

DISCLOSURE STATEMENT

OF

GREAT CENTRAL HOLDINGS LTD.

for

“LAKESIDE ESTATES”

Dated: October 27, 2020

<i>Developer's Name:</i>	GREAT CENTRAL HOLDINGS LTD.
<i>Address for Service:</i>	206 – 4430 Chatterton Way Victoria BC V8X 5J2
<i>Business Address:</i>	206 – 4430 Chatterton Way Victoria BC V8X 5J2
<i>Real Estate Brokerage:</i>	The Developer intends to use its own employees to market the Development. The Developer's employees are not licenced under the <i>Real Estate Services Act</i> and are not acting on behalf of the Purchaser.

Disclaimer:

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

This Disclosure Statement relates to a development property that is not yet completed. Please refer to section 7.2 for information on the purchase agreement. That information has been drawn to the attention of _____
_____ [insert purchaser's name], who has confirmed that fact by
initialing in the space provided here: _____ [initials].

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 purchaser's deposits with a brokerage, lawyer or notary public who must place the deposit 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.

TABLE OF CONTENTS

1 The Developer

- 1.1 Jurisdiction, Date of Incorporation & Incorporation Number
- 1.2 Purpose of Incorporation and other assets
- 1.3 Address of Registered and Records Office
- 1.4 List of Directors
- 1.5 Background
- 1.6 Conflict of Interest

2 General Description

- 2.1 General Description of the Development
- 2.2 Permitted Use
- 2.3 Building Construction
- 2.4 Phasing

3 Strata Information

- 3.1 Unit Entitlement
- 3.2 Voting rights
- 3.3 Common Property and Facilities
- 3.4 Limited Common Property
- 3.5 Bylaws
- 3.6 Parking
- 3.7 Budget
- 3.8 Utilities and Services
 - (a) Water
 - (b) Electricity
 - (c) Sewerage
 - (d) Natural Gas
 - (e) Fire/Police Protection
 - (f) Telephone
 - (g) Access
- 3.9 Strata Management Contracts
- 3.10 Insurance
- 3.11 Rental Disclosure Statement
- 3.12 Depreciation Report
- 3.13 Seeding the Contingency Reserve Fund
- 3.14 First Annual General Meeting
- 3.15 Documents that Must be Delivered to the Strata Corporation
- 3.16 Fines if Accrued Expenses Exceed Interim Budget

4 Title and Legal Matters

- 4.1 Legal Description
- 4.2 Ownership
- 4.3 Existing Encumbrances and Legal Notations
- 4.4 Proposed Encumbrances
- 4.5 Outstanding or Contingent Litigation or Liabilities
- 4.6 Environmental Matters

5 Construction and Warranties

- 5.1 Construction Dates
- 5.2 Warranties

6 Approvals and Finances

- 6.1 Development Approval
- 6.2 Construction Financing

7 Miscellaneous

- 7.1 Deposits
- 7.2 Purchase Agreement
- 7.3 Developer's Commitments
- 7.4 Other Material Facts

8 Signatures

Deemed Reliance
Declaration
Solicitor's Certificate

Exhibits

- A Disclosure Statement Plan
- B Zoning Comprehensive Development (CD1) District sub area CD1C - residential resort neighbourhood sub-zone
- C Development Permit DPD06011
- D Development Permit DPD20015
- E *Strata Property Act* Form V, Schedule of Unit Entitlement
- F *Strata Property Act* Form Y, Amendment to Bylaws
- G Proposed Operating Budget
- I Easement FB364018
- J Statutory Right of Way EM51337
- K Easement EM106838
- L Statutory Right of Way ET39997
- M Statutory Right of Way ET39998
- N Easement ET39999
- O Covenant EX138220
- P Statutory Right of Way FB333195
- Q Statutory Right of Way FB363991
- R Easement FB363992
- S Statutory Right of Way FB363993
- T Covenant FB364009
- U Covenant FB364010
- V Covenant FB364012
- W Statutory Building Scheme Schedule of Restrictions
- X Purchase Agreement

1 THE DEVELOPER

Name : GREAT CENTRAL HOLDINGS LTD.

