

**DISCLOSURE OF STATEMENT
OF
OSPREY LANDING DEVELOPMENT CORP.
FOR
OSPREY LANDING**

Date: July 24, 2007

Developer: Osprey Landing Development Corp.

Name of Development: Osprey Landing

Address For Service: Leffler Law Office
862 - 3rd Avenue
Box 1873
Fernie, B.C. V0B 1M0

Business Address: 3 Signature Mews SW
Calgary, AB T3H 2V6

Real Estate Company
On Behalf of Developer: Re/Max Elk Valley Realty Ltd.
472 - 2nd Avenue
Box 1041
Fernie, B.C.
V0B 1M0

DISCLAIMER

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

RIGHT OF RESCISSION

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

The rescission notice may be served by delivering or sending by registered mail, a signed copy of the notice to

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

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

CONDITIONAL FINANCING COMMITMENT

Under Policy Statement 6 of the *Real Estate Development Marketing Act*, if the developer has obtained a conditional financing commitment, the developer may market the development units, but only on complying with the following terms and conditions:

- (a) The estimated date for obtaining a satisfactory financing commitment, as disclosed in the disclosure statement, is 9 months or less from the date the developer filed the disclosure statement with the Superintendent;**
- (b) The developer markets the proposed development units under the disclosure statement for a period of no more than 9 months from the date the disclosure statement was filed with the superintendent, unless an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment is filed with the superintendent during that period;**
- (c) Any purchase agreement used by the developer, with respect to any development unit offered for sale or lease before the purchaser's receipt of an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment, contains the following terms:**
 - (i) If an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment is not received by the purchaser within 12 months after the initial disclosure statement was filed, the purchaser may at his or her option cancel the purchase agreement at any time after the end of that 12 month period until the required amendment is received by the purchaser;**
 - (ii) The amount of the deposit to be paid by a purchaser who has not yet received an amendment to the disclosure statement that sets out particulars of a satisfactory financing commitment is no more than 10% of the purchase price; and**
 - (iii) All deposits paid by a purchaser, including interest earned if applicable, will be returned promptly to the purchaser upon notice of cancellation from the purchaser;**

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1. THE DEVELOPER

- 1.1 Name Osprey Landing Development Corp.
 Incorporated under the laws of the Province of British Columbia on
 December 13, 2005 under number 0743062.
- 1.2 The developer was incorporated specifically for the purpose of developing the bare land
strata lots and it has no assets other than the development property itself.
- 1.3 **Address of the Developer's registered and records office:**

Leffler Law Office
862 - 3rd Avenue
Box 1873
Ferne, B.C.
V0B 1M0

- 1.4 **Directors of the Developer:** Mark Taylor

2. GENERAL DESCRIPTION OF THE DEVELOPMENT

2.1 General Description

- 2.1.1 The Development will consist of 81 bare land strata lots (the "Lots") which will
be individually owned together with a proportionate share of the common
property, being the access road, water distribution system and areas, wastewater
system and treatment area, various park and pathway areas and the area referred
to in 3.3.1 ("Common Property"). All of the Lots are being marketed for sale.

2.1.2 Legal Description of Development:

East Kootenay Assessment Area
P.I.D. 012 480 771
Lot 1, District Lot 2374,
Kootenay District,
Plan 8419

2.1.3 The Development is located on the west side of Lake Koochanusa, approximately 1 km south of Wardner, B.C. and lies within the Regional District of East Kootenay.

2.1.4 The Lots are shown on the proposed bare land Strata Plan attached as Exhibit "A".

2.2 Permitted Use

The Lots are un-zoned.

None of the Lots may be used for commercial or other purposes not ancilliary to residential purposes.

2.3 Building Construction

2.3.1 Any improvements to be constructed on the Lots are the responsibility of the Purchaser and a building permit is required for all such improvements.

2.3.2 The Developer intends to register a Declaration of Building Scheme ("Statutory Building Scheme") as a charge against a title of each of the Lots, which outlines the restrictions on the type of building(s) that may be constructed on the lands and restrictions on the purchaser's use of the Lots. It also appoints the Developer to review and approve plans and specifications in relation to the design guidelines for the development. The Statutory Building Scheme is attached as Exhibit "B".

2.3.3 Building permits are available upon application and payment of required fees, subject to the requirements of the Regional District of East Kootenay.

2.3.4 For further information on applicable building and zoning bylaws, Purchasers should contact:

Regional District of East Kootenay
19 – 24th Avenue South
Cranbrook, B.C.
Telephone: 250-489-2791

2.3.5 The development is not part of a phased Strata Plan.

3. STRATA INFORMATION

3.1 Unit Entitlement

The Unit Entitlement of each Lot is a figure indicating its share in the Common Property and assets of the Development and by which its contribution to the expenses of the Common Property is determined. The Form V Schedule of Unit Entitlement is set out in Exhibit "D" attached hereto. The proposed Unit Entitlement for each of the Lots is the same whole number. This is a common formula utilized in the case of bare land strata lots.

3.2 Voting Rights

Each Strata Lot within the Development will have one vote in the Strata Corporation.

3.3 Common Property and Facilities

The Roadways in the Development are common property as shown on Exhibit A. Additional common property is also shown on Exhibit A including but not limited to a walkway down the Northeast side of the Development, park areas, and the water and sewer treatment systems and areas.

3.3.1 For the common property located at the extreme Southeast corner of the Development at the terminus of the access road, the Developer proposes a building to serve as a recreation centre for the Development and consisting, inter alia, of a kitchen and common or meeting area, as well as a swimming pool, hot tub and such other amenities as the Strata Corporation may decide. The Developer proposes to start construction, subject to the approval of the Strata Corporation and depending on the finances of the Strata Corporation, upon completion of sale of 90% of the Lots, with the Developer contributing 40% of the costs to a maximum of \$400,000.00.

3.3.2 The Developer is seeking to create a boat dock area on the Kootenay River adjacent to the Development and if successful such dock area would be turned over to the Strata Corporation as common property.

3.3.3 All costs associated with facilities on Common Property would be paid through the Strata Fees charged to each owner by the Strata Corporation.

3.4 Limited Common Property

The proposed bare land strata plan attached as Exhibit A contains no limited common property.

3.5 Bylaws

The bylaws of the Strata Corporation are or will be the Schedule of Standard Bylaws contained in the Strata Property Act.

3.6 Parking

Parking will only be permitted on private driveways and in garages, with no parking permitted on the Common Property, except in designated and posted areas.

3.7 Budget

The estimated budget for the Development and the yearly assessment based upon the unity entitlement of each bare land Lot for a typical full year of operating expenses for the Strata Corporation, based on current costs, is attached hereto as in Exhibit "D".

Actual operating expenses for the Strata Corporation will be reported at each annual general meeting of the Strata Corporation.

Purchasers should be aware that property taxes for each Lot are levied by the Province of British Columbia and such taxes are the Purchaser's responsibility.

In addition, the Purchaser will be responsible for payment of the following utilities separately metered or assessed to each strata lot: electricity, cable TV (if any), telephone (if any) and fuel (natural gas and/or propane).

3.8 Utilities and Services

3.8.1 Water - Potable water will be supplied to the Lots by a privately contracted utility company, with the cost thereof to be determined by the utility provider and to be billed to each Lot owner.

- 3.8.2 Electricity - British Columbia Hydro and Power Authority will provide the electrical service to the Development. Underground lines will be installed from the boundary of the Development to the Lot lines at the expense of the Developer. Each Lot Owner will be required to apply for and pay the applicable hook-up charges assessed by British Columbia Hydro and Power Authority and pay for their own electricity.
- 3.8.3 Sewerage- There will be an approved sewer system operated by a privately contracted utility company, with the cost thereof to be determined by the utility provider and to be billed to each Lot owner.
- 3.8.4 Natural Gas - There will be no natural gas service to the Lots.
- 3.8.5 Fire Protection- There is no formal fire protection for the Development but there will be fire hydrants connected to the community water system and some basic firefighting equipment will be available for use on a volunteer basis. The preventative steps contained in the B.C. Edition of the "Fire Smart" Manual are to be followed.
- 3.8.6 Telephone- Telephone service will be provided to the Development. Underground telephone lines will be installed from the boundary of the Development to the Lot lines at the expense of the Developer. Each Lot Owner will be required to apply for and pay the applicable hook-up charges assessed by Telus and pay for their own telephone service. Cellular telephone service is marginal.
- 3.8.7 Access- Access to the Development is off the Wardner Kikomun Road, approximately 3 kilometres south of Highway 3. The cost of maintaining and removing snow from the internal roads will be charged to the Lot owners as part of their monthly maintenance fees.
- 3.8.8 Sidewalks- There will be no sidewalks installed.
- 3.8.9 Police Protection- Police protections will be provided to the Development by the Royal Canadian Mounted Police detachment located in Cranbrook, B.C..
- 3.8.10 Street Lighting- There will be no street lighting installed.

3.8.11 Garbage Collection- there will be no garbage collection service provided and there is a transfer station within 1 kilometre.

3.9 Strata Management Contracts

There are no strata management contracts that the developer has entered into or intends to enter into that will bind the strata corporation.

3.10 Insurance

The developer will, prior to the completion of any sales of Lots, place liability insurance insuring the strata corporation against liability for property damage and bodily injury in an amount not less than \$2,000,000.00.

3.11 Rental Disclosure Statement

Under Section 139 of the *Strata Property Act*, a Developer must disclose to any purchaser its intention to lease Lots in order to ensure that such Lots may be leased in the future. The Developer does not intend to lease any Lots.

4. TITLE AND LEGAL MATTERS

4.1 Legal Description

Lot 1, District Lot 2374, Kootenay District Plan 8419
P.I.D. 012 480 771

4.2 Ownership

The registered owner of the development is Osprey Landing Development Corp.

