicitors or the Purchaser's real estate agent on or before such date advising whether or not it has removed the subject condition. This condition is for the sole benefit of the Vendor and may be waived by the Vendor unilaterally."

Further, Section 3(b) of Exhibit 1 of the Agreement of Purchase and Sale provides that the Purchaser may terminate the Agreement of Purchase and Sale if the Vendor is delayed as a consequence of circumstances described in Section 3(c) of Exhibit 1 of the Agreement of Purchase and Sale beyond December 31, 2015, upon providing a notice as provided for all as set out as follows:

"3(b) The Completion Date will be no later than the 31st day of December, 2015 provided that if the Vendor is delayed from completing the Strata Lot because of any circumstance described in paragraph 3(c), the Vendor may at any time on or before the Completion Date by written notice (the "Notice") addressed to the Purchaser and delivered to the Purchaser's address as set out above, extend the Completion Date to a such later date as may be specified in the Notice provided that if the Completion Date must be extended for more than 6 months from the 31st day of December, 2015, then the Purchaser may, at his option (which option must be exercised within 5 days after receipt of the Notice), terminate this agreement by giving written notice to such effect to the Vendor. Upon such termination, the Deposit will be returned by the Vendor to the Purchaser forthwith upon notice of termination and the Vendor and the Purchaser shall thereafter have no further obligations to one another hereunder. Any reference hereafter to the Completion Date will be a reference to the Completion Date as may be extended pursuant to this paragraph 3(b)."

(b) Extension:

Section 3(b) of Exhibit 1 of the Agreement of Purchase and Sale provides that the Vendor may extend the time for completing the Agreement of Purchase and Sale if certain circumstances arise as set out in Section 3(c) of Exhibit 1 of the Agreement of Purchase and Sale and that section is as set out as follows:

"3(c) If the Vendor is delayed in completing construction of the Strata Lot or in doing anything the Vendor is required to do pursuant to this agreement, and the delay is caused by any

condition or cause beyond the reasonable control of the Vendor including, without limitation, acts or omissions by third parties not related to the Vendor, strike, lockout, labour dispute, unusual geotechnical conditions, climactic conditions, act of god, inability to obtain labour or materials, laws, ordinances, rules, regulations or orders of governmental authorities, enemy or hostile action, civil commotion, fire or other casualty, the time for completing construction of the Strata Lot or for the Vendor doing anything the Vendor is required to do pursuant to this agreement, shall be extended by a time equivalent to the period of such delay."

(c) Assignment:

Section 19 of Exhibit 1 of the Agreement of Purchase and Sale provides the circumstances and processes where the Purchaser may assign the Agreement of Purchase and Sale and is set out below:

"19. ASSIGNMENT - The Purchaser may only assign the Purchaser's interest in this Agreement on or after that date which is 12 months after the date the Vendor accepts the Purchaser's offer and on or before 1st day of November, 2014 being the date which is five months prior to the estimated earliest Completion Date, and in any event, only if: (a) all Deposits required to be paid on or before the proposed date of assignment have been paid; and (b) the Purchaser has obtained the prior written consent of the Vendor, which consent may be unreasonably withheld in the Vendor's sole discretion. Any request for the consent of the Vendor to the assignment of the Purchaser's interest in this Agreement must be made via the Vendor's Real Estate Agent, as defined in the Information Statement. No assignment by the Purchaser shall release the Purchaser from the Purchaser's obligations hereunder. The Purchaser shall pay to the Vendor an administration fee in the amount of \$5,000.00 (plus GST/HST) for the assignment of the Purchaser's interest in the Unit or in this Agreement (the "Assignment"), as consideration for agreeing to the Assignment and for any associated legal and administrative costs. In the event that the Purchaser wishes to assign its rights under this Agreement to his spouse, or to a member of his immediate family (which shall be deemed to include only parents and children of the Purchaser), or to a company which is wholly owned by the Purchaser, the Vendor may, in its sole discretion, waive the assignment fee, but only on the condition that the Purchaser first provide the Vendor's solicitors with a statutory declaration sworn by the Purchaser setting out the particulars of the relationship between the Purchaser and the assignee in sufficient detail as to be reasonably satisfactory to the Vendor's solicitors. The Purchaser shall not advertise or solicit offers from the public nor list the Unit on the Multiple

Listing Service with respect to the resale of the Purchaser's interest in the Unit prior to the Closing Date, except through the Vendor's Real Estate Agent, as defined in the Information Statement, without the prior written consent of the Vendor, which consent may be refused by the Vendor in the Vendor's sole discretion."

The Agreement of Purchase and Sale in Section 19 in the first sentence describes the circumstances where the Vendor can refuse assignments and the section also sets out the fee that is payable by the Purchaser in an assignment circumstance.

(d) Completion Date:

Under Section 3(a) of Exhibit 1 of the Agreement of Purchase and Sale, the Completion Date is established and the section reads as follows:

"3(a) The Completion Date will be a date established by the Vendor and set out in a written notice to the Purchaser or his solicitor (the date so established herein called the "Completion Date") which shall be a minimum of 14 days after the date on which the Vendor has delivered the aforesaid notice to the Purchaser or his solicitor. The completion Date shall be after the date that the City of Vancouver has given permission to occupy the Strata Lot and title to the Strata Lot has been issued by the appropriate Land Title Office. The Vendor presently anticipates that such permission and issuance of titles will be given between on or about the 1st day of April, 2015 and the 31st day of December, 2015. For the purposes of this paragraph, permission to occupy the strata lot means the initial permission given by the City of Vancouver, whether such permission is temporary, conditional or final and refers to occupation of the Strata Lot only and not to occupation of other Strata Lots or common property in the Development."

(e) Interest

Under Section 1 of Exhibit 1 of the Agreement of Purchase and Sale, deposits are paid by the Purchaser to the Developer's solicitors, McLachlan Brown Anderson, to be held in trust with any interest accruing thereon to be a credit to the Vendor.

A Purchaser should refer to Exhibit "G" of the Information Statement for the complete terms and conditions of the Agreement of Purchase and Sale.

7.4 Developer's Commitments

The Developer intends to cause the registered owner or the Strata Corporation to enter into agreements which are, inter alia, necessary or desirable for the maintenance of the Common Property and common assets of the Strata Corporation including, without limitation:

- (a) an elevator servicing agreement;
- (b) an agreement with Telus or other entities with respect to the provision of telecommunication services;
- (c) an agreement with respect to the provision of cablevision service;
- (d) elevator emergency phone monitoring agreement;
- (e) security system maintenance, monitoring and rental agreement for the Common Areas;
- (f) maintenance and rental agreement or agreements with respect to some Common Property equipment;
- (g) utilities and other service agreements referred to in section 6(s);
- (h) landscaping and garden maintenance agreement;
- (i) fire alarm system monitoring agreement;
- (j) compactor lease and private garbage/waste removal agreement;
- (k) Parking Area/Storage Locker Lease;
- (l) any unregistered agreements required by the City in order to approve all development, building and occupancy permits in respect of the development of the Lands.

The Developer has not posted any security to meet any commitments contained in the above-noted agreements. The Developer is not aware of any risks associated with the commitments made.

#### 7.5 Other Material Facts

##### (a) Developer Condition

The Agreement of Purchase and Sale shall provide that the Developer may, at its sole option, terminate any Agreement of Purchase and Sale and refund all deposits and other monies received from the Purchaser if the Developer has not entered into binding contracts of purchase and sale with respect to 100% of the Strata Lots (4 out of a total of 4 Strata Lots) on or before the 31st day of December, 2013. The Developer reserves the right to remove this condition if less than the specified number of Strata Lots have been sold prior to the time specified. The Developer shall give notice to the Purchaser on or before such date advising whether or not it has removed the subject condition.

(b) Selling Agent

The Developer reserves the right to designate and substitute a selling agent from time to time to represent the Developer in the sale of the Strata Lots.

(c) Continuing Sales and Marketing Plan

Following the deposit of the Strata Plan in the Land Title Office, the Developer will continue to carry out for up to 24 months after the date of first occupancy of any Strata Lot, marketing and sales activities within the Common Property and any Strata Lot owned or leased by the Developer, including maintaining display suites, other display areas, parking areas and signage. The Developer will act reasonably in exercising such rights and use reasonable efforts to minimize any interference with the use or enjoyment of the Common Property.

(d) Distribution of Strata Corporation Assets on Winding-Up

The voluntary winding-up of the Strata Corporation in the case of the destruction of the Development, in whole or in part, or for any other reason, requires a unanimous resolution of the Strata Corporation and the approval of the registrar of the Land Title Office. Upon the winding-up of the Strata Corporation and cancellation of the Strata Plan, each Strata Lot owner would become a tenant-in-common, with each other owner, of all the lands within the Strata Plan, land owned by the Strata Corporation but not shown on the Strata Plan and personal property held by or on behalf of the Strata Corporation. Each Strata Lot owner's proportionate share would be calculated on the basis of the most recent assessed value of each Strata Lot divided by the aggregate of the most recent assessed value of all Strata Lots (other than any owned by the Strata Corporation). If there is no assessed value for any Strata Lot, then the value for the purpose of the foregoing calculation may be determined by an independent appraiser and approved by a  $\frac{3}{4}$  vote of the Strata Corporation.

(e) First Annual General Meeting

The Developer must hold the first annual general meeting of the Strata Corporation within six weeks of the earlier of:

- (i) the date on which 50% plus one of the Strata Lots have been conveyed to Purchasers; and
- (ii) the date which is nine months after the first conveyance of a Strata Lot to a Purchaser.

If the first annual general meeting is not held within the required time, the Developer must pay to the Strata Corporation \$1,000 for a delay of up to 30 days, and a further \$1,000 for each additional delay of seven days.

The Developer must provide copies of the following documents to the Strata Corporation at the first annual general meeting:

- (i) all plans required to obtain a building permit and any amendments to the building permit plans;
- (ii) any document in the Developer's possession that indicates the location of pipes, wires, cables, chutes, ducts or other service facilities that are not shown on a plan;
- (iii) all contracts entered into by the Strata Corporation;
- (iv) the registered Strata Plan from the Land Title Office;
- (v) the names and addresses of contractors, subcontractors and persons primarily responsible for supplying labour or materials to the project;
- (vi) the names and addresses of any technical consultants, including building envelope specialists, if any;
- (vii) the name and address of any project manager; and
- (viii) all warranties, manuals, schematic drawings, operating instructions, service guides, manufacturers' documentation and other similar information relating to the common property or common assets.

(f) Contingency Reserve Fund

The Developer will establish a contingency reserve fund by making a minimum contribution to that fund at the time of the first conveyance of a Strata Lot to a Purchaser. Since the first conveyance of a Strata Lot to a Purchaser will occur no later than one year after the deposit of the Strata Plan, the minimum contribution by the Developer to the fund will be 5% of the estimated operating expenses as set out in the interim budget set out in Exhibit "G". The interim budget includes a contingency reserve fund of 5% of the estimated operating expenses (in addition to the 5% contributed by the Developer). However, the contingency reserve fund will increase to 10% of the estimated operating expenses after the first annual general meeting of the Strata Corporation.

(g) Budget Shortfalls

The Developer must pay the Strata Corporation's expenses up to the end of the month in which the first conveyance of a Strata Lot to a Purchaser occurs. After that month and before the first annual budget takes effect, if the Strata Corporation's actual expenses exceed the estimated expenses as set out in the interim budget, the Developer must pay the excess to the Strata Corporation within eight weeks after the first annual general meeting. In addition to paying the amount of the excess expenses, where those excess expenses are more than 10% (but less than 20%) or 20% of the amounts estimated in the interim budget, section 3.1(1) of the Regulations to the *Strata Property Act* (British Columbia) requires a developer to pay to the strata corporation a further amount equal to two or three times respectively multiplied by the amount of the excess, as the case may be.

**DEEMED RELIANCE**

Section 22 of the *Real Estate Development Marketing Act* provides that every purchaser who is entitled to receive this Information Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Information 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 Information 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 February 15, 2013.

DEVELOPER:

**SHANNON WALL CENTRE CONDOMINIUM DEVELOPMENTS LIMITED  
PARTNERSHIP** by its General Partner, **SHANNON WALL CENTRE CONDOMINIUMS  
GP INC.**

Per:

  
\_\_\_\_\_  
Authorized Signatory

DIRECTOR OF SHANNON WALL CENTRE CONDOMINIUMS GP INC.

  
\_\_\_\_\_  
BRUNO WALL

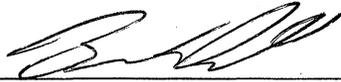
TRUSTEE:

WALL FINANCIAL CORPORATION

Per:

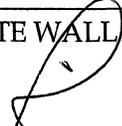
  
\_\_\_\_\_  
Authorized Signatory

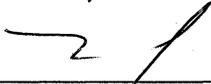
DIRECTORS OF WALL FINANCIAL CORPORATION

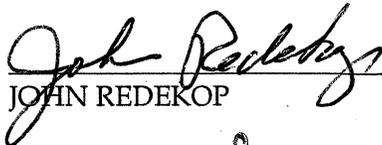
  
\_\_\_\_\_  
BRUNO WALL

  
\_\_\_\_\_  
CLARENCE G. BALDWIN

  
\_\_\_\_\_  
CHARLOTTE WALL

  
\_\_\_\_\_  
ROBERT KING

  
\_\_\_\_\_  
MICHAEL REDEKOP

  
\_\_\_\_\_  
JOHN REDEKOP

  
\_\_\_\_\_  
ROBERT LEE

  
\_\_\_\_\_  
PETER UFFORD

  
\_\_\_\_\_  
BARTON BRETT FINLAY

EXHIBIT "A"

**PRELIMINARY STRATA PLANS**

**PROPOSED STRATA PLAN OF AIR  
SPACE PARCEL B DISTRICT LOT 528  
GROUP 1 NEW WESTMINSTER DISTRICT  
AIR SPACE PLAN EPP\_ \_ \_**

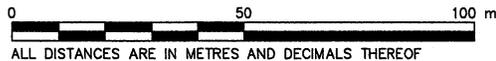
SHEET 1 OF 5 SHEETS

SHANNON ESTATE  
CIVIC ADDRESS: 1525 TO 1531 GRANVILLE ST., VANCOUVER, BC

**LEGEND**

- SL DENOTES STRATA LOT
- PT DENOTES PART
- m<sup>2</sup> DENOTES METRES SQUARED
- Ⓢ DENOTES COMMON PROPERTY
- ③ DENOTES LIMITED COMMON PROPERTY FOR STRATA LOT 31 (TYPICAL)