1.1 Jurisdiction, Date of Incorporation & Incorporation Number

(a) Jurisdiction of Incorporation : British Columbia

(b) Date of Incorporation : March 12, 2004

(c) Incorporation Number : BC0689572

1.2 Purpose of Incorporation and other assets

The Developer was not incorporated specifically for the purpose of developing the bare land strata lots and has assets in addition to the bare land strata lots.

1.3 Address of Registered and Records Office

206 – 4430 Chatterton Way
Victoria BC V8X 5J2

1.4 List of Directors

Sole Director : IAN MARK MARLEY

1.5 Background

- (1) The Developer has over fifteen years and Ian Mark Marley has over thirty years experience in the construction and development industry. They have been responsible for the acquisition, development and construction process of several residential and commercial projects, including residential subdivisions, the construction of low-rise condominiums, multi-family projects and single-family homes.
- (2) To the best of the Developer's knowledge, neither the Developer, nor any principal holder of the Developer, nor any director or officer of the Developer or principal holder, within the ten years before the date of the Developer's declaration attached to the disclosure statement herein, has been subject to any penalties or sanctions imposed by a court or regulatory authority, relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud, and no penalties or sanctions have been imposed.
- (3) To the best of the Developer's knowledge, neither the Developer, nor any principal holder of the Developer, nor any director or officer of the Developer or principal holder,

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

- (4) To the best of the Developer's knowledge, no director, officer or principal holder of the Developer, nor any director or officer of the principal holder, within the five years prior to the date of the Developer's declaration attached to the disclosure statement herein, has been a director, officer or principal holder of any other developer that, while that person was acting in that capacity, that other developer
- (a) was subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud, and no penalties or sanctions were imposed, or
 - (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

1.6 Conflict of Interest

There are no existing or potential conflicts of interest among the Developer, manager, any directors, officers and principal holders of the Developer and manager, any directors and officers of the principal holders, and any person providing goods or services to the Developer, manager or holders of the development units in connection with the development which could reasonably be expected to affect the purchaser's purchase decision, save and except that:

- (a) Danielle Marley, who is Ian Mark Marley's wife, will be employed by the Developer in a marketing capacity. She will be representing the interests of the Developer.
- (b) The Developer will charge a \$600 annual fee for locating the water system on new Lot 6 of the Preliminary Subdivision owned by the Developer ("Lot 6"). This fee will be included in the monthly strata fee.
- (c) The Developer will charge a \$600 annual fee for sewage disposal fields and associated works on new Lot 4 of the Preliminary Subdivision owned by the Developer ("Lot 4"). This fee will be included in the monthly strata fee.

2 GENERAL DESCRIPTION

2.1 General Description of the Development

Prior to or concurrently with the filing of the bare land strata plan, the Developer will file a six lot subdivision (the "Preliminary Subdivision"). The Preliminary Subdivision will create six fee simple lots, Lots 1 through 6.

The Developer will construct sixteen bare land strata lots on Lot 5 (collectively the "Strata Lots", or individually a "Strata Lot"), located on that part of Great Central Lake known as "Boot Lagoon" (the "Development"), approximately 42 km from Port Alberni. The layout of the Development and Strata Lot sizes are as set out on the proposed plan, a copy of which is attached as Exhibit A.

The Developer intends to transfer the Strata Lots in an unfinished state. There shall be no landscaping, grass or gravel installed on the Strata Lots. Services shall be installed to the property line. Purchasers shall be responsible for the extension of services to the location they decide, within the required setbacks. All of the Strata Lots except Strata Lot 10 will be marketed.

Lots 2 through 4 created by the Preliminary Subdivision will be non-stratified fee simple lots and may be developed at a future date, but any such development would be independent of this Development.

Lot 1 of the Preliminary Subdivision is a common lot owned by the Strata Lot owners and owners of adjoining lands, and provides access.