4.3 Existing Encumbrances and Legal Notations

- Easement 59232D
- Right of Way D3537 registered in the name of British Columbia Hydro and Power Authority;

4.4 Proposed Encumbrances

The Developer intends to register a Declaration of Building Scheme (“Statutory Building Scheme”) as a charge against a title of each of the Lots, which outlines the restrictions on the type of building(s) that may be constructed on the lands and restrictions on the purchaser’s use of the Lots. It also appoints the Developer to

review and approve plans and specifications in relation to the design guidelines for the development. The Statutory Building Scheme is attached as Exhibit "B". On the sale of each Lot, the Developer intends to register an Option to Purchase as a charge against title pursuant to which the Developer may buy back the Lot from the Purchaser if the Purchaser fails to commence construction within 3 years of purchase, and/or fails to complete such construction within 5 years. The Option Purchase Price will be 90% of the Purchase price paid by the Purchaser to the Developer for the Lot. The form of the Option to Purchase is attached hereto as Exhibit "C".

The Developer intends to finance construction by way of a construction mortgage in favour of a financial institution, and there will be provision for partial releases of such mortgage on the sale of individual Lots so that Purchasers' titles will be free from the mortgage as an encumbrance.

There may also be registered against title such easements and rights of way as may be required by utility providers in order for such service to be provided.

4.5 Outstanding or Contingent Litigation or Liabilities

There is no outstanding or anticipated litigation in respect of the Development or against the Developer which might affect the Development.

4.6 Environmental Matters

- 4.6.1 Garbage Collection – There will be no garbage collection service provided but Purchasers are encouraged to implement the "Bear Smart" Program, including a garbage management plan acceptable to the Conservation Officer for the area.

CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

Construction on the development commenced in April, 2007 and the estimated date of completion of servicing and utilities is December 31, 2007, with registration of the bare land strata plan to be completed by December 31, 2007.

5.2 Warranties

There are no warranties except that the installation of utilities and services will be completed in a good and workmanlike manner.

6. APPROVALS AND FINANCES

6.1 Development Approval

Preliminary Layout Approval was granted by the Ministry of Transportation on January 11, 2007.

6.2 Construction Financing

In order to create and service the bare land strata lots, the Developer intends to arrange and register against title to the development a mortgage in favour of a financial institution to pay for the construction of the utilities and services required.. There will be provision for the mortgage to be discharged from title to Lots as each Lot is sold.

7. MISCELLANEOUS

7.1 Deposits

All deposits or other monies received shall be held in a trust account of Re/Max Elk Valley Realty Ltd. until such time as title or other interest contracted for is conveyed and assured to the purchaser, or is otherwise paid out in accordance with the *Real Estate Development Marketing Act*.

7.2 Purchase Agreement

The Developer will use the the form of contract of purchase and sale attached as Exhibit 'E' with respect to the sale of each Lot, unless otherwise agreed between the Purchaser and the Developer.

7.3 Developer's Commitments

All of the Developer's commitments will have been satisfied prior to the completion of the sale of any of the Lots.

7.4 Other Material facts

7.4.1 Compliance Deposits

Compliance deposits will be required of a Purchaser under the provisions of Statutory Building Scheme (Exhibit B) and such deposits will not be interest-bearing to the Purchaser.

7.4.2 Strata Corporation

Upon the deposit of the Bare Land Strata Plan in the Land Title Office, a Strata Corporation will be formed automatically on behalf of the owners of the Strata Lots in accordance with the *Strata Property Act* of British Columbia. Each of the owners of the Strata Lots is a voting member of the Strata Corporation in accordance with the Act and the bylaws and rules of the Strata Corporation.

7.4.3 Interest on Destruction

Section 278 of the *Strata Property Act* provides that every owner's share of the property and assets of the Strata Corporation in the event of its winding up will be determined on the basis of municipality assessed values, or appraisal values, if there are no municipal assessments.

7.4.4 Fines if Accrued Expenses Exceed Interim Budget

Section 7 of the *Strata Property Act* provides a Developer must pay the Strata Corporation's expenses up to the end of the month in which there is the first conveyance of a Lot to a purchaser. Under section 14, after that month and before the first annual budget takes effect, if the Strata Corporation's expenses exceed the estimated expenses in the interim budget then the Developer must pay the excess to the Strata Corporation. In addition to paying the amount of the excess expenses, where those excess expenses are more than 10% or 20% of the amounts estimated in the interim budget, section 3.1(1) of the Regulations to the *Strata Property Act* requires the Developer to respectively pay to the Strata Corporation a further amount equal to two or three times the amount of the excess.

7.4.5 First Annual Meeting

The first annual meeting will be held within six weeks of the earlier of the date on which 50% plus one of the Lots have been conveyed to purchasers and the date that is nine months after the first conveyance of a Lot to a purchaser. If that meeting is not held on time, section 3.1(2) of the Regulations to the *Strata Property Act* requires the Developer to pay the Strata Corporation \$1000 for a delay of up to 30 days, and a further \$1000 for each additional delay of seven days.

7.4.6. Documents to be Delivered to the Strata Corporation

Under sections 20(2) and 35 of the *Strata Property Act*, the Developer must deliver certain documents to the Strata Corporation. The Developer intends to deliver to the Strata Corporation the following documents:

- All contracts entered into by the Strata Corporation (if any);
- 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;
- Any rental disclosure statement;
- The registered strata plan from the Land Title Office;
- The names and addresses of contractors, subcontractors and persons primarily responsible for supplying labour or materials to the project;
- The names and addresses of any project manager and;
- All warranties, manuals, schematic drawings, operating instructions, service guides, manufacturers' documentation and other similar information relating to common property or common assets.

7.4.7 Strata Plans

A copy of the Proposed Bare Land Strata Plan for the Development is attached as Exhibit "A".

8. EXHIBITS

The following are the Exhibits attached to the Disclosure Statement:

Exhibit A	Proposed Bare Land Strata Plan
Exhibit B	Statutory Building Scheme
Exhibit C	Option to Purchase
Exhibit D	Budget and Yearly Assessment
Exhibit E	Contract of Purchase & Sale

DEEMED RELIANCE

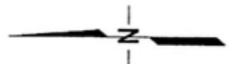
Section 22 of the Real Estate Development Marketing Act provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement, if any, and any omission to state a material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

PLAN TO ACCOMPANY DISCLOSURE STATEMENT OF
 LOT 1, DISTRICT LOT 2374, KOOTENAY DISTRICT,
 PLAN 8419

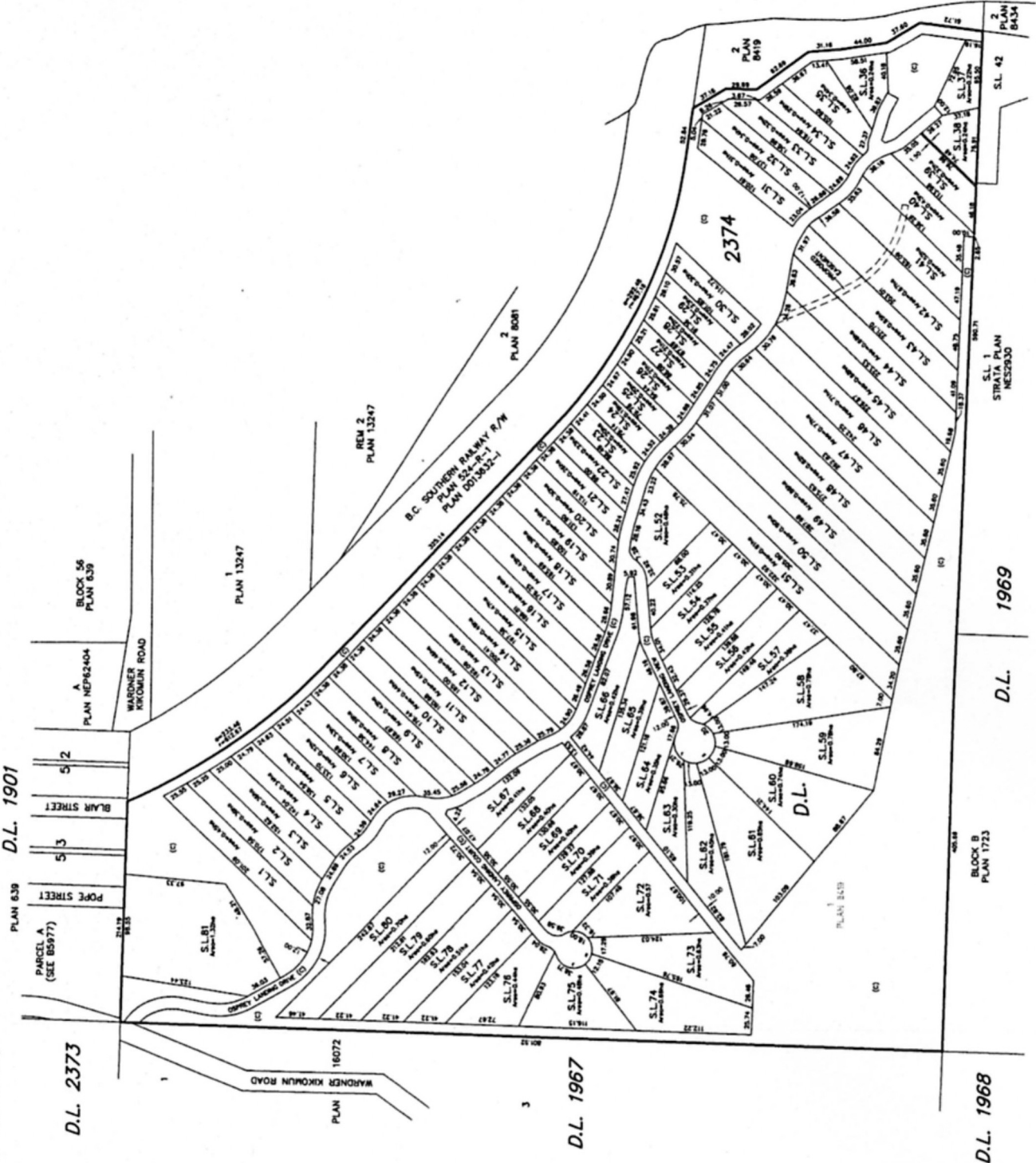
BCGS 82G.043

SCALE 1 : 2000

LEGEND
 All distances are in metres.
 (C) denotes Common Property
 S.L. denotes Strata Lot



KOOTENAY RIVER



D.L. 1901

D.L. 2373

D.L. 1967

D.L. 1968

D.L. 1969

PLAN 8434

PLAN 1723

STRATA PLAN
 NES2030

DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the Real estate Development Marketing Act of British Columbia, as of July 24th, 2007.