SCALE 1 : 1000

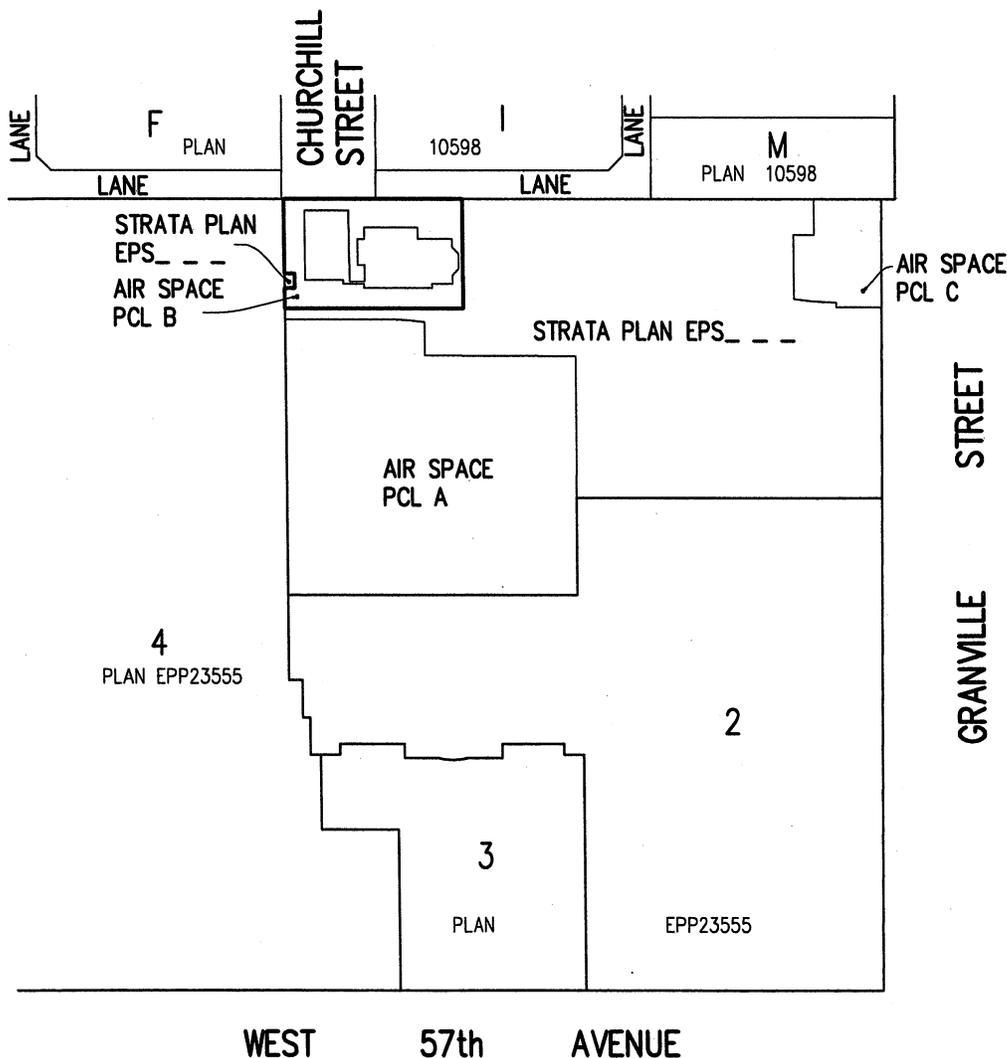


ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF

THE INTENDED PLOT SIZE OF THIS PLAN IS 432mm IN WIDTH  
BY 280mm IN HEIGHT (B SIZE) WHEN PLOTTED AT A SCALE OF 1:1000



**METHOD OF MEASUREMENT:**  
-TO CENTRELINE OF ALL WALLS



McELHANNEY ASSOCIATES  
LAND SURVEYING LTD.  
2300, 13450-102 AVENUE  
SURREY, BC V3T 5X3  
TEL: 604-596-0391  
FILE: 2112-06884-27  
DATE: FEBRUARY 13, 2013

THESE PLANS ARE BASED ON ROBERT LEMON  
ARCHITECT INC.  
DRAWINGS DATED NOVEMBER 7, 2012 - 75% BU SET  
REVISED FROM DRAWINGS DATED FEBRUARY 5, 2013

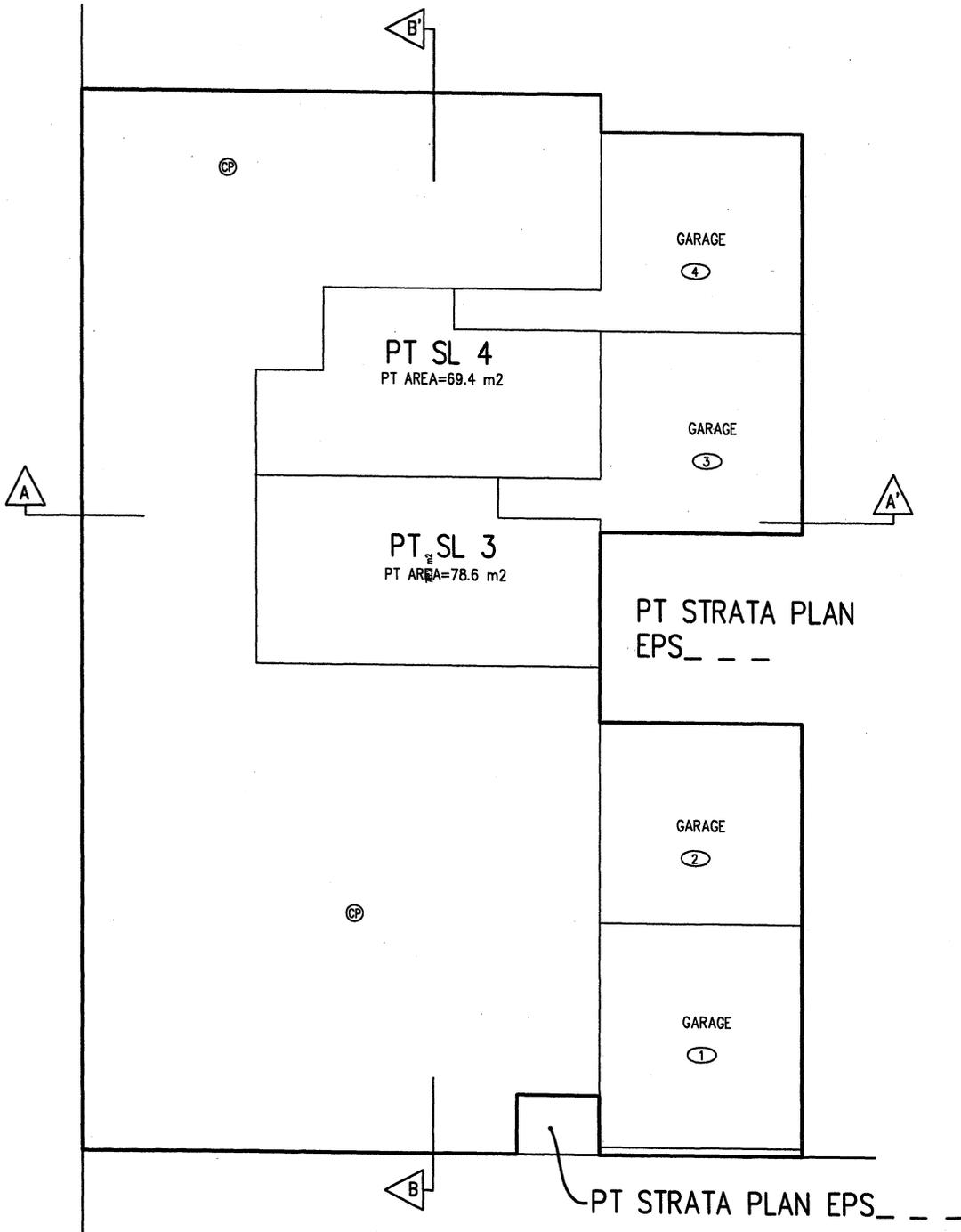
**FLOOR PLANS**  
**COACH HOUSE P1 LEVEL**  
PART STRATA LOTS 1 TO 4

SHEET 2 OF 5 SHEETS

SCALE 1 : 150

**LEGEND**

- SL DENOTES STRATA LOT
- PT DENOTES PART
- m<sup>2</sup> DENOTES METRES SQUARED
- Ⓢ DENOTES COMMON PROPERTY
- ③ DENOTES LIMITED COMMON PROPERTY FOR STRATA LOT 31 (TYPICAL)



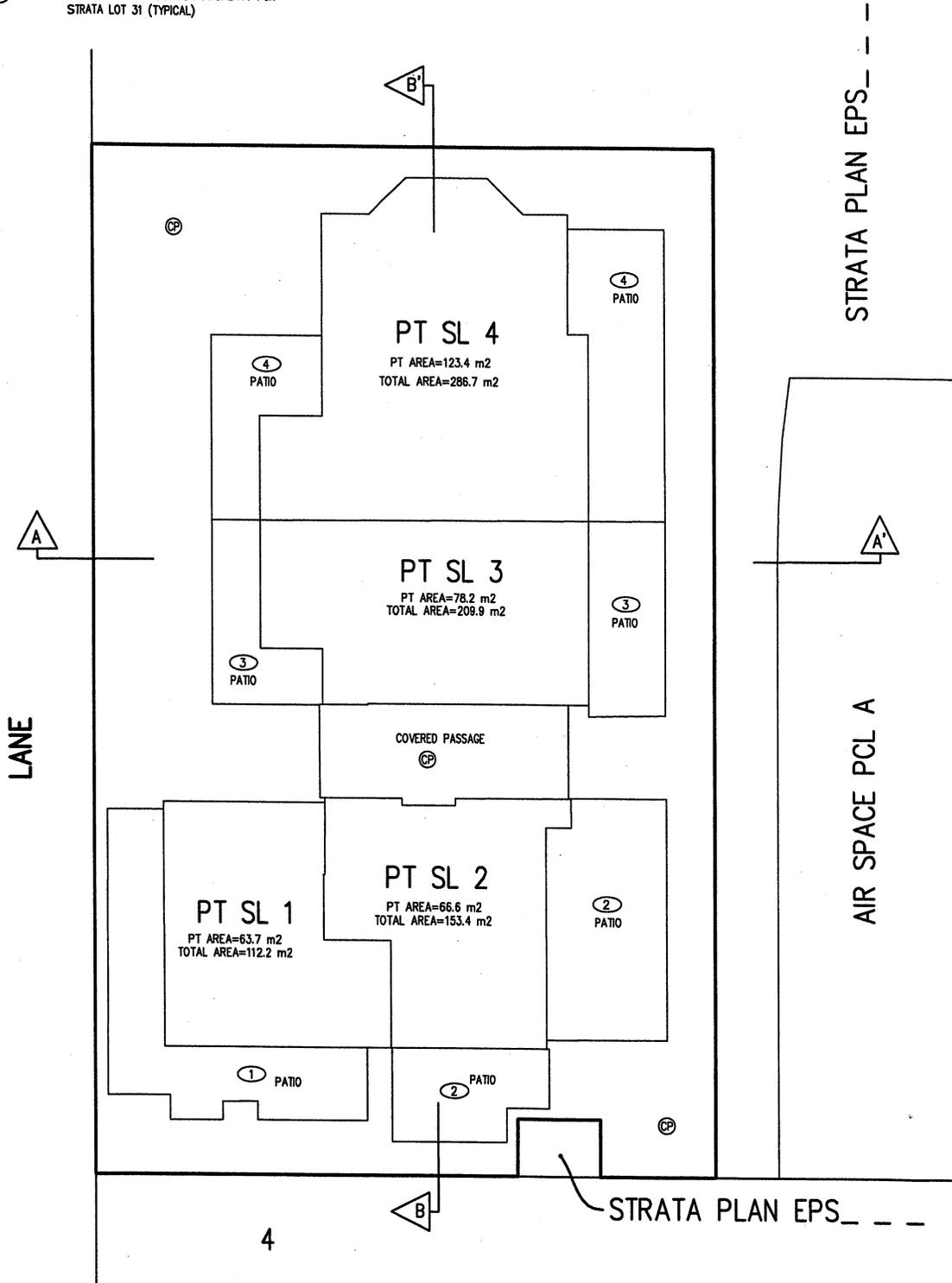
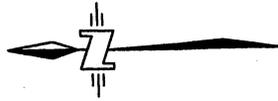
**FLOOR PLANS**  
**COACH HOUSE GROUND LEVEL**  
 PART STRATA LOTS 1 TO 4

SHEET 3 OF 5 SHEETS

SCALE 1 : 150

**LEGEND**

- SL DENOTES STRATA LOT
- PT DENOTES PART
- m<sup>2</sup> DENOTES METRES SQUARED
- Ⓢ DENOTES COMMON PROPERTY
- ③ DENOTES LIMITED COMMON PROPERTY FOR STRATA LOT 31 (TYPICAL)



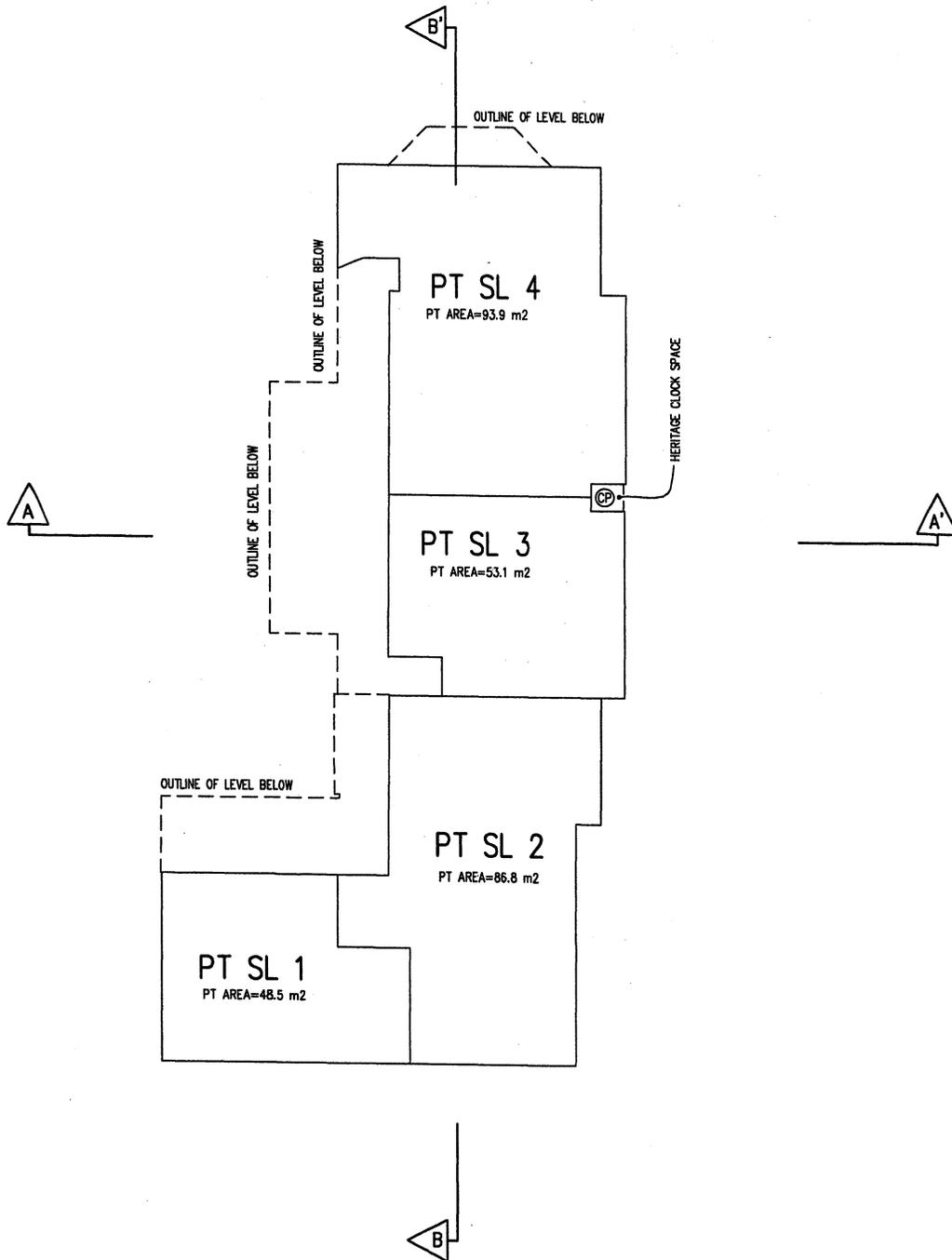
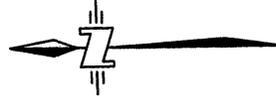
FLOOR PLANS  
COACH HOUSE UPPER LEVEL  
PART STRATA LOTS 1 TO 4