All directors in their Personal Capacity:

A black and white image of a handwritten signature, appearing to be 'Mark Taylor', written in white ink on a black background.

Mark Taylor, Director

Osprey Landing Development Corp. by it's
authorized signatories:

A black and white image of a handwritten signature, appearing to be 'Mark Taylor', written in white ink on a black background.

Mark Taylor

**DOMINION OF CANADA IN THE
MATTER OF the Real
PROVINCE OF BRITISH COLUMBIA
Estate Development Marketing
Act and the Disclosure Statement of
Osprey Landing Development Corp.**

TO WIT:

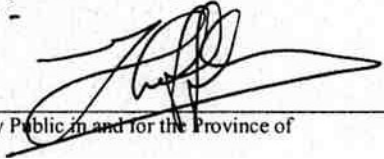
For property described as Lot 1, District Lot
2374, Kootenay District, Plan 8419
P.I.D. 012 480 771

I, Mark Taylor, of the City of Calgary, in the Province of Alberta, do solemnly declare that:

1. I am a Director of Osprey Landing Development Corp., the Developer referred to in the above-described Disclosure Statement dated April 11, 2007.
2. Every matter of fact stated in the Disclosure Statement is correct, to the best of my knowledge.
3. I am aware that Section 21 of the Real Estate Marketing Development Act requires that a true copy of the Disclosure Statement be delivered to the prospective purchaser or lessee and receipt for same be obtained.
4. I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at the
City of Fernie, in the Province of
British Columbia, this "24th" day of

July ~~April~~, 2007.


A Notary Public in and for the Province of



Mark Taylor

EXHIBIT B

LAND TITLE ACT
FORM 35
(Section 216(1))

DECLARATION OF BUILDING SCHEME

NATURE OF INTEREST: CHARGE: BUILDING SCHEME

HEREWITH FEE OF \$ _____

Address of person entitled to apply to register this building scheme:

c/o 862-3rd Avenue, P.O. Box 1873, Fernie, B.C. V0B 1M0

Full name, address and telephone number of person presenting application:

LEFFLER LAW OFFICE, Barristers and Solicitors

c/o 862-3rd Avenue, P.O. Box 1873, Fernie, B.C. V0B 1M0 (Phone 250-423-3904)

File: 3592B

Signature of Applicant or Solicitor or authorized agent

OSPREY LANDING DEVELOPMENT CORP., (Inc. No. BC0743062), declares as follows:

1. THAT OSPREY LANDING DEVELOPMENT CORP. is the registered owner in fee simple of the following land (hereinafter called the "Lots"):

Strata Lots _____, inclusive

District Lot _____

Kootenay District

Strata Plan NES _____

2. OSPREY LANDING DEVELOPMENT CORP. hereby creates a building scheme relating to the Lots.

3. A sale of any of the Lots is subject to the restrictions enumerated in the schedule attached hereto.

4. THAT the restrictions shall be for the benefit of all of the Lots.

Officer Signature(s)

Execution Date

Transferor(s) Signature(s)

Y M D

CORP.

OSPREY LANDING DEVELOPMENT

By its authorized signatory:

MARK TAYLOR

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

SCHEDULE OF RESTRICTIONS

1. Building Scheme provisions relating to Strata Lots _____, District Lot _____, Kootenay District, Strata Plan NES _____.

OSPREY LANDING DEVELOPMENT CORP. is hereinafter referred to as the “**Company**”. Purchasers of lots in the subdivision subject to this Building Scheme and their successors in title are hereinafter referred to as the “**Owners**”.

2. There shall be no commencement of site preparation, including filling and excavation, or construction of any improvement or alteration thereof until a complete set of plans, signed by the Owners, has been deposited with the Company, or its agent or nominee and approval therefor has been obtained as hereinafter provided, it being the intent of these restrictive covenants that all improvements, including dwellings, fences and landscaping are to be controlled as to design, siting, height, set backs, type of materials used and exterior colour schemes. For greater clarity and certainty it is the intent of these restrictive covenants to ensure a variety in set backs and dwelling types to be built upon the lots and to ensure that all dwellings and improvements are suited to the particular lot on which they are to be located. No approval of any proposed improvement or alteration thereof will be given except in compliance with the Design Guidelines attached hereto as Appendix A.

3. No improvement or lot shall be allowed to become in disrepair or unsightly or untidy, it being the intent of these covenants that all lots and improvements thereon shall be maintained at all times in a neat and attractive state and condition, and no motor vehicle of any sort may be stored on the lot unless the same bears a current year's motor vehicle license plate.

4. No mobile home, trailer, modular unit, nor any building constructed substantially of any metal or according to any A-frame or quonset hut plan shall be placed on any lot herein described. In addition no trailer, garage or other out-building shall be used for either permanent or temporary residence other than contemplated in the Municipal zoning requirements.

5. No building shall be erected or placed on any such lot unless the same shall be completed within twenty-four (24) months from the date of commencement. For the purposes of this building scheme “completed” shall mean completion of the building exterior, driveway, and landscape areas (to include grading).

6. No person shall habitually park or cause to be habitually parked in or about the building site or the lands comprising the lot or lots any large commercial vehicles or machinery in the nature of logging trucks, bulldozers or the like conveyances, PROVIDED that this clause shall not be deemed to affect or prohibit the parking for the specified purpose of doing construction or maintenance work upon the said lands for the improvement and benefit thereof, or of commercial vehicles parked temporarily for the purposes of conducting their regular business in or about the said lands.

7. No garbage receptacle, incinerator or compost heap shall be kept on any lot herein described unless the same is screened from view at all times.

8. No outdoor clothes lines or poles shall be used save and except for an umbrella or collapsible type erected in such a manner as not to be visible from the street upon which the lot is situate, and no television dish over 24" in diameter, radio or other antennae shall be constructed on the exterior of any building or on any part of the said Lot.

9. No billboard or sign of any character shall be erected, posted, pasted or displayed upon or about any part of the lot or lots or upon or in any buildings on the lot or lots hereby purchased, other than "For Sale" signs no larger than 18" x 30", PROVIDED that nothing in this clause contained shall prevent the Owner erecting or displaying a sign showing his name and/or street address so long as the dimensions of such sign does not exceed two feet by six inches (2' x 6") and is approved by Osprey Landing Development Corp.

APPENDIX A

OSPREY LANDING DEVELOPMENT CORP.

STATUTORY BUILDING SCHEME

Osprey Landing at Koocanusa Lake Architectural Guidelines

1. Overall Philosophy

Osprey Landing at Koocanusa Lake – Is a unique opportunity to explore mountain resort living through innovative and traditional architecture that reflects the beauty of the surrounding mountains, lakes and forests lands; utilizes the abundance of local materials such as heavy timber, log and stone. The aim of these Design Guidelines is to ensure that all buildings in Osprey Landing at Koocanusa Lake community meet a high standard of design and construction. The character of the completed development will be that of a mountain resort village rather than a suburban subdivision.

Homeowners can be assured that every new building at Osprey Landing will require a similar review process to ensure conformance with the guidelines. Protecting the overall appearance of the development will help to preserve the value of new homes and ensure that Osprey Landing remains one of the areas most desirable recreational communities. These guidelines also have a more practical function, protecting properties by ensuring issues such as the environment, storm water, snow melt and fire protection are properly addressed.

We want the process of building your new home to be richly rewarding and look forward to working together with Owners to create a home and a community that inspires pride.

2. Architectural Design Guidelines

The guidelines contained herein are suggestions, and innovative design or other products not mentioned may be accepted at the sole discretion of the Developer.

2.1 Professional Design & Engineering

House plans should be individual and chosen or designed to suit the lot. Owners are strongly advised to retain the services of competent sales and design professionals for the design of their home. The Developer assumes no liability for design. The Developer does have a number of pre-approved designs available for viewing and builders pre-registered to build out these and custom home designs, in the development. Lot purchasers are reminded that all builders must be registered with the developer prior to being allowed to build homes in the development.

2.2 General Dimensions and site positioning

Each home shall be designed and sited to take maximum advantage of the natural characteristics of the lot (e.g. tree cover, views, original grade, sun angles, relationship to the street, neighbours, park or conservation area). Site and house layout should promote privacy and avoid overlooking or overshadowing of neighbouring properties. It is recommended that private outdoor spaces, such as patios, be screened from the adjacent private and public views by approved fencing, hedges, planting or trellises.

All houses must be sited appropriately in relationship to the lot slope. Two storey houses with exposed basements at the back will require rear elevation treatment to reduce the visual impact of the three levels. Houses on back to front sloping lots with 3 levels exposed at the front should treat the top floor as a half storey with dormers or other suitable design.

All building siting and dimensions must also conform to any applicable regional bylaws. These regulations will override those set out in these guidelines.

(a) Building Set Back

No part of the building (including decks and porches) may be closer than 2m from the lot boundary at the sides and 7.5 meters from the front and rear boundaries. The position of the house on the site will be reviewed by the Developer in relation to neighbouring properties in order to provide appropriate set backs and streetscape. Clearing of trees is not permitted within 1.5 metres of the property line from the front line of the house to the rear property line and will be reviewed on each application, other than as required for fire setback regulations which shall override as required by the Regional District of East Kootenay.

(b) Maximum Building Footprint

The building footprint (ground coverage) including garage may be no more than 40% of the total lot area.

(c) Building Height

The highest point on the roof (excluding Chimney) may be no more than 10 meters average, above the lots average natural grade. This is a requirement outlined by the regional authorities for single family housing.