SHEET 4 OF 5 SHEETS

SCALE 1 : 150

LEGEND

- SL DENOTES STRATA LOT
- PT DENOTES PART
- m<sup>2</sup> DENOTES METRES SQUARED
- Ⓢ DENOTES COMMON PROPERTY



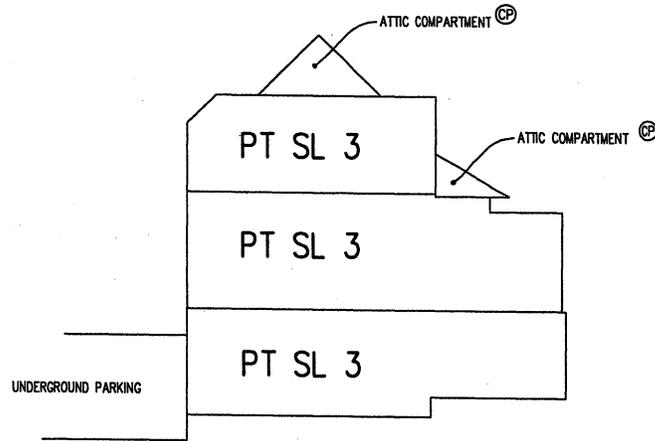
# CROSS SECTIONS COACH HOUSE

SHEET 5 OF 5 SHEETS

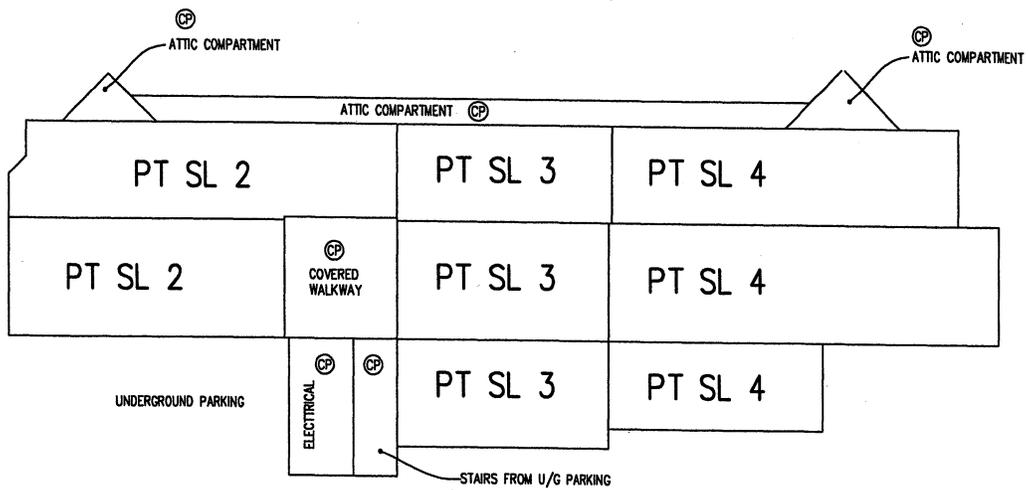
SCALE 1 : 150

## LEGEND

- SL DENOTES STRATA LOT
- PT DENOTES PART
- m2 DENOTES METRES SQUARED
- Ⓢ DENOTES COMMON PROPERTY



SECTION A-A'



SECTION B-B'

EXHIBIT "B"

FORM V  
SCHEDULE OF UNIT ENTITLEMENT

**Strata Property Act**  
**FORM V**  
[am. B.C. Reg. 203/2003, s. 5.]

**SCHEDULE OF UNIT ENTITLEMENT**  
(Sections 245 (a), 246, 264)

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

[parcel identifier]

[legal description of strata lot] AIR SPACE PARCEL B DISTRICT LOT 528 GROUP 1  
NEW WESTMINSTER DISTRICT AIR SPACE PLAN EPP \_\_\_\_\_

**STRATA PLAN CONSISTING ENTIRELY OF RESIDENTIAL STRATA LOTS**

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

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

**Certificate of British Columbia Land Surveyor**

I, \_\_\_\_\_  
a British Columbia land surveyor, certify that the following  
table reflects the habitable area of each residential strata lot.

Date: \_\_\_\_\_ [month day, year].

.....  
Signature

OR

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

OR

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

.....  
Signature of Superintendent of Real Estate

Strata Lot No.	Sheet No.	Habitable Area in m <sup>2</sup>	Unit entitlement	%* of Total Unit Entitlement**
1	3 & 4	112.2	112	14.7
2	3 & 4	153.4	153	20.1
3	2, 3 & 4	215.1	210	27.6
4	2, 3 & 4	293.9	287	37.7
Total number of lots: 4			Total unit entitlement: 762	

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

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

Date: ..... [month day, year]

.....  
Signature of Owner Developer

.....  
Signature of Superintendent of Real Estate (if submitted under section 264 of the act)

PRELIMINARY

EXHIBIT "C"

FORM Y

OWNER DEVELOPER'S NOTICE OF DIFFERENT BYLAWS

*Strata Property Act*

**Form Y**

**OWNER DEVELOPERS' NOTICE OF DIFFERENT BYLAWS**

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

**Re: Strata Plan EPS \_\_\_\_\_, being a strata plan of**

City of Vancouver  
Parcel Identifier: ◆  
◆

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

1. **Payment of Strata Fees.** Bylaw 1 of the Schedule of Standard Bylaws is amended as follows:

- (a) Bylaw 1 is renumbered as Bylaw 1(1); and
- (b) Bylaw 1(2) is inserted following Bylaw 1(1) as follows:

“(2) If an owner is late in paying his strata fees, the owner must pay to the strata corporation interest on the late payment in the amount of 10% per annum, compounded annually, and calculated on a monthly basis commencing from the date the payment was due and continuing until the last day of the month in which it is paid.”

2. **Use of Property.** Bylaws 3(2), (3) and (4) of the Schedule of Standard Bylaws are deleted and replaced with the following:

“(2) An owner shall not:

- (a) use his strata lot for any purpose which may be injurious to the reputation of the building;
- (b) make undue noise in or about any strata lot or common property;
- (c) keep any animals or pets (collectively a “Pet”) in or about the strata lot or the limited common property relating to such a strata lot other than one or more of the following:
  - (i) a reasonable number (as determined by the strata council from time to time) of fish or other small aquarium animals;
  - (ii) up to 2 caged birds; or

- (iii) one dog or two cats or one dog and one cat;
- (d) allow or permit his pet's waste to remain on the common property and limited common property and shall take all reasonable measures to control and be responsible for any approved pets in or about the strata lot, common property and limited common property; it will be the responsibility of the owner to pay for the cost of repair or clean up of any common property or common asset which is damaged, destroyed or soiled by the owner's Pet;
- (e) make or cause to be made any structural alteration to his strata lot, or paint, decorate, or add to or remove any structure from the exterior of the building or the strata lot or add to or alter the wiring, plumbing, piping, or other services in his strata lot, or within any bearing or party wall or the common property without first obtaining the written consent of the strata council;
- (f) alter, supplement or remove the window coverings originally installed in the strata lot except, if necessary due to damage or wear, to replace them with substantially similar window coverings in the same colour and style; or hang or place any signs or other objects which will adversely affect the consistency of the exterior appearance of the building;
- (g) place on the balcony, terrace or patio of the strata lot bicycles, motorcycles, boxes, machinery, equipment, or in any way use such balcony, terrace or patio as a storage area;
- (h) hang or drape on the balcony, terrace or patio of the strata lot laundry, clothing, rugs, towels, curtains or wall hangings;
- (i) enclose (partially or fully), modify or add to the balcony, terrace or patio of the strata lot, and without limitation, not to install or place plastic, glass or other material on the balcony, terrace or patio to block wind or sun or for any other purpose;
- (j) use or allow to be used any barbecues or similar cooking devices (other than natural gas, propane or electric barbecues which are permitted on balconies, terraces or patios) in or about any strata lot, any balconies, terraces or patios, any limited common property or the common property of the strata corporation, except in areas, if any, so designated by the strata council;
- (k) deposit household refuse or garbage on or about the common property or limited common property except in places designated by the strata council from time to time; any materials other than ordinary household refuse and garbage, shall be disposed of either by or at the expense of the owner;
- (l) move or permit to be moved furniture or furnishings in or out of the building except in accordance with the rules passed by the strata council

from time to time; under no circumstances will any owner, tenant or occupant of a strata lot use, or permit to be used, the lobby of the building for moving or furniture or furnishings, except during the hours, and on such conditions and subject to such fees as may be imposed by the strata council from time to time;

- (m) erect, place, keep or display signs, billboards, advertising matter or notice or display of any kind on the common property, limited common property or in a strata lot in any manner which may be visible from the outside of the strata lot (other than "for sale" signs which may be placed in that area of the common property designated for that purpose from time to time by the strata council).
  - (n) erect, place, install or cause to be erected, placed or installed, whether permanently or temporarily, fixtures, satellite dishes, antennas, poles, clotheslines, racks, storage sheds or similar structures on Common Property of Limited Common Property. Notwithstanding the foregoing, an owner, tenant or occupant may place on the Limited Common Property that is the owner's, tenant's or occupant's balcony, terrace or patio, as the case may be, a reasonable amount of free-standing, self-contained planter boxes or containers and summer furniture and accessories;
  - (o) smoke in any of the indoor common areas, including the elevator, hallways, storage lockers, recreation areas, multi purpose rooms, lobby and stairwells;
  - (p) throw out material, especially burning material such as cigarettes or matches or permit material to fall out of any window, door, balcony, terrace, patio, stairwell, passage or other part of the strata lots or common property;
  - (q) store any perishable or hazardous material or items in the locker area that may deteriorate or attract pests;
  - (r) use or ride, or permit others to use or ride, as the case may be, rollerblades, inline skates, skateboards, bicycles, scooters or similar items anywhere on Common Property or Limited Common Property or in a Strata Lot; or
  - (s) use or allow the strata lot, the common property and the limited common property to be used in any manner which is contrary to the rules of the strata corporation from time to time.
- (3) An owner, tenant, occupant or visitor must not cause damage, other than reasonable wear and tear, to the common property, common assets or those party of a strata lot which the strata corporation must repair and maintain under these bylaws or insure under section 149 of the Act.

- (4) An owner shall indemnify and save harmless the strata corporation from the expense, including insurance deductibles, of any maintenance, repair or replacement rendered necessary to the common property or to any strata lot resulting from an owner's wilful act or negligence or that of any tenant or occupant of a strata lot or any visitors, customers, clients, employees or contractors of an owner, tenant or occupant, but only to the extent that such expense is not recovered from proceeds of insurance carried by the strata.
- (5) The parking stalls assigned to the Strata Lots in accordance with Bylaw 32 shall only be used for parking passenger vehicles owned or leased by persons who are owners or tenants of the building or temporary visitors of such residents. An owner shall have the right to lease a parking stall assigned to an owner to other owners or occupants of a Strata Lot. The right to use the parking stalls shall cease upon a person ceasing to reside in the building. An owner shall not allow oil leaks and exhaust pollution stains from vehicles and shall clean up such leaks and stains from the owner's parking stall(s)."

3. **Obtain Approval Before altering a Strata Lot.** Bylaw 5(1) is amended by adding the following:

"5(1)(h) An owner wishing to install hardwood or floor tiles in a strata lot must obtain the prior consent of the strata corporation, which consent will be contingent on the proposed installation having been acoustically engineered to minimize any potential noise nuisance."

Bylaw 5(2) is amended by adding the following sentence:

"Notwithstanding the foregoing, and without limiting the strata corporation's right to withhold its approval for alterations to the strata lot or the common property, an owner wishing to conduct structural alterations or renovations to a strata lot must provide to the strata corporation, in connection with its application for approval, an engineering report which satisfies the strata corporation that any drilling into a concrete slab will not impair the structural integrity of the slab, and that no work will interfere with embedded cables, power or mechanical systems."

4. **Permit Entry to Strata Lot.** Bylaws 7(1) and (2) of the Schedule of Standard Bylaws are deleted and replaced with the following:

- "(1) An owner, tenant, occupant or visitor must allow a person authorized by the strata corporation to enter the Strata Lot:
- (a) in an emergency, without notice, to prevent property damage to the common property or another strata lot or those portions of a strata lot that are the responsibility of the strata corporation under these bylaws; and
  - (b) at a reasonable time, on a minimum of twenty-four (24) hours written notice:

- (i) to inspect, maintain, or repair common property or common assets; or
    - (ii) to ensure the *Strata Property Act* (British Columbia), as amended or replaced, and these bylaws are being complied with.
  - (2) The notice referred to in Bylaw 7(1)(b) must include the date, the approximate time of entry and the reason for the entry.
  - (3) If the authorization cannot be obtained then the person authorized by the strata corporation to enter the strata lot may do so by using reasonable force on the locking devices, and the replacement of the locking device and any resulting damage to the door and door frame will be at the expense of the strata lot owner.”
5. **Council Member in Default.** Bylaw 10 of the Schedule of Standard Bylaws is amended by inserting the following as Bylaw 10(3):
- “(3) No person may be elected to council or continue to be on council if the strata corporation is entitled to register a lien under the Act against a strata lot in which that person has an interest.”
- There shall be added as Bylaw 17(5) the following:
- “17(5) Whether council members attend council meetings in person or by electronic means, council members cannot appoint proxies or personal representatives to act on their behalf at such council meetings.”
6. **Spending Restriction.** There shall be added as Bylaw 21(3) the following:
- “21(3) Notwithstanding Section 98(2) of the Act, the maximum expenditure which may be made pursuant to Section 98 of the Act is \$3,000 or 5% of the total contribution to the operating fund for the current year, whichever is less.”
7. **Maximum Fine.** Bylaw 23 of the Schedule of Standard Bylaws is deleted and replaced with the following:
- “23(1) The strata corporation may fine an owner or tenant a maximum of:
- (a) \$200 for each contravention of a bylaw; and
  - (b) \$50 for each contravention of a rule.
- (2) The strata corporation may impose a fine on an owner or tenant for a continuing contravention of a bylaw or rule every 7 days.
  - (3) Additional Assessments, fines authorized by these bylaws, banking charges, filing costs, expenses, interest charges and any other expenses incurred by either the strata corporation to enforce these bylaws, as they may be amended from time to time, or any rule which may be established from time to time, or any rule which may be established from time to time by the council pursuant to the Act or these

bylaws, shall become part of the assessment of the owner responsible and shall become due and payable on the first day of the month next following, except that any amount owing in respect of a fine or the cost of remedying the contravention of a bylaw will be calculated as a separate component of such assessment and the strata corporation may not register a lien against such separate component.”

8. **Voting.** Bylaw 27 of the Schedule of Standard Bylaws is amended by inserting the following as Bylaws 27(8):

“(8) An owner may not exercise the owner’s vote in respect of the owner’s strata lot if the strata corporation is entitled to register a lien under the Act against the owner’s strata lot, except on matters requiring a unanimous vote.”

9. **Display Lot.** Bylaw 30 of the Schedule of Standard Bylaws is deleted and replaced with the following:

“30. **PROMOTIONS**

- (1) During the time that the owner developer of the strata corporation is a first owner of any units, it shall have the right to maintain any unit or units, whether owned or leased by it, as a display unit, and to carry on sales or leasing functions it considers necessary in order to enable it to sell or lease the units.
- (2) At the reasonable discretion of the owner developer, it may use the common property to conduct the sale or lease of strata lots in the strata plan up to 24 months after the date of first occupancy of any such strata lot.
- (3) Signs advertising the sale, lease or open house of a strata lot must be displayed on the common post supplied by the strata corporation and may not be displayed in the windows or on the balcony, terrace or patio of a strata lot. Notwithstanding the foregoing, marketing signs of the owner developer may be displayed on the common property and/or the limited common property or window of any strata lot owned or leased by the owner developer at the reasonable discretion of the owner developer.”

10. **Miscellaneous Additions.** The following bylaws are inserted into the Schedule of Standard Bylaws following Bylaw 30:

“31. **SMALL CLAIMS ACTIONS**

Notwithstanding any provisions of the Act, the strata corporation may proceed under the *Small Claims Act* (British Columbia) against any owner or other person to collect money owing to the strata corporation, including money owing as a fine, without requiring authorization by a resolution passed by a 3/4 vote of the strata corporation.

32. **PARKING FACILITY LEASE**

Each owner of a strata lot may be entitled to the exclusive use of one or more of the parking stalls located in the parking facility and will use such stalls pursuant

to a partial assignment of the parking facility lease (the "Parking Facility Lease") between \_\_\_\_\_ and \_\_\_\_\_ as tenant. Pursuant to the Parking Facility Lease, upon the registration of the strata plan for the strata development, the strata corporation will automatically assume all of the covenants and obligations of \_\_\_\_\_ under the Parking Facility Lease with respect to the stalls (as defined in the Parking Facility Lease).

33. **PLANTERS/LANDSCAPED AREAS**

Owners of the strata lots which have an open balcony, terrace or patio will not place planters, landscaping or other such items or equipment within any part of the limited common property designated on the strata plan exclusively for the use of such owner unless, in the opinion of the strata council, such planters, items or equipment are in keeping with the balance of the development in terms of design, quality, proportion and colour. Any such planters, landscaping items or equipment (including, without limitation, landscaped areas and/or planters designated as limited common property and installed as part of the original development) will be maintained in good and tidy condition on an ongoing basis and the responsibility for such maintenance will be solely for the account of the owner of the strata lot entitled to the use of the limited common property on which they are placed. No strata lot owner shall, within a landscaped area and/or planter designated as limited common property, change, alter or amend the plantings within such landscaped areas and/or planters without the written consent of the strata council.

34. **STORAGE ROOM**

For a period of two (2) years after the registration of the strata plan for the strata development, the owner-developer will be entitled to designate for its use one(1) storage room of its choice within the common property and will be entitled to free access to and from such storage room through the development and the use of such storage room for the storage of building materials and equipment at all times during the two-year period. The owner-developer will be entitled to install its own lock on the door and the strata corporation will not be entitled to a key during that two-year period provided that after the end of the two-year period, the owner-developer will, upon request by the strata corporation, deliver up vacant possession of the storage room and all keys thereto.