(d) Minimum living area

The total floor living area shall not be less than 1000 sq. ft. Minimum footprint of the main floor living area in two storey homes must not be less than 700 sq. ft. Garages must be of a reasonable size for residential use and in proportion to the house. Commercial workshops are not permitted. Wherever possible Garages or Carports should reflect similar architecture to the home, and should be attached directly to the home, or be attached by a covered breezeway. Garages and carports must be sufficient for at least 2 cars.

2.3 Repetition

The same house plan with extremely similar elevations shall not be repeated within 3 lots, or directly across from each other. Similar house plans and forms may occur along a section of the street in response

to similar site conditions. Differences such as changing direction of roof slopes, size and location of windows and doors, and or exterior cladding finish will be required.

Striking contrasts between building sizes, shapes, and colours within a small area are not encouraged. The object is to produce enough variety to create interest within a balanced unity of forms, colours, and themes.

2.4 Corner Lots

Designs for corner lots should take maximum advantage of the lot. All street-facing elevations must be treated with the same level of detail.

2.5 Massing

Elements to consider:

- a) Visual character of the design
- b) Variety in massing
- c) Plan and proportion relative to height and layout
- d) Second Storey's to be designed into roof lines wherever possible
- e) Roof pitch
- f) Landscaping enhancing elements, e.g., integration with landscaping and topography
- g) Materials, variety, and proportions.

2.6 Consistency

Elevations of all buildings must demonstrate consistent treatment of exterior materials, window details, and reveals. Details in the roofline must be carried around from the front elevation. Timber and log details in Gables, knee braces, posts, columns railing and landscaping are strongly encouraged wherever possible.

2.7 Finish Materials and Colours

Colours shall be based on natural environment earth tones with consistent body and trim colours. Exterior colour selection will affect the visual impact substantially and a colour selection sheet indicating location to be applied must be submitted to the Developer for approval. Roof materials and colours may be repeated from lot to lot, while metal roofs are strongly encouraged. Stone where applicable, concrete, or heavy wood details are to be consistent with house trim and detail. Stone should be terminated at a wall or window or other architectural detail. Cultured stone may also be used.

Other masonry products may be approved on a house-by-house basis. Vinyl or metal siding will not be permitted under any circumstance. Exposed concrete foundation walls shall not exceed .5 meter high, a variance where stepping occurs may be allowed at the developer's discretion.

2.8 Stucco

Stucco finish will be acrylic or elastomeric finish with a flat, worm or sand surface texture. Earth tone colours are strongly encouraged, or colours ranging in the darker shades. Stucco must be accented with wood or timber elements. Wood must be sealed on all sides before installation. Stucco or concrete

window battens may be acceptable and will be reviewed on an individual basis. Stucco metal stop must be painted to match.

2.9 Siding/Shakes/Shingles

In keeping with the Cabin style endorsed by Osprey Landing at Kooconusa Lake, shakes and shingles are acceptable wall cladding materials; these must be sealed or treated prior to installation.

In situations where horizontal siding is used on a two or more story elevation, this element should terminate at gable dormers with a banding board, at the base of the upper windows or as the design dictates. Above this, vertical siding shakes or shingles should be introduced. Full height vertical siding is discouraged and should be broken up as above.

2.10 Roof and Roofing Materials

Acceptable materials include pre-finished standing seam, pre-finished stamped metal and granular coated metal, copper, slate concrete or clay tile and GEM shingles. Wood shake or shingles may be permitted if coated with suitable fire resistant finish. Other roofing products may be permitted upon review by the developer. All flashing is to be pre-finished metal. Pre-finished drip edge is required at the bottom of all roof slopes. Flashing and venting should be similar to roof colour. Ridge venting is encouraged. Where conventional venting is installed in the roof slope, it is to be placed away from highly visual locations (i.e., street side, in the case of corner lots on two elevations). Snow clips, where required, are to match roof colour as closely as possible. Designers are reminded that the area receives considerable snowfall and roof design must consider snow load and the direct shedding of snow to safe areas. Roof water run off must also be considered and incorporated into the lot drainage plan. Rooftop venting and chimneys shall be finished with a chase to match the building style (does not include attic ventilation, plumbing stacks, or bath fan vents). Stone-finished chimney chases are preferred. Where more than one chase exists, the finished elevations of the chase caps shall be consistent. All flue venting requires a shroud detail above the chase cap. Innovation is encouraged.

2.11 Fireplaces

Direct vent fireplace vents shall be placed in obscure locations where possible, with sight lines blocked by landscaping. Wood burning fireplaces, stoves and other wood burning appliances are permitted at Osprey Landing at Kooconusa Lake, but must include spark arrestors and follow all other regional codes when installed.

2.12 Fascia

Fascia articulation is encouraged. Fascia should be a minimum height of 8", with the exception of eaves with open trusses, where architecturally, no fascia is required. Fascia material is restricted to rough sawn cedar, cedar, Smart Start, Hardi-plank, or similar manufactured product as approved from time to time by the Developer.

2.13 Soffit

Soffit colour is to be consistent with or complimentary to fascia colour unless a clear finish, stain grade wood is used. Wood finish is encouraged but pre-finished aluminium is acceptable. Minimum roof

overhang is 24".

2.14 Eaves Trough and Rain Water Leaders

Eaves trough should match fascia as closely as possible. Eaves trough or fascia gutter should be pre-finished metal (no vinyl permitted) with a minimum dimension of 5". Hidden gutters are encouraged. Rainwater leaders should be compatible in colour to wall material. The use of chains for rainwater leaders is permitted. Splash pads at the bottom of rainwater leaders are encouraged and are to be sloped away from the house.

2.15 Doors and Windows

Garage doors where painted are to be consistent or complimentary in colour to wall or trim material, with the exception of clear stained wood doors. Windows are permitted in garage doors (white muntin bars or trim are not acceptable, unless matching the other trim materials of the home). Main entrance doors are to be painted in dark tones and should accent the front entrance. Minimum door width is 36". Where the door height is increased above 6'8", the door width must also increase. Solid wood doors are encouraged.

Sidelights are permitted. In this instance, the door should be solid, however wood doors with glass may be permitted. Reflective glazing with the exception of Low-E or Bronze is not permitted. White Muntin bars are not permitted unless matching to other trim materials. Window grills or Muntin bars shall be wood or pewter with a minimum width of 3/4" for wood and 1/4" for pewter. Wood grills should match window trim colour. Divided light or simulated divided light is encouraged. Vinyl windows may be acceptable. All windows require a trim detail, with the exception of wood windows with a wood brick mould of at least 3 1/2" wide.

2.16 Form Elements:

- a) Front entries shall be visible from the street. Where design permits, the front entrance should be a prominent element of the home. Flexibility in entry location will be permitted, given other strong architectural features facing the roadways.
- b) Where a three-storey elevation exists on the same plane as the rear elevation, the design requires a step or break with deck(s), shed roofs, trellis, or other appropriate detail (This detail while encouraged, is not required to continue around to the side elevations).
- c) Roof designs where a cottage roof design is the base, must include gables or articulation on all elevations.
- d) In all cases where a roof slopes into a chase, a saddle must be installed and constructed and finished with similar roofing materials.
- e) Roof Pitch minimum is 6/12, except shed roofs or specific design elements. Steeper roof pitches in keeping with Cabin architecture are encouraged, but again flexibility will be allowed where quality architectural design is used.
- f) Where the garage face elevations have 5' or more of solid wall on either side of the garage door, a window with trim typical to the house is to be installed. Wide garages are encouraged to have a garage door set to one side to allow for window(s).
- g) Wall area from above the garage doors to the eave of more than 3' must incorporate detailing such as banding or a second finish.
- h) Side or angled garage entries, away from the street, are encouraged.

2.17 Parking and Driveways

Driveways and pathways should be laid out to reflect natural grades, avoiding lineal driveways where practical. Driveways where more than 10 meters from the house, should not exceed 6 m in width. Sidewalks from driveways to the home's front door are to be a minimum of 3' wide and should be similar material to the driveway. Driveway and front of lot landscaping must consider snow clearing and allow for snow dump areas with adequate drainage.

2.18 Address signs

Location of address numbers should be easily visible from the street. The Developer/Community Association and the Regional Authority must approve additional lot signs.

3. Construction Deposits and Design Approval Costs

A deposit of \$5,000.00 must be submitted to the Developer before final Design Approval is granted. \$3,000.00 from this deposit will be returned to the Owner within 30 days of substantial completion and final approval being granted by the Developer. \$1,500.00 will be returned to the Owner within 30 days from completion of landscape works providing landscaping has been constructed according to the approved landscape plan and the Design Guidelines set out above and approved by the Developer. The landscaping must be completed within 18 months of substantial completion of the dwelling. The Developer accepts no responsibility for inspection of the property during construction. Landscaping will be considered complete for the purpose of deposit security once all grading is completed as approved and basic planting and erosion control has been completed.

\$500.00 from the design deposit will be non refundable and used to cover the Developers cost for review by the design committee. The cost of producing designs and any required amendments is the sole responsibility of the Owner. Any change request after the site-grading plan is released is subject to a minimum processing fee of \$250.00. Payment must accompany submission. A preview is advised prior to submission.

4. The Approval Process

4.1 Concept Design Drawing Approval

Two sets of scaled design drawings with detail will be submitted and the design review committee will mark up plans with comments. This submission only requires basic floor plan and elevation drawing information. One set of plans will be returned to applicant.

4.2 Final Design Approval

Application for final Design Approval to the developer is required before submitting plans to the regional planning authority for a Building Permit. Upon approval of Final design, 4 copies of same to be provided to the developer, which will sign and stamp each copy. 3 copies will be returned to applicant of which 2 will be submitted to the regional planning authority for building permit application. The submission shall include the following:

- Drawings of the house (plans, elevations, sections at 1/4" = 1'-0")
- A site plan showing existing lot grades, finished grades, drainage, retaining walls, floor elevations, setbacks, house location, and driveway slope, at 1:100 or 1/8" = 1'-0" showing how the driveway matches with the street.
- A colour and materials schedule and other specific information required in the guidelines
- Completed Osprey Landing at Kooacanusa Lake submission form as supplied by the developer.
- Application deposit of \$5,000.00.