35. **BICYCLE STORAGE**

All bicycle storage rooms are for the Strata Lots and the respective Strata Lot owners will be entitled to the use of such spaces on a first come first serve basis, or on such other basis as may be established by Strata Council from time to time within the secured parking facility designed for that purpose, free of charge. The strata council will, subject to the provisions of the *Strata Property Act* (British Columbia), as amended or replaced, be responsible for the orderly administration of the use of bicycle storage space to each owner. Such administration may also include, without limitation, the issuance of keys or security passes and the licensing of the use of any

unallocated bicycle storage spaces, including charging fees to users if approved by resolution of the strata corporation.

36. **LEASING REQUIREMENTS**

An owner of a Strata Lot must:

- (a) provide the strata corporation with a true and complete copy of every written tenancy agreement (as defined in the *Residential Tenancy Act* (British Columbia) as amended or replaced); and
- (b) cause the tenant to execute a Form K – Notice of Tenant’s Responsibilities as provided in the *Strata Property Act* (British Columbia), as amended or replaced, prior to his occupation of the strata lot, and provide the strata corporation with a copy thereof.”

Date:

\_\_\_\_\_  
Signature of Owner Developer

EXHIBIT "D-1"  
INTERIM BUDGET

**EXHIBIT "D-1"  
INTERIM OPERATING BUDGET**

**INCOME**

Owners' Contribution SL 1 to 4	\$	<u>55,545</u>	
<b>Total Income</b>			\$ <b>55,545</b>

**EXPENSES**

**Administration**

Insurance/Appraisal	\$	4,500	
Legal fees		300	
Miscellaneous		500	
Telephone/Pager		<u>300</u>	
<b>Total</b>	\$		5,600

**Utilities**

Electricity	\$	2,500	
Gas/District Energy		5,000	
Water/Sewer		<u>2,300</u>	
<b>Total</b>	\$		9,800

**Contracts**

Alarm monitoring	\$	1,000	
Building envelope inspection		1,000	
Fire equipment maintenance/inspection		1,000	
Garbage disposal/recycling		1,000	
Janitorial cleaning		3,000	
Mechanical equipment maintenance		2,000	
Property management fees		3,000	
Window cleaning		<u>1,500</u>	
<b>Total</b>	\$		13,500

**Repairs & Maintenance**

Repairs & maintenance	\$	2,000	
Supplies		<u>500</u>	
<b>Total</b>	\$		2,500

**Shared Expenses**

Concierge	\$	7,000	
Parking lot maintenance		1,000	
Public walkway maintenance		1,000	
Mechanical equipment maintenance		2,000	
Parkade shared maintenance		500	
Security		3,000	
Landscape maintenance		4,000	
Garbage compactor lease		<u>1,000</u>	
<b>Total</b>	\$		<u>19,500</u>

	\$	50,900	
*Contingency Reserve		<u>2,545</u>	

**Total Expenses + Contingency Reserve** **\$ 53,445**

\*Contributions to Contingency Reserve funds are based on 5% of Operating Fund Budget. It is anticipated that the Developer will contribute an additional 5% of the Operating Fund Budget at the time of the first conveyance of a Strata Lot (SPA12(1)).

EXHIBIT "D-2"  
MONTHLY ASSESSMENTS

EXHIBIT "D-2"  
MONTHLY ASSESSMENTS

Strata Lot Number	Unit Entitlement	Annual Operating Fee	Annual Contingency	Total Annual Fee	Total Monthly Strata Fees
1	112	\$7,481.36	\$374.07	\$7,855.43	\$654.62
2	153	\$10,220.08	\$511.00	\$10,731.08	\$894.26
3	210	\$14,027.56	\$701.38	\$14,728.94	\$1,227.41
4	287	\$19,171.00	\$958.55	\$20,129.55	\$1,677.46
<b>Total</b>	<b>762</b>	<b>\$50,900.00</b>	<b>\$2,545.00</b>	<b>\$53,445.00</b>	<b>\$4,453.75</b>

Notes:

1. Annual Residential Use Operating Fee is calculated as follows:

$$\frac{\text{Unit Entitlement of Residential Strata Lot}}{\text{Total Unit Entitlement}} \times \$50,900.00$$

3. Section 6.1 of the *Strata Property Regulations* establishes the annual contribution to the Contingency Reserve Fund.

EXHIBIT "E"

FORM J  
RENTAL DISCLOSURE STATEMENT

Strata Property Act

Form J

[am. B.C. Reg. 312/2009, s. 8.]

RENTAL DISCLOSURE STATEMENT

(Section 139)

Re: PID No. 015-978-982, Lot BB (Reference Plan 808), Except the East 10 Feet Now Road District Lot 526 Group 1 New Westminster District

This Rental Disclosure Statement is [Check whichever box is correct and provide any required information.]

the first Rental Disclosure Statement filed in relation to the above-noted strata plan.

a changed Rental Disclosure Statement filed under section 139(4) of the *Strata Property Act*, and the original Rental Disclosure Statement filed in the relation to the above-noted strata plan was filed on .....[dd/mmm/yyyy].....

1. The development described above includes 4 residential strata lots.
2. The residential strata lots below are rented out by the owner developer as of the date of this statement and the owner developer intends to rent out each strata lot until the date set out opposite its description.

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

Description of Strata Lot [strata lot number as shown on strata plan]	Date Rental Period Expires [specify a date - "indefinitely" or timing related to an event is not acceptable]*
NIL	

\*Section 143(2) of the *Strata Property Act* provides that, if this Rental Disclosure Statement is filed after December 31, 2009, a bylaw that prohibits or limits rentals will not apply to a strata lot described in this table until the date set out in the table opposite the description of the strata lot, whether or not the strata lot is conveyed before the date.

3. In addition to the number of residential units rented out by the owner developer as of the date of this statement, the owner developer reserves the right to rent out a further 4 residential strata lots, as described below, until the date set out opposite each strata lot's description.

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

Description of Strata Lot [strata lot number as shown on strata plan]	Date Rental Period Expires [specify a date - "indefinitely" or timing related to an event is not acceptable]*
Strata Lots 1 to 4	01 Dec 2080

\*Section 143(2) of the *Strata Property Act* provides that, if this Rental Disclosure Statement is filed after December 31, 2009, a bylaw that prohibits or limits rentals will not apply to a strata lot described in this table until the date set out in the table opposite the description of the strata lot, whether or not the strata lot is conveyed before that date.

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

~~OR~~

~~There is a bylaw of the strata corporation that restricts the rental of strata lots, the text of which is attached to and forms part of this statement.~~

[Strike out sentence which does not apply.]

Date: February 15, 2013

**SHANNON WALL CENTRE CONDOMINIUM DEVELOPMENTS LIMITED  
PARTNERSHIP by its General Partner, SHANNON WALL CENTRE CONDOMINIUMS  
GP INC.**

Per:

\_\_\_\_\_  
Authorized Signatory

**WALL FINANCIAL CORPORATION**

Per:

\_\_\_\_\_  
Authorized Signatory

EXHIBIT "F"

A SAMPLE OF THE  
NEW HOME LIMITED WARRANTY CERTIFICATE



**Aviva Insurance Company of Canada**  
(hereinafter known as "*The Program*")

Represented by its Agent, National Home Warranty Group Inc.  
Suite 1100-1125 Howe Street, Vancouver, BC V6Z 2Y6  
Tel (604) 608-6678 Toll-free 1-888-243-8807 Fax (604) 408-1001

Project Name:  
Address of Project:

Policy Number:

Name of Residential Builder:

**Limited Common Property Warranty Insurance Policy**  
For the Common Property of a Strata Residential Building

**SCHEDULE OF WARRANTY EXPIRY DATES**  
(PURSUANT TO HOMEOWNER PROTECTION ACT REGULATION 29/99 SECTION 15 (1))

Notice to the *Strata Corporation*: This policy covers different components of the *Common Property* for the *Residential Building*, for specified periods of time. It is important that the following expiry dates be kept in mind, and *The Program* be given prompt written notice of any defects covered by the policy. *The Program* will honour valid claims received up to the applicable Expiry Date listed below. [For the 15-month and 24-month coverages, notice to the *Builder* will be deemed to be notice to *The Program*, as long as *The Program* is notified directly within 60 days after the applicable Expiry Date.]

The following descriptions of the coverage for each Expiry Date (in brackets) are for convenience only; refer to PARTS 1, 2 and 3 of this Limited Home Warranty Insurance Policy, and the applicable Definitions for a succinct description of the applicable insurance coverage and exclusions.

**Policy "*Common Property Commencement Date*"**

**Coverages for *Common Property*** (Terms begin on *Common Property Commencement Date*)

- |   |         |            |
|---|---------|------------|
| • Fifteen Months (all materials and labour)                   | Expires | 12:01 a.m. |
| • Two Years (major systems, exterior cladding, Building Code) | Expires | 12:01 a.m. |
| • Five Years (building envelope)                              | Expires | 12:01 a.m. |
| • Ten Years (structural)                                      | Expires | 12:01 a.m. |

This is a Limited Policy of Home Warranty Insurance, and it does not cover all components of the *residential building*. Read this policy thoroughly. The coverage contained in this Limited Home Warranty Insurance Policy is the only home warranty insurance on the *Common Property* of the *Residential Building*, which is binding upon *The Program*. This policy is subject to the provisions of the *Homeowner Protection Act* and its regulations.

In this policy any terminology printed in *italics* is defined and has the same meaning whether capitalized or not. See DEFINITIONS.

Authorized signature of Insurer

## DEFINITIONS

In this Limited Home Warranty Insurance *Policy*:

"Act" means the Homeowner Protection Act.

"Builder" means the Licensed Registered Builder named in this Limited Warranty *Policy* that was engaged under contract by an owner, developer or vendor to perform or cause to be performed, all, or substantially all, of the construction of a new *home*.

"Building Code" means, as applicable:

- (a) the British Columbia Building Code established under the Municipal Act, or
- (b) the Vancouver Building Bylaw established under the Vancouver Charter,

in force at the time that the building permit was issued for the new *home* or, in jurisdictions where a building permit is not required, in force when construction commences.

"Building Code Defect" means an instance of non-compliance with the *Building Code*, if that non-compliance:

- (a) constitutes an unreasonable health or safety risk; or
- (b) has resulted in, or is likely to result in, material damage to the *Common Property*.

"Building Envelope Defect" means defects that result in the failure of the building envelope to perform its intended function.

"Building Inspector" means the Authority having Jurisdiction as defined by the BC *Building Code*.

"Commencement Date" means the *Common Property Commencement Date*.

"Common Property" has the same meaning as in the Condominium Act, but is limited to only the *Common Property* associated with or serving the *Residential Building*.

"Common Property Commencement Date" means the date shown on the face of this *policy* for the commencement of the warranty on the *Common Property* of this *Residential Building*.

"Defect" means any design or construction, that is contrary to the *building code* or that requires repair or replacement due to the negligence of a residential builder or person for whom the residential builder is responsible at law.

"Home" means a residential unit in a building constructed by the *Builder*, or deemed by *The Program* to be so, and includes a dwelling unit as defined by the Homeowner Protection Act Regulations.

"Owner" means the person who owns the new *home*, and, in the case of *Common Property*, may include the *Strata Corporation*.

"Policy" means the documents provided to the *Strata Corporation* evidencing the Limited Home Warranty Insurance *Policy* and all forms, riders and endorsements pertaining or attached hereto.

"The Program" means Aviva Insurance Company of Canada represented by its agent, National Home Warranty Group Inc.

"Project" means the *Residential Building* or, if there is more than one, all of the *Residential Buildings* included in a single *Strata Corporation*, plus associated *Common Property*.

"Purchaser" means the person or persons who purchased the new *Home* from the *Builder*.

"Required Retaining Wall" means a retaining wall that is required by the *Building Inspector* to be engineered, or a retaining wall that is reasonably required for the direct support of, or to retain soil away from, a new *home*, a driveway, or a walkway.

"Residential Building" means a building containing one or more *homes* in a strata project, and includes a multi-unit building as defined by the Homeowner Protection Act Regulations.

"Strata Corporation" carries the same meaning as in the Condominium Act.

"Structural Defect" means:

- (a) a defect in the materials and labour that results in the failure of a load bearing part of the new *home*; and
- (b) any defect which causes structural damage that materially and adversely affects the use of the new *home* for residential occupancy.

## PART 1: COVERAGE

### Common Property Materials and Labour Warranty

1. Beginning on the *Common Property Commencement Date*, this Limited Home Warranty Insurance includes:
  - (a) in the first 15 months, any defect in materials and labour;
  - (b) in the first 24 months:
    - i) any defect in materials and labour supplied for the electrical, plumbing, heating, ventilation and air conditioning delivery and distribution systems;
    - ii) any defect in materials and labour supplied for the exterior cladding, caulking, windows and doors that may lead to detachment or material damage to the *Common Property*, and
    - iii) any *Building Code Defect*;
  - (c) in the first five years, any *Building Envelope Defect* in the new home including a defect which permits unintended water penetration such that it causes, or is likely to cause, material damage to the new home;
  - (d) in the first ten years, any *Structural Defects*.

### Warranty Limits

2. This policy is limited in total, for all claims under home warranty insurance coverage for defects in the *Common Property* of the *Residential Building*, to:
  - i) the aggregate original contract price for all units contained in the *Residential Building*; or
  - ii) \$100,000.00 times the number of units in the *Residential Building*; or
  - iii) \$2,500,000.00

whichever is less.

For the purposes of calculating these aggregate limits, where two or more *residential buildings* in a strata project share *common property* that is the subject of a claim under this warranty, the costs of the claim shall be allocated among the *residential buildings* which share that *common property*, using the same share calculation that is used to allocate other *common property* expenses between owners in the *Strata Corporation*.

### Components Excluded from Warranty

3. The following components, constructions, buildings, and materials are excluded from this warranty coverage:
  - (a) landscaping, both hard and soft, including plants, fencing, detached patios, planters, gazebos and similar structures (though a *required retaining wall* is not excluded from this warranty);
  - (b) non-residential detached structures including sheds, garages, carports or outbuildings, or any structure or construction not attached to or forming an integral part of a *home* or the *Common Property*;
  - (c) any commercial use area and any construction associated with a commercial use area;
  - (d) roads, curbs and lanes (though driveways and walkways are not excluded from this warranty);
  - (e) site grading and surface drainage, unless on the *Common Property Commencement Date* the construction does not conform with the *Building Code*;
  - (f) the operation of municipal services, including sanitary and storm sewers;
  - (g) a septic tank or septic field;
  - (h) the quality or quantity of water, either from a piped municipal water supply or from a well;
  - (i) a water well;
  - (j) a *home*.
4. The exclusions set out above do not include:
  - (a) recreational and amenity facilities included as the *Common Property* of a new *home*;
  - (b) a parking structure in a multi-unit building to the extent that the parking structure serves this *Residential Building*.

### Defects or Conditions Excluded from Warranty

5. The following conditions or defects are excluded from warranty coverage under this policy:
  - (a) weathering, normal wear and tear, deterioration or deflection consistent with normal industry standards;
  - (b) normal shrinkage of materials caused by drying after construction;
  - (c) any loss or damage which arises while a new *home* is being used primarily or substantially for non-residential purposes;
  - (d) materials, labour or design supplied by an *owner*;

- (e) any damage to the extent that it is caused or made worse by an *Owner*, the *Strata Corporation* or its employees or agents, or a third party (other than the *Builder* or its employees, agents or subcontractors), including:
  - i) negligent or improper maintenance or improper operation,
  - ii) failure to comply with the warranty requirements of the manufacturers of appliances, equipment or fixtures,
  - iii) alterations to the new *home*, including the conversion of non-living space into living space or the conversion of a dwelling unit into two or more units, unless the alterations were undertaken by the *Builder* under the sales contract, and
  - iv) changes to the grading of the ground;
- (f) any damage to the extent that it is caused by the failure of an *owner* or of a *Strata Corporation* to take timely action to prevent or minimize loss or damage, including the failure to give prompt notice to *The Program* of a defect or discovered loss or a potential defect or loss;
- (g) any damage caused by insects or rodents or other animals, unless the damage results from non-compliance with the *Building Code* by the *Builder* or its employees, agents or subcontractors;
- (h) accidental loss or damage from acts of nature including, but not limited to, fire, explosion, smoke, water escape, glass breakage, windstorm, hail, lightning, falling trees, aircraft, vehicles, flood, earthquake, avalanche, landslide, and changes in the level of the underground water table which are not reasonably foreseeable by the *Builder*;
- (i) bodily injury or damage to personal property or real property which is not part of the *home*;
- (j) any defect in, or caused by, materials or work supplied by anyone other than the *Builder* or its employees, agents or subcontractors;
- (k) changes, alterations or additions made to a new *home* by anyone after initial occupancy, except those performed by the *Builder* or its employees, agents or subcontractors as required under Warranty or under the construction contract or sales agreement for the new *home*, and any resultant damage;
- (l) contaminated soil;
- (m) subsidence of the land around a new *home* or along utility lines, other than subsidence beneath footings of a new *home* or under driveways or walkways;
- (n) any defect in or damage to a new *home*;
- (o) bodily injury or damage to personal property caused by the presence or growth of mould.