The design deposit is to ensure conformity to the design guidelines, completion of work, and to cover the cost of replacing any legal survey markers. Part of the security deposit is also held as insurance against damage to services, adjacent lots and common property.

4.4 Landscape Plans

Prior to the developer issuing Design Approval the owner (or owner representative) must submit a sketch of the plan with plant list showing areas of modified landscaping from the natural landscaping originally found on the lot. The landscape plan must be submitted to the developer within 45 days of basement backfill. At a suitable time thereafter a meeting will be arranged to review the landscape plan on site. Landscaping is expected to be left in its natural state wherever possible.

4.5 Final Building Approval

Upon completion of the house and all required landscaping, the Owner shall request a final inspection from the Developer.

The Developer will inspect the building and landscape at his discretion. Inspections are carried out solely for the purpose of monitoring adherence to the Design Guidelines and approved plans. The deposit will be released if everything has been constructed in compliance with the approved drawings and the conditions set out in Sections 6 & 10 have been met. If this is not the case, the Developer shall issue the Owner with a list of deficiencies that must be rectified before the security deposit is released. If the deficiencies are not corrected within 3 months the developer may deduct the costs from the deposit and complete the deficiencies. Any shortfall will be considered a charge against the land.

5. General Construction Issues

5.1 Zoning – Permitted uses relative to Regional Planning Authority Bylaws

Single-family lots in Osprey Landing at Kooacanusa Lake will be regulated by local regional zoning guidelines. This zoning is residential; commercial uses including tourist accommodation may be restricted. Buyers should check permitted uses with the RDEK Planning Authority if planning to operate a home based business.

5.2 Working with the Regional Authority

Owners must obtain a Building Permit from the Regional Authority before any construction can begin. This process is separate from the Design Approval process and is a civic matter between the homeowner or their delegate and the Regional Authority. Obtaining design conformance from the Developer does not necessarily mean approval from the Regional Authority, and all designs must also meet the specifications

set out in the municipal zoning and bylaws.

The Building Code “the Code”, which governs all aspects of construction, also applies to Osprey Landing at Kooacanusa Lake. This covers the overall design process in that the design must fulfill the requirements of the Code and the authorities having jurisdiction over the site.

5.3 Environmental Issues and Concerns

The goal of Osprey Landing at Kooacanusa Lake is to minimize environmental impact, landscape plans for new home sites must consider fire prevention, drainage, snow accumulation and rain/melt water run off, and be in accordance the context of the overall development and neighbouring lots. Generally surface flow should be directed to the roadside drainage.

5.4 Soil Conditions relative to Building a Home

Geotechnical reports must be sought out prior to designing foundation and must be strictly adhered to.

6. Landscape Design and Site Layout

6.1 General Landscape Design

Lot landscaping layouts will reflect the regional natural patterns and maintain this character through hardy planting materials. While fire prevention is of utmost importance, existing trees and natural vegetation should be preserved wherever possible and large areas of turf are to be minimised. The experience of the community should provide the impression of a natural landscape that has been retained and enhanced, rather than created.

The visual quality of the lot from all sides should be carefully considered. Landscape planting is used to frame and enhance views of the Lake and surrounding area. Plantings should consider the plant in its mature state. Site grading shall be minimised with respect to the existing slopes and drainage conditions. Where possible, existing vegetation is to be retained and protected from damage during the building process. Lot layout and landscape plans must consider drainage for snowmelt and storm water.

Plants, shrubs, trees, and grasses or species native to the region should be used where possible. Osprey Landing is in an area that experiences four distinct seasons. The use of trees in natural groupings, rather than formal layout, is encouraged. Vegetation should be placed in natural groupings and should be used to soften structures, such as fencing and other site furnishings.

Landscape mulch is discouraged for reasons of fire control. Decorative rock is a safe alternative and many colours and sizes are available.

6.2 Wildfire Control

Owners should consider the wildfire risk when developing and maintaining their landscape plan.

Combustible debris, deadfall and dry brush shall be removed from the lot at least annually. Trees should not be planted less than 3m from the house. Brush and long grass minimised while adhering to the principles set out in Section 6.1.

6.3 Tree Removal

The Developer intends that Osprey Landing at Koocanusa Lake will maintain its forested charm and aims to preserve as many trees as possible within the development. Trees outside of the building envelope may only be removed after design approval has been obtained from the Developer; this includes trees removed for fire prevention purposes as described in Section 6.2. It is also understood that the Developer will work with each owner to allow for trees to be reviewed that will enhance the owners views from their lot, as long as it does not adversely effect other owners or substantially change the overall forested look of the development. A fine of \$500 per tree will be payable to the Developer for any trees cut without permission. This levy will be used to plant compensating growth back into the particular site.

6.4 Protect existing Vegetation

Wherever possible during construction, existing trees and landscaping should be protected.

6.5 Lot Grading

Final grading to be engineered and shown on site plan. Lot grading is to follow the natural slope of the landform where possible, and is to be consistent with the subdivision-grading plan. Drywells will be required in most cases for rainwater leaders.

In situations where natural vegetation will remain in side yards, swales and general grading will fall inside of the natural vegetation. No site grading shall be completed that causes water from one lot to drain into neighbouring lots. Where natural undeveloped side yards exist, some drainage across lot lines is anticipated and acceptable.

All cutting and filling must be stabilized by the appropriate slope and /or retaining wall, as approved by the owner's geotechnical engineer.

Retaining walls shall have an exposed aggregate or approved finish, or be faced with stone. Large natural rock retaining walls are preferred. Retaining walls must minimize visual impact and compliment the landscaping plan.

6.6 Road and common property interface

It is the responsibility of the owner to restore the original natural grade and swales on common property between the lot boundary and the curb/edge of road surface after construction is complete. This area should be left free of rocks, brush and debris. The Developer may reseed this common area if necessary after all lots in the Phase are complete. The Developer anticipates that this area will be seeded with a low maintenance grass mix. To avoid damage from snow clearing and sanding, plants and shrubs should not be planted within 2 meters of the curb or road edge.

6.7 Fencing

Fencing is optional and will be restricted to rear yard areas. The fence may run back to the rear yard boundary or where grades exist as is suitable. Fence termination must be consistent with neighbouring property fencing. All fencing will be subject to review and approval from the Developer. Timber and log railing fences will be strongly encouraged wherever desired. Gates should be provided where rear yards back onto green space or walkways. Fences must not start forward of the rear of the house structure. An allowance may be given to move the fence forward in one side-yard where views from the street are restricted. Fence materials are required to be consistent with other fencing in the development.

7. Services & Utilities

Connection to all services must be underground and are the responsibility of the lot owner.

7.1 Water & Sewer

Water and sanitary sewer services are provided to each lot line as stub-outs, tie-in and on site connections are the responsibility of the owner. Owners will need to connect to these at their own expense and in accordance with municipal and other applicable regulations. The storm sewer is managed by overland drainage

7.2 Propane

Propane and/or other heating gases are the responsibility of the owner, and must be kept in good working order and installed as per the regulations of the regional building authority.

7.3 Garbage

All garbage must be stored within the home or garage with care taken to ensure that wildlife does not have access. Garbage pickup will be responsibility of the owner, or as otherwise arranged by the community association at a later date.

8. General Site and Property Restrictions

8.1 Exterior Lighting

The use of subdued indirect exterior lighting to enhance architectural features is permitted (e.g. soffit lighting). Lighting should be directed towards the home and should be minimal in order to reduce the impact to neighbouring lots. Landscape and driveway lighting should be shaded from above and of minimum intensity to reduce interference with neighbours. Light fixtures should be in keeping with the overall house design.

8.2 Parking

All site plans must allow parking for at least 2 vehicles within the lot. Commercial vehicles or trucks in excess of one ton may not be parked on site. To ensure access for snow clearing and emergency vehicles, street parking will be permitted on a temporary basis only, and not permitted on an overnight basis.

8.3 Security Systems

Many of the homes at Osprey Landing at Koocanusa Lake will be recreation or retirement homes and owners are strongly encouraged to install a basic system to monitor security, flooding and heating system performance.

8.4 Restricted objects

Satellite dishes may only be mini dishes and not be visible from the street. A maximum of two dishes are allowed per lot. Clotheslines, C.B., Radio or T.V. or any other exterior antenna are not permitted. The location of satellite dishes, hot tubs, pools, or permanent play equipment such as slides or swings should be included in landscaping plans and submitted for approval to the Developer.

8.5 Wildlife

Osprey Landing at Koocanusa Lake is in a natural location surrounded by forest, and care should be taken during and after construction to preserve wildlife habitat and avoid disturbance to wildlife. Pets must be kept under control and not allowed to chase wildlife. Food and garbage should never be left outside and barbecues should be kept clean. It is unlawful to feed wildlife.

8.6 Other buildings & site structures

Site structures such as gazebos, patios, decks, retaining walls, and planters should be designed, be appropriate to the scale and aesthetics of the house, and compliment the existing and proposed landscapes. Storage sheds and other auxiliary buildings must be placed at the side or to the rear of the property. Their appearance must be in accordance with the guidelines described herein and the maximum size permitted is 10'x 12'.

8.7 Recreational Vehicles

All recreational vehicles, boats, RVs, trailers, etc should be enclosed or hidden from view.

9. Construction Timing

The Owner covenants to obtain design approval from the Developer and commence construction of their property within 3 years from the date title is conveyed from the Developer to the Owner. It is recommended that Owners start their design process at least 6 months before they plan to start construction. Should the owner fail to start construction within the time allowed the Developer reserves the right to purchase the lot from the buyer free from any encumbrances for 90% of the original sale price.

Construction must be completed and a final inspection obtained from the Regional Authority within 24 months of construction start. Landscaping must be completed within 24 months from the start of construction. Should the owner fail to complete construction within the time allowed an amount equal to 2% of the original lot sale price, will be payable to the Developer. A further 1% will be paid to the Developer at the beginning of each following month if construction has not been completed and final inspection has not been obtained.

10. Construction Regulations

10.1 Noise & Working Hours

Construction work may only be carried out between the hours of 7:00 am and 9:00 pm Monday to Saturday and 12:00 Noon to 9:00 pm on Sunday's and holidays. Builders and lot owners must use reasonable efforts to minimise noise and dust during construction.

10.2 Contractor Parking & Deliveries

Where possible all construction vehicles should be parked within the lot boundary. Overnight street parking is not permitted except by approval from the developer.

10.3 Damage

Lot owners will be held responsible and will pay for any damage to common (Community Association) property and other lots. Owners and their contractors should take particular care to avoid damage to the road surface and underground services when parking and unloading heavy equipment such as gravel trucks and excavators. Final inspection of the common property will be completed with the lot inspection, and if any damage exists, the cost of repair will be deducted from the lot damage deposit. The lot owner is liable for any costs of repair over the damage deposit amount.

10.4 Construction Debris and Garbage

Construction debris or garbage may not be burned, buried or dumped anywhere on the Osprey Landing at Kooacanusa Lake site. Owner and contractors must clean up garbage and debris on the lot at the end of each day and generally ensure the site is clean and tidy. So as not to attract wildlife, no food or food waste may be left unattended on site under any circumstances. Construction garbage bins are required during construction. Concrete mixer clean out must be contained on site.

10.5 Construction Washrooms

Builders should ensure that their contractors arrange suitable toilet facilities. An on site porta-potty (chemical toilet) is required on each site, or in a suitable on-site shared location for builder trades.

10.6 Excavation Material

Excavation material must be stored off site or within the lot boundary taking care to preserve vegetations shown in the landscape plan. Excess excavation material may be dumped at a site designated by the Developer assuming a suitable site is available. If no such site is available then the Owner must make suitable arrangements to dump material outside the Osprey Landing at Kooacanusa Lake area in a legal and environmentally friendly manner.

11. Default

In the event the Owner is in default of any of the terms and conditions contained in these Design Guidelines, the Developer may (but is not obligated to) perform or cause to be performed each and every obligation of the Owner in relation thereto. All expenses and costs relating from the Owners breach shall be due and owing to the Developer forthwith and shall bear interest at 15% per annum until paid.

In the event that the Developer incurs costs or expenses to perform the obligations of the Owner as set out in these guidelines, the Developer shall be a lien holder and shall be entitled to register a Claim of Builder's lien against the Lot for all such costs, charges, expenses, and claims, and the Developer shall have all rights of a lien holder in and to the Lot, including the power to sell the Lot to satisfy the claim of lien. In such event the Owner shall be deemed to have waived all defences to the claim of lien, including any defence based on any doctrine of contract law.

12. Future Development

All other development within the Osprey Landing at Kooacanusa Lake community on lots purchased in 2006 and thereafter, will follow similar design guidelines to maintain the integrity and overall appearance of the entire area. It is understood, however, that some phased development is often required to be unique and the Developer reserves the right to review each proposed phase individually on its own merits based on the pre-defined design philosophy.

The Developer reserves the right to amend these guidelines for subsequent Phases at Osprey Landing at Kooacanusa Lake in order to maintain interest and variety while upholding the original design objectives and philosophy.

13. Developer has final Discretion to approve designs

The Developer will act fairly and reasonably in approving designs and where possible designs will be approved in a timely fashion. The Developer has sole final discretion in approving designs assuming the Owner will obtain all other necessary municipal and other applicable permits. The Owner has no recourse and agrees to hold the Developer harmless should the Developer fail to approve a submitted design that does not meet the guideline set herein.

Nothing contained in these guidelines imposes any liability on the Developer in the event that any party, including any owner or contractor, breaches or fails to conform with the provisions set out in these guidelines, and there is no obligation on the Developer to take any action or institute any proceeding to enforce the terms of these guidelines at any time. The Developer shall not be responsible for any loss or damage suffered by any Owner in the event that any party breaches or fails to conform to these guidelines. In the event that any Owner names the Developer as a party in any action or proceeding, or puts the Developer to any cost, charge or expense relating to the enforcement of these guidelines, the Owner will indemnify and hold harmless the Developer against all such costs, charges and expenses and will repay the same to the Developer forthwith on demand.

The Developer or his representatives, are authorized to enter onto the Lot at any time to review and inspect the Lot and any improvement thereon to ensure compliance with these guidelines, and the Owner waives any remedy against the Developer for such entry, whether in trespass or otherwise, and will release and hold harmless the Developer from and against any claims or demands which may be made against the Developer as a result of any such claim.

APPLICATION FOR HOUSE PLAN APPROVALS (1 of 2)

Legal Description of Lot _____

Civic Address _____

APPLICANT

Builder: _____ Phone: _____ Fax: _____

Email: _____

Address: _____

Contact Person: _____

Architectural Style: _____

Job. No. _____

Ground Floor Area: _____

Total Developed Floor Area: _____

Roof Style: _____ Roof Slope: _____

SETBACKS AND GRADE INFORMATION

Front: _____ Rear: _____

Left Side: _____ Right Side: _____

Height _____

GRADES	FRONT	REAR
Left Side		
Right Side		
Entrance Grades at Driveway		

Finished Landscapes Grades at house Corners (left and right as viewed from street)

Actual Top of Footing _____

Lowest Top of Footing _____

Top of Main Floor Joist _____

Front of Garage _____

APPLICATION FOR HOUSE APPROVALS (2 of 2)

EXTERIOR FINISHES	MATERIALS	MANUFACTURER	COLOUR
Roof			
Walls			
Shutters			
Shingles			
Brick or Stone			
Trim/Battens			
Fascia			
Soffits			
Downspouts			
Entry Doors			
Garage Door			
Driveway			

Architectural Department

Approval: _____

Date: _____

Osprey Landing at Kooconusa Lake : _____

Date: _____

INSPECTION REQUEST FORM

DATE: _____

BUILDER: _____

RE: INITIAL LOT INSPECTION

Initial Inspection of Lot _____

Legal Description _____

Municipal Address _____

Damages to the road, gutter, water frontage or fencing, as well as any excess excavation material and garbage as listed below:

RE: FINAL INSPECTION

Final Inspection of Lot _____

Legal Description _____

Municipal Address _____

Compliance with the house approval authorization or any damages to the site as listed below.

Osprey Landing at Kooconusa Lake will invoice the builder for necessary repairs or refund the lot security deposit if applicable.

As of this date _____ any known damage is listed below:

If you have any questions or concerns, please contact Mark Taylor at 403-569-5662 (Osprey Landing at Kooconusa Lake).

EXHIBIT "C"

LAND TITLE ACT
FORM C (Section 219.81)
Province of British Columbia
GENERAL INSTRUMENT - PART 1

(This area for Land Title Office use) Page 1 of pages

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND

PID LEGAL

3. NATURE OF INTEREST:*

DESCRIPTION	DOCUMENT REFERENCE (page and paragraph)	PERSON ENTITLED TO INTEREST
Option to Purchase	Entire Document	Transferee

4. TERMS: Part 2 of this instrument consists of: (select one only)

- (a) Filed Standard Charge Terms [] D.F. No.
- (b) Express Charge Terms [X] Annexed as Part 2
- (c) Release [] There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in item 3 is released or discharged as a charge on the land described in Item 2.

5. TRANSFEROR(S):*

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

OSPREY LANDING DEVELOPMENT CORP. (Inc. #BC0743062) of 3 Signature Mews SW, Calgary, AB T3H 2V6.

7. ADDITIONAL OR MODIFIED TERMS:*

NONE

8. EXECUTION(S):** This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

Execution Date

Transferor(s) Signature(s)

Y M D

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E

** If space insufficient, continue execution on additional page(s) in Form D.

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

Page of PAGES

Officer Signature(s)

EXECUTION DATE
Y M D

Transferor/Borrower/Party Signature
ALL SIGNATURES IN BLACK INK

CORP.

OSPREY LANDING DEVELOPMENT

By its authorized signatory(ies)

MARK TAYLOR

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E

** If space insufficient, continue execution on additional page(s) in Form D.

OPTION TO PURCHASE

WHEREAS:

- A. The Grantor is the registered owner in fee simple of the Land (as defined herein); and
- B. The Grantor has agreed to grant to the Grantee (Osprey Landing Development Corp.) an option to purchase the Land on the terms and conditions of this option.

NOW THEREFORE this option witnesses that in consideration of the sum of \$10.00 now paid by the Grantee to the Grantor, the receipt of which is acknowledged, the parties agree as follows:

ARTICLE I DEFINITIONS

1.01 In this option:

"Land" means the land in the East Kootenay Assessment Area legally known and described as:

PID _____

Strata Lot ____, District Lot 2374, Kootenay District, Strata Plan NES _____

"Land Title Office" means the Kamloops Land Title Office;

"Permitted Encumbrances" means those liens, charges and encumbrances listed in Schedule "A";

"Purchase Price" means _____ DOLLARS (\$ _____);

"Transfer" means a Form A Freehold Transfer of an Estate in Fee Simple.

ARTICLE II OPTION

- 2.01 The Grantor grants to the Grantee the full and exclusive first right and option, irrevocable within the time limited by this option, to purchase the Land for the Purchase Price, free and clear of all liens, charges and encumbrances, except for the Permitted Encumbrances.
- 2.02 It is agreed that the option to purchase granted hereby will only be exercisable by the Grantee if the Grantor:
 - (a) does not commence construction on the Land of a single family dwelling (herein called the "Dwelling") by that date which is thirty-six (36) months after the date of application for registration of this option in the Land Title Office; and
 - (b) having commenced construction of the Dwelling, does not substantially complete the same to the satisfaction of a duly appointed officer of the Grantee, acting reasonably, within sixty (60) months after the date of application for registration of this option in the Land Title Office. For the purposes of this clause, substantial completion of the Dwelling will require completion of the building exterior, driveway, and landscape areas (to include grading), and that such construction be concluded in accordance with the National Building Code and the Design Guidelines attached to Statutory Building Scheme to be registered in the Land Title Office.