#### Warranty on Repairs

6. All repairs and replacements made under this warranty are warranted against defects in materials and labour until the later of:
- (a) the first anniversary of the date of completion of the repair or replacement; and
  - (b) the expiry of the applicable new *home* warranty insurance coverage.

## PART 2: CONDITIONS

#### Notice of Defects

- 7.
- (a) Within a reasonable time after the discovery of a defect and before the expiry of the applicable *home* warranty insurance coverage, the *Strata Corporation* or its property manager must give written notice to:
    - i) the *Builder*, and
    - ii) *The Program*.
  - (b) Written notice of a defect must be in reasonable detail, must set out any specific defects covered by *home* warranty insurance, and must include the *home* warranty insurance *policy* number set out on the face of this certificate.
  - (c) If the *Strata Corporation* or its property manager has notified the *Builder* only of a defect before the expiry of the applicable *home* warranty insurance coverage, and the *Strata Corporation* is not satisfied with the *Builder's* repair or resolution of that defect, then the *Strata Corporation* must notify *The Program* in writing within a reasonable period of time, and in any case not more than 60 days after the expiry of the applicable warranty coverage. Such notice must include copies of any relevant documentation and correspondence between the *Strata Corporation* or its property manager and the *Builder*.
  - (d) *The Program* cannot provide warranty coverage for any defects of which *The Program* was not notified pursuant to this Section, even if such defects would otherwise be covered by *home* warranty insurance.

#### Duties of the Owners and Strata Corporation

8. As conditions of this warranty, the *Owner* and *Strata Corporation* must:

- (a) ensure that each *home* and associated *common property* are properly maintained in keeping with whatever recommended maintenance requirements or procedures that were provided to the original *Owner* by *The Program* or the *Builder*;
  - (b) ensure that surface water is always directed away from the foundation of any building;
  - (c) not permit a *home* in the *residential building* to be used other than primarily as a residence;
  - (d) not permit damage to a *residential building* to worsen from non-discovery of indications of a defect due to absence of the *owner* of a *home* in the *residential building*, where indications of such a defect would normally have been noticeable by a reasonably prudent person occupying the *home*;
  - (e) mitigate any damage to the *residential building*, by providing notice of the defect in writing to *The Program* as soon as reasonably possible after discovering the defect, or after indications of water penetration or other defect first become evident, including such indications as:
    - i) water staining on interior surfaces,
    - ii) evident water penetration into wall cavities, ceiling or roof spaces, or other areas of the building, even if such does not appear to be causing damage,
    - iii) water or dampness in carpeting or other floor finishes,
    - iv) mould growth or mildew in areas of the *residential building* where such might be caused by water penetration;
  - (f) where a defect requires immediate attention to prevent or reduce damage to the *residential building*, take all reasonable steps to restrict damage;
  - (g) grant *The Program* or the *Builder* or both access to the *residential building* at all reasonable times to undertake inspection, investigation, monitoring or repair;
  - (h) provide *The Program* with all information and documentation that the *Strata Corporation* has available, as required to investigate a claim or to evaluate maintenance requirements or to undertake repairs.
9. To the extent that damage to the *Common Property* is caused or made worse by the failure of a *Strata Corporation* or an *Owner* to take reasonable steps to mitigate, prevent, or reduce damage or loss as set out in section 8 or under the Regulations, or to provide access for inspection or repair, or to provide information and documentation required to investigate a claim or undertake repairs, such damage may, at *The Program's* option, be excluded from *home warranty* insurance coverage.

### PART 3: OTHER WARRANTY CONDITIONS

#### Mediation

10. If a dispute between *The Program* and a *Strata Corporation* arising under *home warranty* insurance cannot be resolved by informal negotiation within a reasonable time, the *Strata Corporation* may elect to have the dispute referred to mediation under the Homeowner Protection Act, by delivering to *The Program* a written request to mediate. Such mediation shall be conducted in accordance with the requirements set out in Schedule 2 of the Homeowner Protection Act Regulations.
11. Except as set out in the Act and its regulations, *The Program* is not bound by any expressed or implied warranties or representations made by the *Builder* to any *Purchaser* or to the *Strata Corporation*.

#### Subrogated Rights

12. Where *The Program* makes a payment or assumes liability for any payment or repair under this policy, *The Program* is subrogated to all rights of recovery of the *Strata Corporation* and its members against any person or persons who may have caused or contributed to the requirement for the payment or repair under this policy, and *The Program* may bring an action, at its expense, in the name of one or more *Owners* or of the *Strata Corporation* or of *The Program*, to enforce such rights.
13. Where *The Program* brings an action to enforce subrogated rights, the *Strata Corporation* and each *owner* must fully support and assist *The Program* in the pursuit of those rights.

**Aviva Insurance Company of Canada**  
(hereinafter known as "*The Program*")

Represented by its Agent, **National Home Warranty Group Inc.**  
Suite 1100-1125 Howe Street, Vancouver, BC V6Z 2Y6  
Tel (604) 608-6678 Toll-free 1-888-243-8807 Fax (604) 408-1001

**Project Name:**

**Policy Number:**

**Address of Project Unit:**

**Name of Residential Builder:**

**Limited Home Warranty Insurance Policy**  
For a Home in a Strata Residential Building

**SCHEDULE OF HOME WARRANTY EXPIRY DATES**  
(PURSUANT TO HOMEOWNER PROTECTION ACT REGULATION 29/99 SECTION 15 (1))

Notice to the *Owner*: This policy covers different components of your new home for specified periods of time. It is important that the following expiry dates be kept in mind, and *The Program* be given prompt written notice of any defects covered by the policy. *The Program* will honour valid claims received up to the applicable Expiry Date listed below. The following descriptions of the coverage for each Expiry Date (in brackets) are for convenience only; refer to PARTS 1, 2 and 3 of this Limited Home Warranty Insurance Policy and the applicable Definitions for a succinct description of the applicable insurance coverage and exclusions.

**Policy "*New Home Commencement Date*"**

**Policy "*Common Property Commencement Date*"**

**Coverages for the Home** (terms begin on the *New Home Commencement Date*)

- |   |         |            |
|---|---------|------------|
| • One Year (all materials and labour)                         | Expires | 12:01 a.m. |
| • Two Years (major systems, exterior cladding, Building Code) | Expires | 12:01 a.m. |

**Coverage's for Common Property** (terms begin on the *Common Property Commencement Date*)

- |   |         |            |
|---|---------|------------|
| • Fifteen Months (all materials and labour)                   | Expires | 12:01 a.m. |
| • Two Years (major systems, exterior cladding, Building Code) | Expires | 12:01 a.m. |
| • Five Years (building envelope)                              | Expires | 12:01 a.m. |
| • Ten Years (structural)                                      | Expires | 12:01 a.m. |

This is a Limited Policy of Home Warranty Insurance, and it does not cover all components of your new home. Read this *policy* thoroughly. The coverage contained in this Limited Home Warranty Insurance Policy is the only home warranty insurance on your home, which is binding upon *The Program*. This policy is subject to the provisions of the *Homeowner Protection Act* and its regulations.

In this *policy* any terminology printed in *italics* is defined and has the same meaning whether capitalized or not. See DEFINITIONS.



Authorized signature of Insurer

## DEFINITIONS

In this Limited Home Warranty Insurance Policy:

"Act" means the Homeowner Protection Act.

"Builder" means the Licensed Registered Builder named in this Limited Warranty Policy that was engaged under contract by an owner, developer or vendor to perform or cause to be performed all, or substantially all, of the construction of a new home.

"Building Code" means, as applicable:

- (a) the British Columbia Building Code established under the Municipal Act, or
- (b) the Vancouver Building Bylaw established under the Vancouver Charter,

in force at the time that the building permit was issued for the new home or, in jurisdictions where a building permit is not required, in force when construction commences.

"Building Code Defect" means an instance of non-compliance with the Building Code applicable to the new home, if that non-compliance:

- (a) constitutes an unreasonable health or safety risk, or
- (b) has resulted in, or is likely to result in, material damage to the new home.

"Building Envelope Defect" means defects that result in the failure of the building envelope to perform its intended function.

"Building Inspector" means the Authority having Jurisdiction as defined by the BC Building Code.

"Commencement Date" means the Common Property Commencement Date or the New Home Commencement Date, as applicable.

"Common Property" has the same meaning as in the Condominium Act but is limited to only the common property associated with or serving the Residential Building in which the home is situated, and does not include land.

"Common Property Commencement Date" means the date shown on the face of this Policy for the commencement of the warranty on the Common Property of the Residential Building in which the home is situated.

"Defect" means any design or construction, that is contrary to the building code or that requires repair or replacement due to the negligence of a residential builder or person for whom the residential builder is responsible at law.

"Home" means a residential unit in a building constructed by the Builder, or deemed by The Program to be so, and includes a dwelling unit as defined by the Homeowner Protection Act regulations.

"New Home Commencement Date" means the date shown on the face of this Policy for the commencement of the warranty on this home.

"Owner" means the person who owns the new home.

"Policy" means the documents provided to the Owner evidencing the Limited Home Warranty Insurance Policy and all forms, riders and endorsements pertaining or attached hereto.

"The Program" means Aviva Insurance Company of Canada represented by its agent, National Home Warranty Group Inc.

"Project" means the Residential Building or, if there is more than one, all of the Residential Buildings included in a single Strata Corporation, plus associated Common Property.

"Purchaser" means the person or persons who purchased the new Home from the Builder.

"Required Retaining Wall" means a retaining wall that is required by the Building Inspector to be engineered, or a retaining wall that is reasonably required for the direct support of, or to retain soil away from, a new home, a driveway or a walkway.

"Residential Building" means a building containing one or more homes in a strata project, and includes a multi-unit building as defined by the Homeowner Protection Act regulations.

"Strata Corporation" carries the same meaning as in the Condominium Act.

"Structural Defect" means:

- (a) a defect in the materials and labour that results in the failure of a load bearing part of the new home, and
- (b) any defect which causes structural damage that materially and adversely affects the use of the new home for residential occupancy.

## PART 1: COVERAGE

### New Home Materials and Labour Warranty

1. Beginning on the applicable *Commencement Date*, this Limited Home Warranty Insurance includes:
  - (a) In the first 12 months any defect in materials and labour;
  - (b) In the first 24 months:
    - i) Any defect in materials and labour supplied for the electrical, plumbing, heating, ventilation and air conditioning delivery and distribution systems,
    - ii) Any defect in materials and labour supplied for the exterior cladding, caulking, windows and doors that may lead to detachment or material damage to the new *home*, and
    - iii) Any *Building Code Defect*;
  - (c) In the first five years, any *Building Envelope Defect* in the new home including a defect which permits unintended water penetration such that it causes, or is likely to cause, material damage to the new home;
  - (d) In the first ten years, any *Structural Defects*.

### Warranty Limits

2. This policy is limited, for all claims under home warranty insurance coverage applicable to the *home*, to:
  - (a) the original purchase price paid by the *Purchaser*, or
  - (b) \$100,000.00whichever is less.

When calculating the cost of claims in respect of the limits under this *Policy* *The Program* will include:

- i) the cost of repairs,
- ii) the cost of any investigation, engineering and design required for the repairs, and
- iii) the cost of supervision of repairs, including professional review but excluding legal costs.

### Components Excluded from Warranty

3. The following components, constructions, buildings, and materials are excluded from this warranty coverage:
  - (a) Landscaping, both hard and soft, including plants, fencing, detached patios, planters, gazebos and similar structures (though a *required retaining wall* is not excluded from this warranty);
  - (b) Non-residential detached structures including sheds, garages, carports or outbuildings, or any structure or construction not attached to or forming an integral part of the *home*;
  - (c) Any commercial use area and any construction associated with a commercial use area;
  - (d) Roads, curbs and lanes (though driveways and walkways are not excluded from this warranty);
  - (e) Site grading and surface drainage, unless on the applicable *Commencement Date* the construction does not conform with the *Building Code*;
  - (f) The operation of municipal services, including sanitary and storm sewers;
  - (g) A septic tank or septic field;
  - (h) The quality or quantity of water, either from a piped municipal water supply or from a well;
  - (i) A water well (though equipment installed for the operation of a water well used exclusively for the *home* is considered to be part of the plumbing system for the *home* for the purposes of this warranty);
  - (j) Any defect in or damage to *Common Property*.
4. The exclusions set out above do not include:
  - (a) Recreational and amenity facilities situated in, or included as the *common property* of, a new *home*;
  - (b) A parking structure in a multi-unit building to the extent that the parking structure serves this *home*.

### Defects, Costs or Conditions Excluded from Warranty

5. The following defects, costs or conditions are excluded from warranty coverage under this *Policy*:
  - (a) Weathering, normal wear and tear, deterioration or deflection consistent with normal industry standards;
  - (b) Normal shrinkage of materials caused by drying after construction;
  - (c) Any loss or damage which arises while a new *home* is being used primarily or substantially for non-residential purposes;
  - (d) Materials, labour or design supplied by an *Owner*;
  - (e) Any damage to the extent that it is caused or made worse by an *owner* or third party (other than the *Builder* or its employees, agents or subcontractors), including:

- i) Negligent or improper maintenance or improper operation,
  - ii) Failure to comply with the warranty requirements of the manufacturers of appliances, equipment or fixtures,
  - iii) Alterations to the new *home*, including the conversion of non-living space into living space or the conversion of a dwelling unit into two or more units, unless the alterations were undertaken by the *Builder* under the sales contract, and
  - iv) Changes to the grading of the ground;
- (f) Any damage to the extent that it is caused by the failure of an *Owner* to take timely action to prevent or minimize loss or damage, including the failure to give prompt notice to *The Program* of a defect or discovered loss or a potential defect or loss;
  - (g) Any damage caused by insects or rodents or other animals, unless the damage results from non-compliance with the *Building Code* by the *Builder* or its employees, agents or subcontractors;
  - (h) Accidental loss or damage from acts of nature including, but not limited to, fire, explosion, smoke, water escape, glass breakage, windstorm, hail, lightning, falling trees, aircraft, vehicles, flood, earthquake, avalanche, landslide, and changes in the level of the underground water table which are not reasonably foreseeable by the *Builder*,
  - (i) Bodily injury or damage to personal property or real property which is not part of the *home*;
  - (j) Any defect in, or caused by, materials or work supplied by anyone other than the *Builder* or its employees, agents or subcontractors;
  - (k) Changes, alterations or additions made to a new *home* by anyone after initial occupancy, except those performed by the *Builder* or its employees, agents or subcontractors as required under Warranty or under the construction contract or sales agreement for the new *home* and any resultant damage;
  - (l) Contaminated soil;
  - (m) Subsidence of the land around a new *home* or along utility lines, other than subsidence beneath footings of a new *home* or under driveways or walkways;
  - (n) Diminution in the value of the new *home*;
  - (o) Bodily injury or damage to personal property caused by the presence or growth of mould;
  - (p) The cost of removing personal property and pets from the *home* in order to effect repairs resulting from defects to the *home* or to the *Common Property*.

#### Living-Out Allowance

6. If repairs are required under this warranty and the damage to the *home* or the extent of the repairs to the *home* or to the *Common Property* makes the *home* uninhabitable, this policy will cover the reasonable living-out expenses incurred by the *owner* for alternate accommodation, including hotel, motel, boarding house or bed and breakfast or other rental accommodation, subject to a limit of \$100.00 per day for the actual accommodation cost, up to the day the *home* is ready for occupancy, subject to the owner receiving 24 hours advance notice.