- 2.03 Upon the Grantee becoming entitled to exercise this option to purchase by reason of the failure of the Grantor to meet the conditions described in paragraph 2.02, this option to purchase may be exercised by the Grantee at any time within two (2) years of the date that the Grantee becomes entitled to exercise the option as above, by notice in writing delivered by hand or by courier to the Grantor.
- 2.04 Upon the satisfaction by the Grantor of the conditions described in paragraph 2.02 or if the Grantee fails to exercise the option to purchase as required herein (after becoming entitled to do so) then this option to purchase shall lapse and be of no further force and effect and the Grantor will be entitled to a release and discharge of this option to purchase from title to the Land.

ARTICLE III CONVEYANCE OF LAND ON EXERCISE OF OPTION

- 3.01 If this option is exercised, a binding agreement for the purchase and sale of the Land will be constituted on the following terms and conditions:
- (a) The completion date of the sale (the “**Completion Date**”) will be the 30th day after the date upon which the notice to exercise this option is delivered to the Grantor, and on the Completion Date, the Grantee shall pay the Purchase Price to the Grantor;
 - (b) Payment of the Purchase Price may be effected by bank draft or solicitor's trust cheque, and shall be effected by courier, wire transfer or direct deposit to the Grantor's solicitor's trust account, or by hand;
 - (c) The Purchase Price may be delivered to the Grantor's solicitor on undertakings to discharge existing encumbrances, other than the Permitted Encumbrances;
 - (d) Prior to the Completion Date, the Grantor will execute and deliver to the Grantee's solicitor in trust, against an undertaking to pay the Purchase Price, all such documents as may be required to effect a transfer of the Land from the Grantor to the Grantee;
 - (e) The Grantee shall have possession of the Land on the Completion Date;
 - (f) Time shall be of the essence to the agreement of purchase and sale which arises from the exercise of this option to purchase.

ARTICLE IV COVENANTS OF THE GRANTOR

- 4.01 During the term of this option:
- (a) the Grantor will pay all taxes, rates, levies and assessments that may be levied, charged or assessed in respect of the Land;
 - (b) the Grantor will not grant an option to purchase the Land to any person.

ARTICLE V MISCELLANEOUS

- 5.01 Time is of the essence of this option and any agreement of purchase and sale that may arise out of the exercise of this option.
- 5.02 If an agreement for the purchase and sale of the Land results from the exercise of this option, the Land will be at the risk of the Grantor until the Grantee has applied to the Land Title Office to register the Transfer.
- 5.03 Any document or written notice to be served upon or given to either the Grantor or the Grantee pursuant to this agreement shall be sufficiently served and given if delivered, sent by facsimile transmission or mailed, prepaid and registered:
- (a) in case of the Grantee:
- Osprey Landing Development Corp. 3 Signature Mews SW, Calgary, Alberta T3H 2V6, If Faxed:
403-247-1385
Attention: Mark Taylor
- (b) in the case of the Grantor:
- 5.04 Either party may, by notice in writing to the other, specify another address for service of notices under this agreement, and where another address is specified under this section, notice shall be mailed to that address in accordance with this Article.
- 5.05 This option enures to the benefit of and is binding upon the parties, their respective heirs, successors and permitted assigns.
- 5.06 This option may not be assigned by the Grantee.
- 5.07 For the purpose of section 5.05, a change in the control (as that term is defined by section 1(4) of the *Business Corporations Act*) of the Grantee is deemed to be an assignment, transfer or disposition of the rights of the Grantee under this option.
- 5.08 This option is governed by and shall be construed in accordance with the laws of the Province of British Columbia.
- 5.09 Wherever the singular or the masculine is used in this option it will be construed as the plural or feminine or neuter, as the case may be, and vice versa where the context or parties so require.

SCHEDULE "A"

PERMITTED ENCUMBRANCES

“Permitted Encumbrances” means:

- (a) Easement registered under No. 59232D;
- (b) Right of Way in favour of British Columbia Hydro and Power Authority registered under No. D3537;
- (c) Statutory Building Scheme (with attached Design Guidelines) as registered by the Grantor in the Land Title Office;
- (d) The Option to Purchase, to be registered in priority to any mortgage signed by the Purchaser;
- (e) Any other non-financial encumbrances required under the subdivision process, including conservation easements or easements required by the Municipality;

(Complete as Appropriate)

(g) _____

(h) _____

SCHEDULE "D"

BUDGET

Osprey Landing Strata Corporation Expenses and Estimated Annual Assessment

Administration & Management	\$14580.00
Bank Charges	\$ 300.00
Insurance	\$ 3500.00
Office	\$ 500.00
Professional Fees	\$ 3000.00
Snow Removal and Road Maintenance	\$ 4000.00
Common Area Property Tax	\$ 4000.00
Lawn & Dock Maintenance	\$ 2000.00
Beach & Dock Access Lease	\$ 6890.00
Rec Building Fee & Maintenance	\$60000.00
Contingency Reserve Fund (10%)	\$ 9877.00
Total	\$108647.00
Estimated Annual Budget/Lot	\$ 1341.32
Estimated Monthly Budget/Lot	\$ 111.78

Note that the Regional District of East Kootenay will assess property taxes on each Strata Lot, which will be payable annually by the Owner of each Lot.

EXHIBIT " E "

OSPREY LANDING

CONTRACT OF PURCHASE AND SALE

Date of Offer: _____

The Vendor: Osprey Landing Development Corp. (Inc No. A0055469) (the "Vendor")

1.1 The Purchaser(s):

Full Name: _____	Full Name: _____
Address: _____	Address: _____
_____	_____
Email: _____ Fax: _____	Email: _____ Fax: _____
Tel (Home): _____ Work: _____	Tel (Home): _____ Work: _____
Occupation: _____	Occupation: _____

This Purchaser (is/is not) resident in Canada for purposes of *the Income Tax Act*.

This Purchaser (is/is not) resident in Canada for purposes of *the Income Tax Act*.

1.2 Purchaser's Solicitor: (if known) _____

1.3 Offer: The Purchaser hereby offers to purchase from the Vendor the following:

The lot to be known as Strata Lot _____, District Lot 2374, Kootenay District, Strata Plan _____, and situated in the Osprey Landing Development Community, located on the west side of Lake Kooconusa, approximately 1 km south of Warder, British Columbia, and more particularly described in the Disclosure Statement dated July 24, 2007.

Civic Address: _____

(the "Property").

1.4 The Purchase Price for the Property is \$_____ (the "Purchase Price") payable in lawful money of Canada. The Purchase Price does not include any goods and services tax payable.

1.5 Subject to Section 2 of Schedule 'A' hereto, the Purchaser shall, within 24 hours after the acceptance of this offer by the Vendor, pay a deposit of \$ 10,000.00 (the "Deposit").

1.6 The terms and conditions set out in Schedule 'A' hereto form a part of this Contract of Purchase and Sale.

1.7 Completion Date: See Section 3 of Schedule 'A'.

1.8 Possession Date: See Section 4 of Schedule 'A'.

The Purchaser's offer herein is open for acceptance until _____ a.m./p.m. Mountain Time on the _____ day of _____, 200__, and upon acceptance by the Vendor by signing a copy of this Offer there shall be a binding contract of purchase and sale of the Property for the Purchase Price, on the terms and conditions herein contained.

DATED _____, 200__

WITNESS:

_____))

Name:

_____))

PURCHASER:

_____))

Address:

_____))

Occupation:

_____))

PURCHASER:

(As to All Signatures)

The Vendor hereby accepts the Purchaser's offer to purchase contained herein and agrees to sell the Property to the Purchaser in accordance with this Contract.

DATED _____, 200__

OSPREY LANDING DEVELOPMENT CORP.:

Per: _____

Authorized Signatory

Disclosure Statement Receipt

The Purchaser hereby acknowledges receipt of a copy of and a reasonable opportunity prior to the execution of this Agreement to read the Disclosure Statement dated _____, together with any amendments thereto (collectively, the "Disclosure Statement").

Purchaser's signature

Purchaser's signature

SCHEDULE 'A'
ADDITIONAL TERMS AND
CONDITIONS

1. Purchase Price. The Purchaser will pay the Purchase Price to the Vendor as follows:
 - (a) the Deposit shall be paid by the Purchaser to the Vendor's Realtors, Re/Max Elk Valley Realty Ltd., in trust, within 24 hours after the Vendor's acceptance of the Purchaser's offer herein; and
 - (b) the balance of the Purchase Price, plus or minus adjustments pursuant to section 4 below, shall be paid by the Purchaser to the Vendor's Solicitors on the Completion Date (as defined in section 3 below) by way of cash, solicitor or notary's trust cheque, certified cheque or bank draft in accordance with the provisions of section 3 below.
2. Deposit.
 - (a) The Vendor will not be obligated to accept payment of any portion of the Deposit by credit card.
 - (b) Subject to subsection 2(c), interest earned on the Deposit, if any, (less a reasonable administration fee up to \$100.00 charged by the Vendor's Realtors) will be for the benefit of the Purchaser.
 - (c) The Deposit shall be dealt with by the Vendor's Realtors as follows:
 - (i) if the Purchaser completes the purchase of the Strata Lot on the terms and conditions herein contained, then the Deposit shall form part of and be applied to the Purchase Price and be paid by the Vendor's Solicitors on the Completion Date to the Vendor on the Completion Date (and interest earned on the Deposit, if any, will be paid to the Purchaser separately after the Completion Date);
 - (ii) if the Purchaser fails to complete the purchase of the Strata Lot on the terms and conditions herein contained or is otherwise in default of any of the Purchaser's obligations hereunder, then at the Vendor's election the Deposit and interest shall be absolutely forfeited to the Vendor forthwith as liquidated damages, the parties agreeing that such amount constitutes a genuine pre-estimate of damages;
 - (iii) if the Vendor fails to complete the sale of the Strata Lot on the terms and conditions herein contained, then the Deposit (or that portion of the Deposit previously paid by the Purchaser to the Vendor) shall be returned to the Purchaser as the Purchaser's sole remedy in respect of the Vendor's default and the Purchaser shall have no further claim against the Vendor.
3. Completion Date. The Purchaser will pay the balance of the Purchase Price by cash, certified cheque or solicitor's or notary's trust cheque on the date (the "Completion Date") identified by the Vendor or the Vendor's Solicitors, by written notice to the Purchaser or the Purchaser's solicitor or notary (the "Purchaser's Solicitors"), as a date on which title for the Property will have been issued by the appropriate Land Title Office (the "LTO"), provided that the Vendor or its solicitors will give not less than 10 days notice thereof. The notice of the Completion Date

given to the Purchaser or the Purchaser's Solicitors may be based on the Vendor's estimate as to when title for the Property will be issued as long as all required strata plans (as contemplated herein) have been deposited in the LTO. If title for the Property is not issued on the Completion Date so established, then the Vendor may delay the Completion Date from time to time for up to a maximum of three months after the Completion Date first established as required by the Vendor until title is issued, by written notice of such delay from the Vendor or the Vendor's Solicitors to the Purchaser or the Purchaser's solicitor or notary, provided that the Vendor or the Vendor's Solicitors will give not less than three days' notice of such extended Completion Date. Despite the foregoing, if the Completion Date has not occurred by July 31, 2008 (the "Outside Date"), this Contract will be terminated and the Vendor will repay to the Purchaser the Deposit, together with all interest earned thereon, unless the parties agree in writing to extend provided that if the Completion Date is extended as aforesaid and such extended Completion Date is after the Outside Date, the Outside Date will automatically be extended to the day following such extended Completion Date.