This Living-Out Allowance and the limit of \$100.00 per day is inclusive of the limits described under **Warranty Limits 2.** of this *Policy*.

#### Warranty on Repairs

7. All repairs and replacements made under this warranty are warranted against defects in materials and labour until the later of:

- (a) The first anniversary of the date of completion of the repair or replacement; and
- (b) The expiry of the applicable *home* warranty insurance coverage.

## PART 2: CONDITIONS

### Notice of Defects

8.

- (a) Within a reasonable time after the discovery of a defect and before the expiry of the applicable *home* warranty insurance coverage, the *owner* must give written notice to:
  - i) *The Builder*; and
  - ii) *The Program*.
- (b) Written notice of a defect must be in reasonable detail, must set out any specific defects covered by *home* warranty insurance, and must include the *home* warranty insurance policy number set out on the first page of this document.
- (c) If the *Owner* has notified the *Builder* (only) of a defect before the expiry of the applicable *home* warranty insurance coverage, and the *Owner* is not satisfied with the *Builder's* repair or resolution of that defect, then the *Owner* must notify *The Program* in writing up to the close of business of the applicable expiry date. Such notice must include copies of any relevant documentation and correspondence between the *Owner* and the *Builder*.
- (d) *The Program* cannot provide warranty coverage for any defects of which *The Program* was not notified pursuant to this Section, even if such defects would otherwise be covered by *home* warranty insurance.

### Duties of the Owner

9. As conditions of this warranty, the *Owner* must:

- (a) Properly maintain the *home* in keeping with whatever recommended maintenance requirements or procedures that were provided to the original *Owner* by *The Program* or the *Builder*;
  - (b) Ensure that surface water is always directed away from the foundation of the *home*;
  - (c) Not permit the *home* to be used other than primarily as a residence;
  - (d) Not permit damage to a *residential building* to worsen from non-discovery of indications of a defect due to absence of the *Owner*, where indications of such a defect would normally have been noticeable by a reasonably prudent person occupying the *home*;
  - (e) Mitigate any damage to a new *home*, even if the *Owner* does not occupy the *home*, by providing notice of the defect in writing to *The Program* as soon as reasonably possible after discovering the defect, or after indications of water penetration or other defect first become evident, including such indications as:
    - i) Water staining on interior surfaces,
    - ii) Evident water penetration into wall cavities, ceiling or roof spaces, or other areas of the building, even if such does not appear to be causing damage,
    - iii) Water or dampness in carpeting or other floor finishes,
    - iv) Mould growth or mildew in areas of the *home* where such might be caused by water penetration;
  - (f) Where a defect requires immediate attention to prevent or reduce damage to the *home*, take all reasonable steps to restrict damage;
  - (g) Grant *The Program* or the *Builder* or both access to the *home* at all reasonable times to undertake inspection, investigation, monitoring or repair;
  - (h) Provide *The Program* with all information and documentation that the *owner* has available, as required to investigate a claim or to evaluate maintenance requirements or to undertake repairs.
10. To the extent that damage to a new *home* is caused or made worse by the failure of an *owner* to take reasonable steps to mitigate, prevent, or reduce damage or loss as set out in section 8 or under the Regulations, or to provide access for inspection or repair, or to provide information and documentation required to investigate a claim or undertake repairs, such damage may, at *The Program's* option, be excluded from *home* warranty insurance coverage.
11. The *Owner's* duty to mitigate damage to the building survives even if:
- (a) The new *home* is unoccupied,
  - (b) The new *home* is occupied by other than the *Owner*, or
  - (c) The *Owner* notifies the *Strata Corporation*.

### PART 3: OTHER WARRANTY CONDITIONS

#### Mediation

12. If a dispute between *The Program* and an *Owner* arising under *home* warranty insurance cannot be resolved by informal negotiation within a reasonable time, the *Owner* may elect to have the dispute referred to mediation under the Homeowner Protection Act, by delivering to *The Program* a written request to mediate. Such mediation shall be conducted in accordance with the requirements set out in Schedule 2 of the Homeowner Protection Act regulations.

#### Program Obligations

13. Except as set out in the *Act* and its regulations, *The Program* is not bound by any expressed or implied warranties or representations made by the *Builder* to any *Purchaser* or to the *Strata Corporation*.

#### Transfer of Warranty to Subsequent Purchasers

14. In the event that ownership of the *home* changes during the term of this warranty:
- (a) No notice to *The Program* is required, as the *home* warranty insurance pertains solely to the new *home* for which it provides coverage.
  - (b) All of the applicable unused benefits under *home* warranty insurance are automatically transferred to the new *Owner*, and
  - (c) The new *Owner* is not entitled to any benefits under the Limited Warranty that would not have accrued to the *Owner* had the *Owner* retained ownership of the *home*.

#### Subrogated Rights

15. Where *The Program* makes a payment or assumes liability for any payment or repair under this policy, *The Program* is subrogated to all rights of recovery of the *Owner* against any person or persons who may have caused or contributed to the requirement for the payment or repair under this policy, and *The Program* may bring an action, at its expense, in the name of the *Owner* or of the *Strata Corporation* or of *The Program*, to enforce such rights.
16. Where *The Program* brings an action to enforce subrogated rights, the *Owner* must fully support and assist *The Program* in the pursuit of those rights.

EXHIBIT "G"

AGREEMENT OF PURCHASE AND SALE

SHANNON WALL CENTRE KERRISDALE – COACH HOUSE

AGREEMENT OF PURCHASE AND SALE

BUILDING: Coach House  
UNIT \_\_\_\_\_  
STRATA LOT \_\_\_\_\_

VENDOR: **SHANNON WALL CENTRE CONDOMINIUM DEVELOPMENTS LIMITED PARTNERSHIP**, c/o McLachlan Brown Anderson, 10th Floor, 938 Howe Street, Vancouver, British Columbia V6Z 1N9

PURCHASER: \_\_\_\_\_  
FULL NAME: \_\_\_\_\_ FULL NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_ ADDRESS: \_\_\_\_\_  
Tel: (h) \_\_\_\_\_ (w) \_\_\_\_\_ Tel: (h) \_\_\_\_\_ (w) \_\_\_\_\_  
Fax: (h) \_\_\_\_\_ (w) \_\_\_\_\_ Fax: (h) \_\_\_\_\_ (w) \_\_\_\_\_  
Email: \_\_\_\_\_ Email: \_\_\_\_\_

(Such one or more parties being hereinafter referred to as the "Purchaser")

The Strata Lot is the strata lot identified above and is situated in a development (the "Development") known as "Shannon Wall Centre Kerrisdale – Coach House", in the City of Vancouver, British Columbia, as more particularly described in the Information Statement.

THE PURCHASE PRICE The Purchase Price for the Strata Lot is \$ \_\_\_\_\_ payable as follows:

- (a) **First Deposit:** A deposit of 10% of the Purchase Price payable by cheque or bank draft upon execution of this Agreement by the Purchaser. \$ \_\_\_\_\_
- (b) **Second Deposit:** A deposit to be equal to 10% of the Purchase Price to be paid on the earlier of that date which is seven days after receipt of the Amendment to the Information Statement referred to in paragraph 21 herein and the 1st day of August, 2013. \$ \_\_\_\_\_
- (c) **Third Deposit:** A deposit to be equal to 5% of the Purchase Price to be paid on a date which is 180 days after the date the Second Deposit is due pursuant to subsection (b) above. \$ \_\_\_\_\_

(Such deposits being hereinafter collectively referred to as the "Deposit".)

The balance of the purchase price, subject to closing adjustments, shall be paid by certified cheque or bank draft on the Completion Date. \$ \_\_\_\_\_

initial – V

initial – P

INFORMATION STATEMENT – The Purchaser acknowledges that the Purchaser has received a copy and has been given an opportunity to read the Information Statement dated February 15, 2013 in respect of the Strata Lot (the “Information Statement”) and that this Agreement constitutes a receipt in respect thereof. The Purchaser also acknowledges receiving and being afforded the opportunity to read Part VII of the *Strata Property Act* covering the current bylaws and amendments thereto contained in the Information Statement.

initial - P

APPLIANCES - The Strata Lot shall include the following appliances: refrigerator, stove, dishwasher, garburator, microwave, hood fan, washer and dryer and window blinds. The Purchase Price does not include decorator items as shown in the display area.

PARKING - The Purchase Price will include the right to the exclusive use of two parking stall(s) to be allocated as contemplated in paragraph 3.6 of the Information Statement.

initial – P  
  
initial – V

COMPLETION DATE - The Completion Date for the purchase and sale of the Strata Lot will be as set out in paragraph 3 of Exhibit 1.

VENDOR’S CONDITION - The Vendor may, at its sole option, terminate this Agreement of Purchase and Sale and refund the Deposit received from the Purchaser if the Vendor has not entered into binding agreements of purchase and sale with respect to at least 100% of the Strata Lots (4 out of a total of 4 Strata Lots) on or before the 31st day of December, 2013. The Vendor reserves the right to remove this condition if less than the specified number of Strata Lots have been sold prior to the time specified. The Vendor shall give notice to the Purchaser or the Purchaser’s solicitors or the Purchaser’s real estate agent on or before such date advising whether or not it has removed the subject condition. This condition is for the sole benefit of the Vendor and may be waived by the Vendor unilaterally.

The Purchaser hereby offers and, if this offer is accepted by the Vendor, agrees to purchase from the Vendor certain rights to the Strata Lot on the terms set out above and on Exhibit 1 hereto which forms part of this agreement.

Upon acceptance of this offer by the Vendor, this Agreement of Purchase and Sale including Exhibit 1 attached hereto shall become a binding contract for the purchase and sale of the Strata Lot in accordance with the terms hereof. The Vendor and/or Purchaser may make this offer or accept it by executing in counterpart a facsimile copy of this offer and delivering it by facsimile or by any other means to the other party.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser’s Signature

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser’s Signature

The Vendor hereby accepts the Purchaser’s offer herein on the terms set out above and in Exhibit 1 attached hereto.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

**SHANNON WALL CENTRE CONDOMINIUM DEVELOPMENTS LIMITED PARTNERSHIP**, by its General Partner, **SHANNON WALL CENTRE CONDOMINIUMS GP INC.**

Per: \_\_\_\_\_  
Authorized Signatory

TRUSTEE:  
**WALL FINANCIAL CORPORATION**

Per: \_\_\_\_\_  
Authorized Signatory

initial – V      initial – P

EXHIBIT 1

1. DEPOSIT - The Deposit shall be paid by certified cheque or bank draft by the Purchaser, and shall be held in trust as a stakeholder by the Vendor's solicitors, McLachlan Brown Anderson. The Deposit shall be repaid to the Purchaser or the Purchaser's solicitor, as liquidated damages and as the Purchaser's sole remedy if the sale and purchase contemplated by this Agreement is not completed by reason of the Vendor's default hereunder. Unless the balance of purchase price is paid, and such formal agreements to pay the balance as necessary is entered into on or before the Completion Date, the Vendor may, at the Vendor's option, terminate this contract, and, in such an event, the Deposit paid by the Purchaser will be non-refundable and absolutely forfeited to the Vendor in accordance with the *Real Estate Services Act*, on account of damages, without prejudice to the Vendor's other remedies. The Vendor's solicitors, McLachlan Brown Anderson, shall be entitled to hold the Deposit in an interest bearing account and any interest on the Deposit monies paid hereunder shall be for the sole account of the Vendor in any circumstance. Notwithstanding the foregoing, the Vendor may wait to forward the First Deposit to the Vendor's Solicitor until the seven (7) day rescission period pursuant to the *Real Estate Development Marketing Act* (British Columbia) has past and the Purchaser has not rescinded this Agreement by such time.

The Purchaser shall, in lieu of not receiving any interest on the Deposit, be entitled to receive a credit on the Statement of Adjustments on the Completion Date in an amount equal to 1% per annum of the Deposit calculated from the date each amount of Deposit is paid and deposited into the trust account of McLachlan Brown Anderson to the Completion Date. The Purchaser shall pay all tax on the full Purchase Price without reduction of the credit and the Purchase Price amount shall not be reduced by such credit.

2. U.S. DOLLAR DEPOSITS. Deposit payments made in U.S. funds will be held in a U.S. dollar trust account until payment clears at which time they will be converted to Canadian dollars and transferred into a Canadian dollar trust account. Neither the Vendor nor its solicitors are responsible for changes in currency exchange rates. The Purchaser acknowledges that U.S. dollar trust accounts are not insured by the Canadian Deposit Insurance Corporation.

3. COMPLETION DATE -

(a) The Completion Date will be a date established by the Vendor and set out in a written notice to the Purchaser or his solicitor (the date so established herein called the "Completion Date") which shall be a minimum of 14 days after the date on which the Vendor has delivered the aforesaid notice to the Purchaser or his solicitor. The Completion Date shall be after the date that the City of Vancouver has given permission to occupy the Strata Lot and title to the Strata Lot has been issued by the appropriate Land Title Office. The Vendor presently anticipates that such permission and issuance of titles will be given between on or about the 1st day of April, 2015 and the 31st day of December, 2015. For the purposes of this paragraph, permission to occupy the strata lot means the initial permission given by the City of Vancouver, whether such permission is temporary, conditional or final and refers to occupation of the Strata Lot only and not to occupation of other Strata Lots or common property in the Development.

(b) The Completion Date will be no later than the 31st day of December, 2015 provided that if the Vendor is delayed from completing the Strata Lot because of any circumstance described in paragraph 3(c), the Vendor may at any time on or before the Completion Date by written notice (the "Notice") addressed to the Purchaser and delivered to the Purchaser's address as set out above, extend the Completion Date to a such later date as may be specified in the Notice provided that if the Completion Date must be extended for more than 6 months from the 31st day of December, 2015, then the Purchaser may, at his option (which option must be exercised within 5 days after receipt of the Notice), terminate this agreement by giving written notice to such effect to the Vendor. Upon such termination, the Deposit will be returned by the Vendor to the Purchaser forthwith upon notice of termination and the Vendor and the Purchaser shall thereafter have no

initial - V    initial - P

further obligations to one another hereunder. Any reference hereafter to the Completion Date will be a reference to the Completion Date as may be extended pursuant to this paragraph 3(b).

- (c) If the Vendor is delayed in completing construction of the Strata Lot or in doing anything the Vendor is required to do pursuant to this agreement, and the delay is caused by any condition or cause beyond the reasonable control of the Vendor including, without limitation, acts or omissions by third parties not related to the Vendor, strike, lockout, labour dispute, unusual geotechnical conditions, climactic conditions, act of god, inability to obtain labour or materials, laws, ordinances, rules, regulations or orders of governmental authorities, enemy or hostile action, civil commotion, fire or other casualty, the time for completing construction of the Strata Lot or for the Vendor doing anything the Vendor is required to do pursuant to this agreement, shall be extended by a time equivalent to the period of such delay.
  
- 4. ADJUSTMENT DATE - All adjustments relating to the purchase of the Strata Lot with respect to taxes, utilities and other items normally adjusted between a Vendor and a Purchaser will be made on the Completion Date.
  
- 5. PROPERTY TAXES - The Purchaser hereby acknowledges and agrees that there may not be individual municipal property tax notices issued in respect of the Strata Lot prior to the Completion Date, and in such case the Purchaser covenants and agrees that municipal property taxes will be adjusted on the basis of the interest upon destruction of the Strata Lot as a percentage of the aggregate interests upon destruction of all Strata Lots within the strata plan (the "Strata Plan") of which the Strata Lot forms a part. If the Completion Date occurs prior to the date upon which municipal property taxes are due in respect of the Strata Plan, then notwithstanding that the Purchaser may not be entitled to an individual tax receipt in respect of the Strata Lot, the Purchaser shall pay the adjusted tax portion to the Vendor, who hereby covenants and agrees to pay municipal property taxes for the current year in respect of the Strata Lot.
  
- 6. OCCUPANCY DATE - Provided that the Vendor's solicitors have received the adjusted Purchase Price from the Purchaser in accordance with the terms of this Agreement, the Purchaser shall have occupancy of the Strata Lot two (2) days after the Completion Date.
  
- 7. DEVELOPMENT - The Vendor will proceed to construct the development (the "Development") as set out in the Information Statement, provided that the Vendor may make modifications as are desirable and reasonable.
  
- 8. RISK - The Strata Lot will be at the Vendor's risk and shall be insured by it until 12:01 a.m. on the Completion Date, and thereafter shall be at the Purchaser's risk.
  
- 9. BUILDER'S LIEN - The Vendor acknowledges that there may be a builder's lien holdback (the "Holdback"), as required by the *Strata Property Act* of British Columbia and *Builder's Lien Act* of British Columbia or successor statute. The Purchaser agrees that the Holdback shall be paid to the Vendor's solicitor on the Completion Date and shall be held in trust for the Purchaser pursuant to the *Strata Property Act* of British Columbia and *Builder's Lien Act* of British Columbia or successor statute solely in respect of any lien claims registered in the appropriate Land Title Office in connection with work done on the building comprising the Strata Lot. The Vendor's solicitors are authorized to invest the Holdback in an interest bearing trust account and to pay to the Vendor on the 56th day (the "Payment Date") after the Completion Date, the Holdback plus interest accrued thereon, less the amount of any builder's lien claims filed against the Strata Lot of which the Purchaser or the Purchaser's solicitors notify the Vendor's solicitors in writing by 3:00 p.m. on the Payment Date.
  
- 10. VENDOR'S REPRESENTATIONS - The Vendor hereby represents and warrants that on the Completion Date, the Vendor will cause good and marketable title to the Strata Lot to be transferred to the Purchaser, subject only to subsisting conditions, provisos, restrictions, exceptions and reservations contained in the original grant or in any other grant or disposition from the Crown, except as set out in the Information Statement and except for the Vendor's financial charges to be discharged by the Vendor as provided in paragraph 10 herein.

initial - V    initial - P

11. VENDOR'S FINANCING - The transfer of the Strata Lot may be subject to Vendor's financial encumbrances. The Vendor will pay and discharge existing financial encumbrances from the title to the Strata Lot after receipt of the Purchase Price, but in this event, the Purchaser shall pay the Purchase Price to the Vendor's solicitors on undertakings to pay and discharge the financial charges, and remit the balance, if any, to the Vendor. It is agreed by the Purchaser that if the Vendor's financial encumbrances are registered against the Common Property, the Vendor's financial encumbrances will not be discharged against the Common Property until the Vendor's financial charges are fully paid.
12. CLOSING PROCEDURES - The Purchaser's solicitors will prepare and deliver to the Vendor's solicitors at least five (5) business days prior to the Completion Date, a Statement of Adjustments and Transfer for the Strata Lot and will cause the Purchase Price to be paid to the Vendor's solicitors upon the Transfer being tendered for registration at the Land Title Office and a satisfactory post-registration index search being concluded. The Purchaser agrees to accept the transfer executed by the Vendor in satisfaction of paragraph 6 of the *Property Law Act* of British Columbia. The Purchaser will pay all costs relating to the transfer of title to the Strata Lot, including Property Purchase Tax and Goods and Services Tax. The Vendor will pay all costs relating to the discharge of any financial encumbrances relating to the Vendor's financing.
13. REMEDIES OF THE VENDOR - If the Purchaser does not comply with the terms of this Agreement, the Vendor may at its option, by notice in writing to the Purchaser, cancel this Agreement which shall then be of no further force and effect and the Deposit(s) shall be forfeited to the Vendor on account of damages but without prejudice to any further right or remedies of the Vendor in accordance with paragraph 1 herein.
14. NOTICE - Any notice to be given under this Agreement shall be in writing addressed to the respective parties or their respective solicitors and sent by postage prepaid (air mail if to or from outside of Canada) or delivered by hand or transmitted by telecopy to the addresses set out above, or such other address as any party may notify all other parties in accordance with this provision, and shall be deemed to have been received, if delivered or transmitted, when delivered or transmitted and if mailed, on the fifth business day after such mailing.
15. GOVERNING LAW - This Agreement shall be governed by the laws of the Province of British Columbia. The Vendor and Purchaser agree to attorn to the jurisdiction of the British Columbia Courts which shall have the exclusive jurisdiction to determine any legal dispute arising out of this Agreement.
16. TIME OF THE ESSENCE - Time shall be of the essence of this Agreement.
17. INTEREST IN LAND - Upon title to the Strata Lot being registered in the Land Title Office in the Purchaser's name, the Purchaser shall become the absolute owner (fee simple) of the Strata Lot, however, until such time this Agreement of Purchase and Sale shall not create any interest in land and shall not be registered in the Land Title Office.
18. BINDING EFFECT - This Agreement shall be binding upon the Vendor and the Purchaser and their respective heirs, executors, administrators, successors and assigns.
19. ASSIGNMENT - The Purchaser may only assign the Purchaser's interest in this Agreement on or after that date which is 12 months after the date the Vendor accepts the Purchaser's offer and on or before the 1st day of November, 2014 being the date which is five months prior to the estimated earliest Completion Date, and in any event, only if: (a) all Deposits required to be paid on or before the proposed date of assignment have been paid; and (b) the Purchaser has obtained the prior written consent of the Vendor, which consent may be unreasonably withheld in the Vendor's sole discretion. Any request for the consent of the Vendor to the assignment of the Purchaser's interest in this Agreement must be made via the Vendor's Real Estate Agent, as defined in the Information Statement. No assignment by the Purchaser shall release the Purchaser from the Purchaser's obligations hereunder. The Purchaser shall pay to the Vendor an administration fee in the amount of \$5,000.00 (plus GST/HST) for the assignment of the Purchaser's interest in the Unit or in this Agreement (the "Assignment"), as consideration for agreeing to the Assignment and for any associated legal and administrative costs. In the event that the Purchaser wishes to

initial - V    initial - P

assign its rights under this Agreement to his spouse, or to a member of his immediate family (which shall be deemed to include only parents and children of the Purchaser), or to a company which is wholly owned by the Purchaser, the Vendor may, in its sole discretion, waive the assignment fee, but only on the condition that the Purchaser first provide the Vendor's solicitors with a statutory declaration sworn by the Purchaser setting out the particulars of the relationship between the Purchaser and the assignee in sufficient detail as to be reasonably satisfactory to the Vendor's solicitors. The Purchaser shall not advertise or solicit offers from the public nor list the Unit on the Multiple Listing Service with respect to the resale of the Purchaser's interest in the Unit prior to the Closing Date, except through the Vendor's Real Estate Agent, as defined in the Information Statement, without the prior written consent of the Vendor, which consent may be refused by the Vendor in the Vendor's sole discretion.

20. COSTS/TAX - The Purchaser shall be solely responsible and will pay all Tax, costs and expenses incurred in connection with the completion of the purchase and sale of the Strata Lot other than the costs of the Seller incurred in clearing title to the Strata Lot of financial encumbrances. Tax is not included in the Purchase Price. The Vendor will remit the Tax collected to Canada Revenue Agency and the Purchaser will be solely responsible to collect any applicable rebate of Tax. For greater certainty, the Vendor will not pay to or credit the Purchaser with any applicable new housing, transitional or other rebates in respect of any Tax payable in respect of the purchase of the Strata Lot by the Purchaser. To the extent any such rebates are available to the Purchaser, it will be the Purchaser's sole responsibility to satisfy itself as to eligibility and to make application for any applicable rebates.

21. NEW HOUSING TRANSITION TAX AND REBATE ACT DISCLOSURE - The Vendor provides the following information pursuant to section 30(1) of the *New Housing Transition Tax and Rebate Act*, SBC 2012, c. 31.

- (a) The value of consideration for the sale as established for GST/HST purposes is \_\_\_\_\_.
- (b) The purchase price in the Agreement of Purchase and Sale does not include B.C. transition tax, GST or HST.
- (c) The vendor in respect of the sale is not a foreign supplier as defined in the *New Housing Transition Tax and Rebate Act*.
- (d) As required by the *New Housing Transition Tax and Rebate Act* in these circumstances, the following notice is set out:

**NOTICE TO PURCHASER**

If (a) both ownership and possession of newly constructed or substantially renovated housing, or an interest in such housing, transfer on or after April 1, 2013 and (b) either ownership or possession of the housing or interest transfers before April 1, 2015, then

(i) the 7% provincial part of the HST and the BC HST new housing rebate for primary places of residence generally will not apply,

(ii) the 2% B.C. transition tax may be payable by the purchaser, and

(iii) the supplier may be eligible for a B.C. transition rebate in respect of the housing.

For more information refer to  
<http://www.cra-arc.gc.ca/E/pub/gi/notice276/README.html>

22. AMENDMENT TO INFORMATION STATEMENT - The Vendor anticipates that the building permit for the Development will be issued and financing arranged for the Development on or about the 1st day of

initial - V    initial - P

October, 2013. At the time a building permit and financing has been obtained for the Development, an amendment (the "Amendment") to the Information Statement, will be filed setting out the particulars of the issuance of the building permit and financing. The Superintendent of Real Estate requires that the following provision be made a term of this Agreement of Purchase and Sale:

- (a) the Purchaser may cancel this Agreement of Purchase and Sale for a period of seven (7) days after receipt of the Amendment if the layout or size of the Strata Lot, the construction of a major common facility forming part of the Development or the general layout of the Development is materially changed by the issuance of the building permit;
- (b) if the Amendment setting out the particulars of the building permit is not received by the Purchaser within 12 months after the date the Vendor filed the Initial Information Statement with the British Columbia Superintendent of Real Estate, the Purchaser may at his or her option cancel this Agreement of Purchase and Sale at any time after the end of that 12 month period until the required Amendment is received by the Purchaser at which time, the Purchaser may cancel this Agreement of Purchase and Sale for a period of seven (7) days after receipt of the Amendment only if the layout or size of the Strata Lot, the construction of a major common facility forming part of the Development including a recreation centre or clubhouse or the general layout of the Development is materially changed by the issuance of the building permit;
- (c) the amount of the deposit to be paid by the Purchaser who has not yet received the Amendment shall be no more than 10% of the Purchase Price; and
- (d) in circumstances where the Purchaser is permitted to cancel this Agreement of Purchase and Sale under this Section, all deposits paid by the Purchaser including interest, if any, will be returned promptly to the Purchaser upon delivery of notice of cancellation of this Agreement of Purchase and Sale as permitted under this Section from the Purchaser to the Vendor.

Subsections (a), (b), (c) and (d) hereof shall apply only until such time as the Vendor files the Amendment to the Information Statement setting out the details of the issuance of the building permit and financing, such Amendment is delivered to the Purchaser and if applicable the seven (7) day cancellation period referred to in this Section has expired.

23. INSPECTION AND DEFICIENCIES – The Purchaser, or a representative of the Purchaser, and a representative of the Vendor shall inspect the Strata Lot prior to the Completion Date at a time that is established by the Vendor. At the conclusion of the inspection, a conclusive list of any defects or deficiencies (the "Deficiencies") shall be prepared by the Vendor and Purchaser. The parties or their respective representatives shall sign the list and the Purchaser shall be deemed to have accepted the physical condition of the Strata Lot subject only to the listed Deficiencies. If the Purchaser fails to inspect the Strata Lot, or fails to sign the list of defects and deficiencies or if there is any dispute as to the defects and deficiencies, the project architect for the Project shall settle the list of defects and deficiencies or the matter in dispute, it being agreed that such determination by the project architect shall be binding upon the parties and need not occur prior to the Completion Date. The fees of the architect in preparing such a list will be shared equally by the Vendor and Purchaser. The Vendor will remedy the defects or deficiencies noted on the list or as settled by the project architect as soon as reasonably possible after the Completion Date to the satisfaction of the project architect, and the parties agree that notwithstanding the existence of any defects or deficiencies on the Completion Date, such shall not permit the Purchaser to elect not to complete the purchase of the Strata Lot and there shall be no deficiency holdback in respect of any defects or deficiencies which may exist on the Completion Date.

24. LAYOUT OF THE STRATA LOT – The Purchaser confirms the Vendor reserves the right to reconfigure the Development by altering the location of some of the strata lots relative to other strata lots and common property and changing the number of strata lots, all as determined by the Vendor in its sole discretion. The Purchaser also acknowledges and agrees that the Vendor may from time to time, in its sole discretion, or as required by any governmental authority, change, vary or modify the plans and specifications pertaining to

initial – V    initial – P

the property, the Development or the Strata Lot (including architectural, structural, interior design, engineering, landscaping, grading, mechanical, site service or other plans) from the plans and specifications as they exist at the time the Purchaser has entered into this Agreement, or as same may be illustrated on any sales brochures or promotional materials. The Purchaser acknowledges that the area of the Strata Lot as shown on the strata plan to be filed in the Land Title Office upon completion of the Project (the "Final Strata Plan") may vary from the figures shown on the Preliminary Strata Plan as set out in the Information Statement and in the marketing materials for the Development. The Final Strata Plan will be based on an as-built survey of the Development. The actual size, dimensions and/or configuration of the strata lots, patios, decks and/or other common property or limited common property may vary from what is depicted on the Preliminary Strata Plan and/or the Architectural Plans. The areas and dimensions of the strata lots in the Development set out in the sales brochures or other marketing materials are provided for information purposes only and are not represented as being the actual final areas and dimensions of the strata lots in the Development. In the event of any discrepancy as between the area, size, dimensions, location and/or configuration of the strata lots, patios, decks, and/or other common property or limited common property in the Preliminary Strata Plan and the Final Strata Plan, the Final Strata Plan shall prevail.

The Purchaser further acknowledges that the Vendor may make modifications in features, design, layout, window area and location as in the opinion of the Vendor and the Vendor's architect are necessary, desirable or reasonable and may use materials other than as prescribed in the plans and specifications if they are reasonably similar or better in quality to that which is described. In this agreement, "Architectural Plans" shall mean the architectural plans for the Development prepared by the Vendor's architect and any and all amendments thereto.

The Purchase Price set forth herein for the Strata Lot is based on the area as set out in the Preliminary Strata Plan (the "Area") for the Strata Lot. In the event the actual area of the Strata Lot is more than 3% smaller than the Area (the "Variance"), the Purchase Price will be decreased by the Adjustment Factor (as hereinafter defined) times the number of square feet equal to that part of the Variance which is more than 3% smaller than the Area. In this Section 24, Adjustment Factor means the price per square foot determined by dividing the Purchase Price by the Area. In the event the actual square footage of the Strata Lot decreases by no more than 3% of the Area, there shall be no adjustment to the Purchase Price. The actual area of the Strata Lot shall be conclusively determined by the Final Strata Plan registered in the Land Title Office.

25. ADJACENT DEVELOPMENT - The Purchaser acknowledges that this Development is part of a larger   parcel of land that will be further developed in the future as described in Section 7.1 of the Information Statement and that as a consequence of these developments there will be noise and construction activity until the development is completed. initial - P

26. PERSONAL INFORMATION - The Purchaser and the Vendor hereby consent to the collection, use and Information by the agents and salespersons described in any schedules hereto, the real estate boards of which those agents and salespersons are members and, if the Property is listed on a Multiple Listing Service, the real estate board that operates that Multiple Listing Service, of personal information about the Purchaser and the Vendor: (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 of that real estate board and other real estate boards; (c) for enforcing codes of professional conduct and ethics for members of real estate boards; and (d) for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled "Working with a Real Estate Agent".

The Purchaser hereby also consents to the collection, use and disclosure of personal information contained in this Agreement, otherwise collected by or on behalf of the Vendor for the purpose of assisting the Vendor in securing financing for the Development and for additional purposes identified when or before personal information is collected.

initial - V initial - P

27 MISCELLANEOUS - This Agreement is the entire agreement between the parties and there are no other terms, conditions, representations, warranties or collateral agreements, express or implied, whether made by the Vendor, any agent, employee or representative of the Vendor or any other person. All of the terms, conditions, representations and warranties contained in this Agreement will survive closing and the transfer of the Property to the Purchaser. This Agreement will be governed by the laws of British Columbia. If the Purchaser is comprised of more than one person, the covenants and obligations of all parties comprising the Purchaser are joint and several.

initial - V      initial - P

\* NOTE FOR PURCHASERS AND AGENTS \*\*

**THIS AREA IS FOR INFORMATION CONTROL ONLY**

Purchaser's Solicitors

Selling Agent

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Selling Person's Name)

\_\_\_\_\_  
(Law firm)

\_\_\_\_\_  
(Real Estate Company)

\_\_\_\_\_  
(City, Province)

Phone No.:  
Facsimile No.:

Phone No:  
Facsimile No:

Vendor's Solicitors:

McLachlan Brown Anderson  
10th Floor - 938 Howe Street  
Vancouver, British Columbia  
V6Z 1N9

Attention: Robert Brown

Phone No: (604) 331-6000  
Facsimile No: (604) 331-6008

**ADDENDUM**

DATED: \_\_\_\_\_, 2013.