4. Possession and Adjustments. The Purchaser will assume all taxes, rates, assessments and other charges from and including the Completion Date and all adjustments will be made as of the Completion Date. If the amount of any such taxes, rates or assessments have been levied in respect of a parcel greater than the Property, the portion thereof which shall be allocated to the Property will be determined by prorating the total amount among all parcels for which the same have been levied on the basis of the relative areas of such parcels in each case. The Purchaser will have vacant possession of the Property on the day following the Completion Date after payment of the adjusted Purchase Price, free and clear of all encumbrances except encumbrances described in the Disclosure Statement (as defined in section 13 below), and encumbrances to be discharged pursuant to section 5 below.
5. Closing Procedure. The Purchaser's Solicitors will prepare and deliver the required Freehold Transfer (the "Transfer") and Statement of Adjustments to the Vendor's Solicitors at least five days prior to the Completion Date. The Vendor will not be required to execute or deliver any other agreements, certificates, statutory declarations or assurances whatsoever. The Vendor will execute and cause to be delivered to the Purchaser's Solicitors the Transfer and Statement of Adjustments on the condition that the Purchaser's Solicitors file the Transfer (executed by the Purchaser) for registration in LTO together with any security relating to any mortgage financing arranged by the Purchaser, and pay to the Vendor's Solicitors the balance of the adjusted Purchase Price on the Completion Date forthwith upon receipt of a satisfactory post-registration index search of title to the Property in accordance with this Contract or return such documents unregistered. The Purchaser acknowledges and agrees that the transfer of title will be subject to financial encumbrances granted by the Vendor provided that the Vendor's Solicitors undertake to clear title to the Property of such financial encumbrances within a reasonable time after receiving the balance of the adjusted Purchase Price payable to the Vendor on closing.
6. Lien Holdback. That portion, if any, of the balance of the Purchase Price required by law to be held back by the Purchaser in respect of builders' lien claims (the "Lien Holdback") shall be paid to the Vendor's Solicitors on the Completion Date. The Lien Holdback shall be held in trust for the Purchaser pursuant to the *Builders Lien Act* (British Columbia) (or successor statutes) solely in respect of lien claims registered in the LTO in connection with work done at the behest of the Vendor. The Vendor's Solicitors are authorized to invest the Lien Holdback in an interest bearing trust account, and to pay to the Vendor on the earlier of (a) the 56th day after the Completion Date, and (b) the 46th day after the issuance of a certificate of completion under the *Builders Lien Act* for the general construction contract for the Development, the Lien Holdback plus interest, if

any, earned thereon, less the amount of any builders' lien claims filed against the Property of which the Purchaser or the Purchaser's Solicitor notifies the Vendor's Solicitors in writing by 1:00 p.m. on that day.

7. Costs/GST. The Purchaser will pay all taxes (including all GST), costs and expenses incurred in connection with the completion of the sale and purchase of the Property other than the costs of the Vendor incurred in clearing title to the Property of financial encumbrances. GST is not included in the Purchase Price. The Purchaser will remit to the Vendor on the Completion Date any GST payable in respect of the sale and purchase of the Property contemplated in this Agreement, the Vendor will remit the GST collected to Canada Customs and Revenue Agency ("CRA") and the Purchaser will be solely responsible to collect any applicable rebate of the GST. Notwithstanding the foregoing, if the Purchaser is a corporation or a partnership which is registered for GST purposes and, on or before the Completion Date, the Purchaser provides the Vendor with a certificate as to the GST registered status of the Purchaser containing the Purchaser's GST registration number, the Purchaser will not be required to pay the GST to the Vendor but will be entitled to self-assess the GST and account for the same directly to CRA.
8. Building Scheme. The Purchaser acknowledges that title to the Property will be subject to the Statutory Building Scheme (as defined in the Disclosure Statement) thereunder which establish certain restrictions on the construction of improvements on the Property and require the payment of a security deposit to the Vendor prior to the approval of construction plans. The Purchaser covenants and agrees to abide by the requirements of the Statutory Building Scheme and, in particular but without limitation, will pay all fees and Deposit required thereunder when due.
9. Purchaser's Conditions. The obligation of the Purchaser to complete the purchase of the Property is subject to the following condition(s) being satisfied or waived on or before the following date(s):

The above condition(s) is/are for the sole benefit of the Purchaser and may be waived unilaterally by the Purchaser at any time on or before the date(s) provided above. If the Purchaser does not give the Vendor or the Vendor's agent written notice of the satisfaction or waiver of any of such conditions on or before such date(s), this Contract will be automatically terminated and the Deposit and any interest earned thereon will be returned to the Purchaser.

10. Risk and Time. The Property will be at the Vendor's risk until 12:01 a.m. on the Completion Date and thereafter at the Purchaser's risk. Time will be of the essence of this Contract and will remain of the essence notwithstanding the extension of any of the dates herein.

11. No Assignment. The Purchaser may not directly or indirectly assign the Purchaser's interest in this Contract or direct the Vendor to transfer title to the Property to any third party without the written consent of the Vendor, in its absolute discretion, and unless the Purchaser gives the Vendor and the Vendor's Solicitors not less than 10 days' written notice of a proposed assignment. An assignment will not release or discharge the Purchaser from any of the Purchaser's duties or obligations under this Contract, even if this Contract is subsequently amended or further assigned.
12. Presale Requirement. If, by August 31, 2007, the Developer has not satisfied itself, in its sole and absolute discretion, as to the level of pre-sales of strata lots in the Development, the Vendor will have the right to cancel the Contract by giving 10 days notice to the Purchaser or the Purchaser's solicitor. In such event, this Contract will be null and void effective as of the 10th day after the date of receipt of the notice by the Purchaser or the Purchaser's solicitor and the Vendor will repay to the Purchaser the Deposit together with all interest accrued thereon.
13. Receipt of Disclosure Statement The Purchaser acknowledges that the Purchaser has received a copy of and has been given an opportunity to read the Disclosure Statement dated July 24, 2007 in respect of the Property and any amendments to date (the "Disclosure Statement") and that this Contract constitutes a receipt in respect thereof.
14. Amended Disclosure Statement. If an amendment to the Disclosure Statement that sets out particulars of a satisfactory financing commitment (as defined in Policy Statement 6, pursuant to the *Real Estate Development Marketing Act*) is not received by the purchaser within 12 months after the initial Disclosure Statement was filed, the purchaser may, at his or her option, cancel this Contract at any time after the end of the 12 month period until the required amendment is received by the purchaser by giving notice to the Vendor or the Vendor's solicitor. In such event, this Contract will be null and void effective as of the 10th day after the date of receipt of the notice by the Vendor or the Vendor's solicitor and the Vendor will repay to the Purchaser the Deposit together with all interest accrued thereon.
15. Major Outside Event. The parties agree that if (a) any act of God, accident or other event beyond the reasonable control of the Vendor, (b) any condition discovered within the Development or in the vicinity of the Development, including, without limitation, any soil or environmental condition, or (c) any action or step taken by any applicable governmental or regulatory authority, renders it impossible or not reasonably feasible or economical for the Vendor to perform its obligations under this Contract, the Vendor may terminate this Contract upon written notice to the Purchaser, upon which the Vendor will return to the Purchaser the Deposit and any interest earned thereon.
16. Privacy Consent. The Purchaser consents to the collection, use and disclosure of personal information contained in this Contract and otherwise collected by or on behalf of the Vendor and its agents, affiliates and service providers (collectively, the "Information") for the following purposes:
 - (a) to complete the transaction contemplated in this Contract;

- (b) to invest the Deposit as provided herein including providing personal information to the financial institution as required for reporting interest earned on the Deposit in accordance with applicable laws;
- (c) to facilitate the completion of the Development, including securing financing for the construction of the Development;
- (d) to facilitate the management of the Development, including transferring management of the Development to a property manager; and
- (e) to market, sell, provide and inform the Purchaser of the products and services of the Vendor and its affiliates, including without limitation, information about future projects.

The Purchaser consents to the collection, use and disclosure of the Information by or to agents, contractors and service providers of the Vendor and its affiliates in connection with the above purposes.

17. No Interest in Land. This offer and the agreement which results from its acceptance creates contractual rights only and not any interest in land.
18. Notices. Any notice to be given under this Contract shall be in writing addressed to the respective parties or their respective solicitors and sent by postage prepaid mail (airmail, if to or from outside of Canada) or delivered by hand or transmitted by telecopy to the addresses as 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 second business day after such mailing.
19. Miscellaneous. This Contract 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 Contract will survive closing and the transfer of the Property to the Purchaser. This Contract 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.