Attached to and forming part of the Agreement of Purchase and Sale (the "Agreement") accepted by the vendor on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, the purchaser agreed to purchase the property in a development known as Shannon Wall Centre Kerrisdale – Coach House, as described in the Agreement as Unit \_\_\_\_\_, Strata Lot \_\_\_\_\_, between Shannon Wall Centre Condominium Developments Limited Partnership, as Vendor and \_\_\_\_\_, as Purchaser.

**THE UNDERSIGNED AGREE AS FOLLOWS:**

1. The Purchaser may rescind (cancel) the Agreement by serving written notice on the developer or the developer's brokerage, within 7 days after the later of the date the Agreement was entered into or the date the Purchaser or lessee received a copy of the Information Statement.
2. The 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 Information Statement received by the Purchaser;
  - (b) the developer at the address shown in the Purchaser's Agreement,
  - (c) the developer's brokerage, if any, at the address shown in the Information Statement received by the Purchaser, or
  - (d) the developer's brokerage, if any, at the address shown in the Purchaser's Agreement.

The developer may 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 or wait until the 7 day period has expired before doing so. If a purchaser rescinds the Agreement as provided for herein, the developer or the developer's trustee must promptly return the deposit to the purchaser or if not deposited the deposit cheque.

This Addendum may be delivered by facsimile and such facsimile copies so signed and delivered shall be deemed to be an original, and such facsimile copies together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear the date hereinbefore mentioned.

ALL OTHER TERMS AND CONDITIONS CONTAINED IN THE SAID AGREEMENT REMAIN THE SAME AND IN FULL FORCE AND EFFECT.

**SHANNON WALL CENTRE  
CONDOMINIUM DEVELOPMENTS  
LIMITED PARTNERSHIP** by its General  
Partner, **SHANNON WALL CENTRE  
CONDOMINIUMS GP INC.**

\_\_\_\_\_  
Purchaser

Per:

\_\_\_\_\_  
Authorized Signatory

**WALL FINANCIAL CORPORATION**

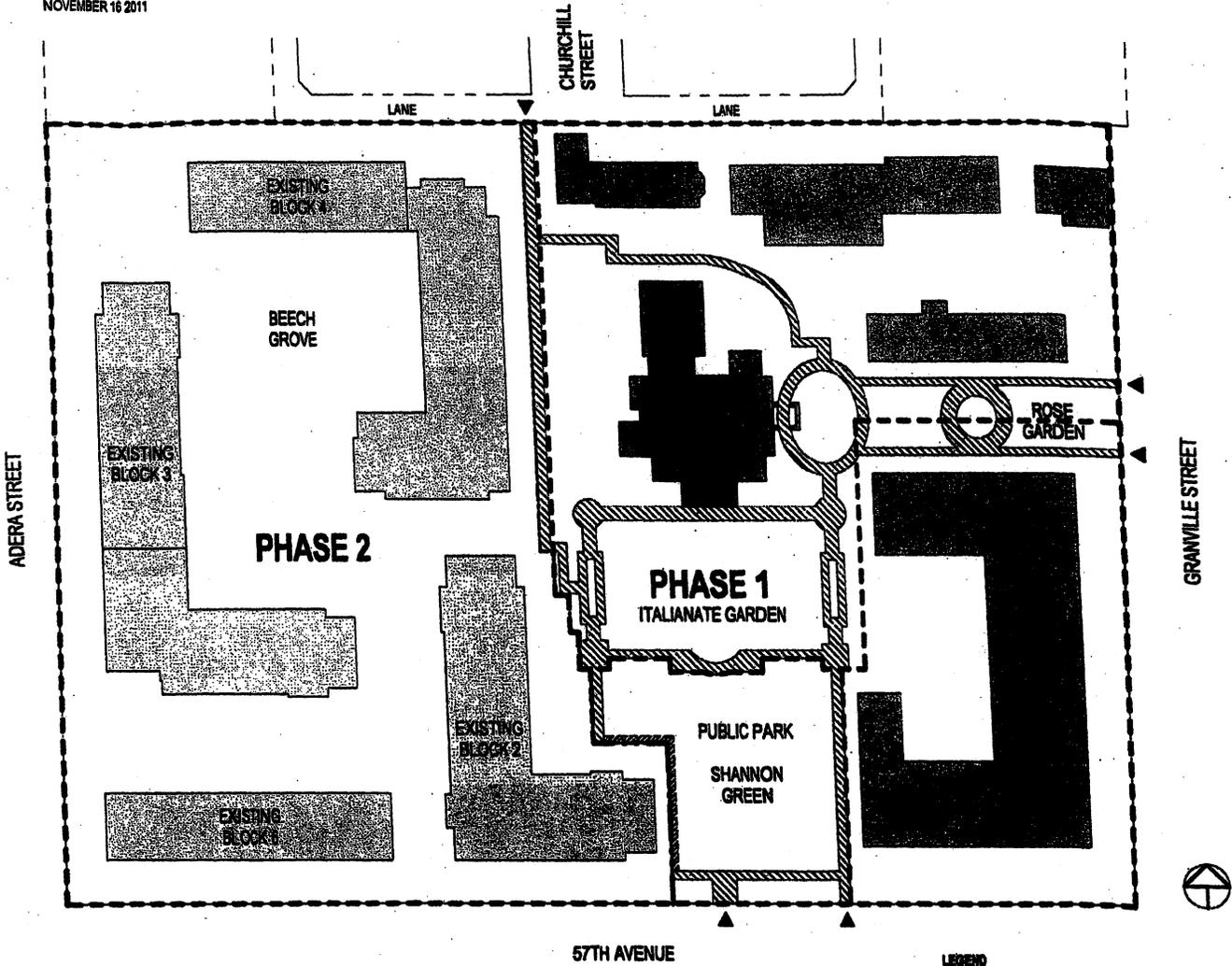
Per:

\_\_\_\_\_  
Authorized Signatory

EXHIBIT "H"  
PUBLIC ACCESS

# Sketch of Public Walkways

**PHASE ONE ROW PLAN**  
NOVEMBER 16 2011

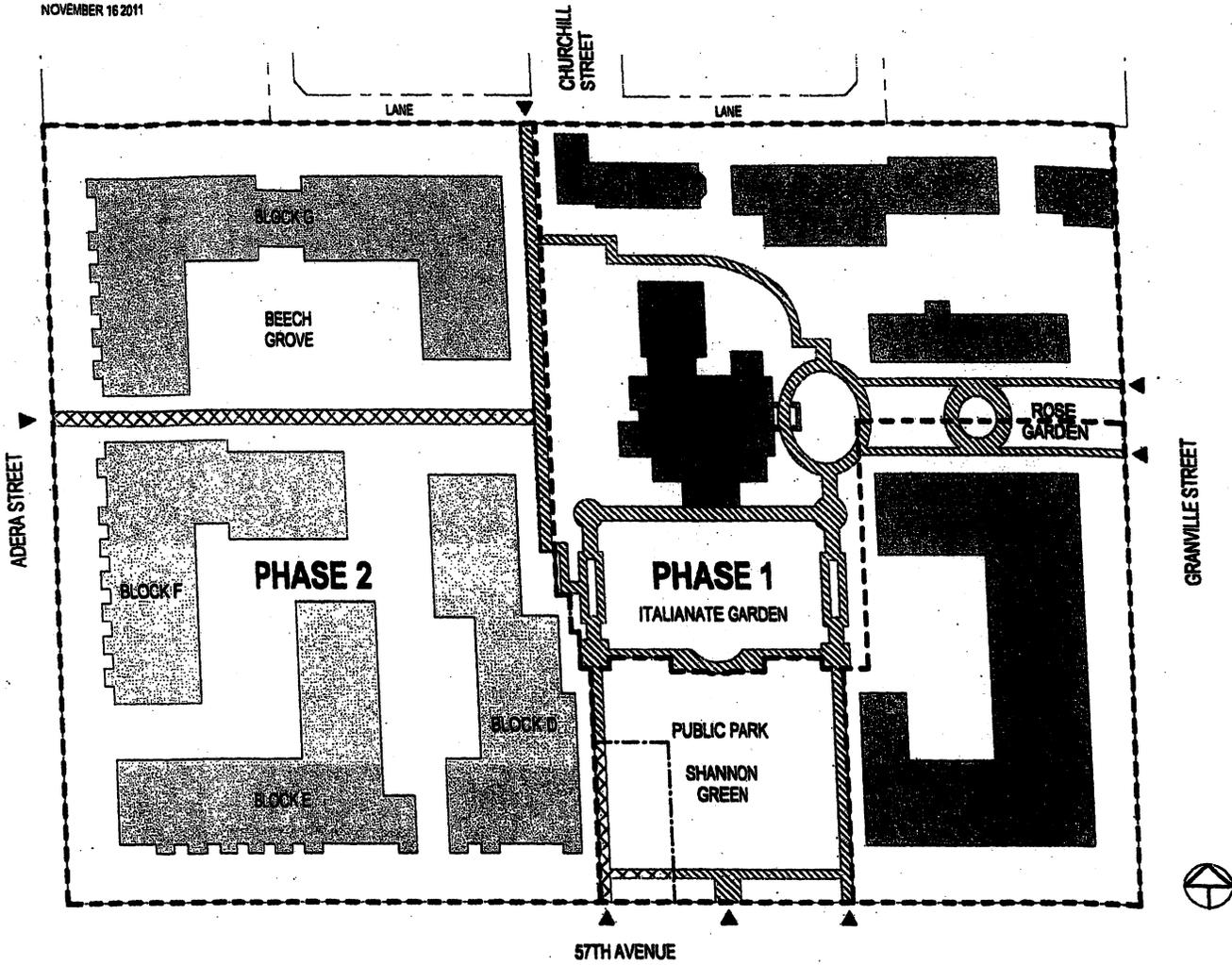


**LEGEND**

- TEMPORARY PHASE 1 SUBDIVISION LINE
- - - SUBDIVISION LINE
- · - · PHASING LINE
- ▨ PHASE 1 ROW
- ▩ PHASE 1 TEMPORARY PATHWAY UNTIL PHASE 2
- ▲ ACCESS POINTS

**PHASE TWO ROW PLAN**

NOVEMBER 16 2011



**LEGEND**

- SUBDIVISION LINE
- - - PHASING LINE
- ▨ PHASE 1 ROW
- ▩ PHASE 2 ROW
- ▲ ACCESS POINTS

EXHIBIT "I"  
SUBDIVISION PLAN



**STERLING, COOPER CONSULTANTS INC.**  
CONSULTING MECHANICAL ENGINEERS

**TRANSMITTAL/FAX MEMO**

608 – 1166 Alberni Street, Vancouver, B.C. V6E 3Z3  
Tel: (604) 734-9338 Fax: (604) 737-7102  
E-mail: mail@sterlingcooper.com

**PROJECT: SHANNON ESTATES THERMAL ENERGY SYSTEM  
7199 GRANVILLE STREET**

**NO: 8002-144  
DATE: NOV. 10, 2016**

**CC** SHANNON WALL CENTRE RENTAL APARTMENTS LIMITED PARTNERSHIP  
1010 BURRARD STREET, VANCOUVER, BC V6Z 2R9

**FAX:  
PHONE:**

**X** FIRST SERVICE RESIDENTIAL – ATTN MONICA FILIP, JOHN POON  
SUITE 700 – 200 GRANVILLE STREET, VANCOUVER, BC V6C 1S4

**FAX: 604-689-4829  
PHONE: 604-683-8900**

PROSPERO INTERNATIONAL REALTY INC. – ATTN: JEFF NIGHTINGALE  
SUITE 517 – 1177 WEST HASTING STREET, VANCOUVER, BC V6E 2K3

**FAX:  
PHONE: 604-669-7733**

QUADLOGIC METERS CANADA INC. – ATTN DUSTIN INGRAM  
341 – 17, FAWCETT ROAD, COQUITLAM, BC V3K 6V2

**FAX:  
PHONE: 604-526-5155**

**NO. OF PAGES INCLUDING THIS PAGE: AS NOTED**

**COMMENTS:**

For strata council distribution, attached is a 2-page document about the Shannon Estates DEU.

Sent by e-mail.

**PER: JOSEPH B. CHOW**

**NOTE:** *If the number of sheets received differs from the number above, or if any of the transmitted material is not legible, please inform the above at once.*

1. What is BCUC’s website?
  - a. <http://www.bcuc.com>
2. Which Exhibit(s) provide capital cost breakdowns?
  - a. Refer to Exhibit B-2 Page Numbers 13 to 14 for the response to question 16.1.
3. Which Exhibit(s) contained the Response to an Information Request which changed the Rate Riders collection to after an expense occurred?
  - a. Refer to Exhibit B-5 Page Numbers 16 and 18 for the responses to question 36.4 for the Capital Reserve Fund Rate Rider and to question 38.4 for the Emergency Reserve Fund Rate Rider for the request for the deferral account rate rider suggested by the BCUC instead of the originally proposed design.
4. Which Exhibit(s) contained the information to calculate the electrical energy purchases normalized per unit of energy (e.g. mill rate) and how do I do this?
  - a. Refer to the “SHANNON ESTATES Redacted Confidential Reply Submission” Argument for years 2016 to 2021:
    - Page 2 Take “Electricity Expense” line item for a year
    - Page 5 Take “Electricity – Energy” line item for a year
    - Divide “Electricity Expense” by the “Electricity – Energy” from the same year.
    - You have now calculated the electrical energy purchases normalized per unit of energy.

Forecasts are only estimation aids. Readers are cautioned the development and presentation of the normalized electrical energy cost for the years 2016 to 2026 are only for the purpose of education on how to read Rates Application documents to BCUC. It is the responsibility of the reader to use the information provided only for its intended purpose and no other.

The values below are the forecast cost to the Utility with energy charges/demand charges/basic charges/PST and without consideration of the historic baseline / power factor surcharge.

	2016	2017	2018	2019	2020	2021
Electricity energy purchase	\$0.08224	\$0.08943	\$0.09225	\$0.08296	\$0.08415	\$0.08649
Costs normalized to a unit of energy [\$/kWh]						

5. Which Exhibit(s) contained questions and responses about the Rate Base?
  - a. Refer to Exhibit B-5 Page Number 27 for the responses to question 46.
6. Why does the revenue from the Monthly Capacity Levy change over time?
  - a. The capital levy is referenced to the City of Vancouver’s South East False Creek Neighbourhood Energy Utility Monthly Capacity Levy which is forecast by the City of Vancouver to change with time.

7. Was there an option for individual space heating, space cooling, and domestic hot water heating equipment instead of a centralized system?
- a. The development is obligated to use low-carbon energy sources to meet LEED Gold criteria and to meet energy performance targets set by City of Vancouver policies.

Consequently, technologies which rely solely on burning fossil fuels like natural gas or using electrical heat are not acceptable.

In addition, the City of Vancouver required a DEU, not individual space heating and cooling systems.

8. What are the forecasts of energy purchases in the different months of a year?
- a. Any values provided here are solely for the purpose of answering the question and no other. These breakdowns have not been used in the rates application to date and may differ from the total provided.

Phase 1 only												
<b>Elec (kWh)</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
	36000	32000	36000	35000	36000	40000	48000	47000	38000	35000	35000	36000
<b>Gas (GJ)</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
	790	550	530	330	150	50	30	30	90	290	600	770
at full buildout												
<b>Elec (kWh)</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
	131000	118000	128000	123000	131000	104000	122000	117000	100000	107000	128000	132000
<b>Gas (GJ)</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
	2990	1890	1640	620	60	70	30	30	170	660	2000	2880

9. What is the forecast percentage of recovered heating energy over total heating energy?
- a. Recovered energy is forecasted to be approximately 15% of phase 1 heating energy, this will increase to 41% at full buildout.
10. Did I pay for the TES capital costs through the purchase price of my unit?
- a. Buyers did not pay for the capital cost of the TES as part of their purchase price. The price for the units was based on the market price at the time of sale; there is no correlation between the sale price of a strata lot and the cost of the TES.

The TES is like any other utility provided to a development by the developer. The developer is obligated to contract with the utility providers (e.g. Fortis/Hydro) to bring services to the site; the utility provider ensures it has the infrastructure to provide the required services. Like those utilities, the TES was constructed with the required infrastructure and the consumption rates are approved by the BCUC to provide the TES with a reasonable capital cost recovery.

Note, BCUC has not issued Final Rates and all of the above related to rates or terms and conditions are subject to adjustment.