2.2 Permitted Use

The Development is zoned sub area CD1C (residential resort neighbourhood, a sub-zone of Comprehensive Development CD1). No Strata Lot may be used for commercial or other purposes not ancillary to residential purposes. Excerpts from the zoning bylaws, which set out the permissible uses of this zoning, are attached as Exhibit B. For more information and details about zoning requirements and permissible uses, Purchasers may contact the Planning Department of the Alberni-Clayoquot Regional District, 3008 5th Avenue, Port Alberni, B.C. V9Y 2E3, Telephone: (250) 720-2700, Fax: (250) 723-1327, acrd.bc.ca. Zoning bylaws may change, and it is the responsibility of the Purchaser to consult with the Regional District as to changes, if any, to the bylaws prior to purchasing a Strata Lot, to undertaking construction of improvements, or other development activity on a Strata Lot. Notwithstanding the zoning, homes in the Development will be limited to single family homes with a maximum of 3 bedrooms.

A Development Permit was approved and issued by the Regional District on June 28, 2007, under Development Permit Number DPD06011, a copy of which is attached as Exhibit C. A new Development Permit was issued for 16 lots on July 9, 2020, under Development Permit Number DPD20015, a copy of which is attached as Exhibit D.

The Developer will make application to Island Health for the purpose of building and installing a private water supply system. The Developer has obtained Conditional Water Licence No. C120713 in accordance with the *Drinking Water Protection Act*.

2.3 Building Construction

The Developer is responsible for obtaining permits and for the construction of all roads in the Development and installation of all applicable services to the Strata Lots. The Purchaser will be responsible for the construction of any improvements on the Strata Lot and obtaining building and development permits by contacting the building or planning department of the Alberni-Clayoquot Regional District, whose contact information is set out in Paragraph 2.2.

There will be a building scheme registered on title to the Strata Lots, details of which are set out in Paragraph 4.4.

2.4 Phasing

This is not a phased subdivision.

3 STRATA INFORMATION

3.1 Unit Entitlement

(a) Purpose

Unit entitlement or strata lot entitlement is used in calculations to determine the Strata Lot's share of

- (i) the common property and common assets; and
- (ii) the common expenses and liabilities of the Strata Corporation.

(b) Calculation

The method of calculating unit entitlements is regulated by section 246 of the *Strata Property Act*. The unit entitlement of a strata lot in a bare land strata plan must be

- (i) a whole number that is the same for all of the strata lots in the strata plan, or
- (ii) a number that is approved by the superintendent and that in the superintendent's opinion allocates a fair portion of the common expenses to the owner of the strata lot.

(c) Form V

A preliminary draft of the Form V, Schedule of Strata Lot Entitlement, is attached as Exhibit E, and will be completed on or before registration.

3.2 Voting Rights

Each Strata Lot shall have one vote in the Strata Corporation, in accordance with the provisions of the *Strata Property Act*. The Developer does not intend to file a Form W, Schedule of Voting Rights, at the Victoria Land Title Office.

3.3 Common Property and Facilities

- (a) "Common Property" means
 - (i) that part of the land and any improvements shown on a strata plan that is not part of a strata lot, and
 - (ii) pipes, wires, cables, chutes, ducts and other facilities for the passage or provision of water, sewage, drainage, gas, oil, electricity, telephone, radio, television, garbage, heating and cooling systems, or other similar services, if they are located wholly or partially within a strata lot, if they are capable of being and intended to be used in connection with the enjoyment of another strata lot or the common property.
- (b) The Strata Corporation for the Development will operate and maintain a common sewerage collection system and disposal field and a common water treatment and distribution system. The cost of operating these systems will be covered by the Owners in their monthly assessments.

3.4 Limited Common Property

- (a) "Limited Common Property" means common property designated for the exclusive use of the owners of one or more strata lots.
- (b) Although the Strata Corporation is responsible for maintaining Common Property, including Limited Common Property, it may, by bylaw, make a Strata Lot owner responsible for the repair and maintenance of Limited Common Property that the Strata Lot owner has the exclusive right to use.
- (c) There is no Common Property designated as Limited Common Property on the Strata Plan.

3.5 Bylaws

The Developer intends to amend the Schedule of Standard Bylaws contained in the *Strata Property Act*. A copy of the draft Form Y, Amendment to Bylaws, is attached as Exhibit F.

3.6 Parking

Each Strata Lot owner will park on their Strata Lot and design the lot in order to allow a minimum of two outdoor parking spots on each lot.

3.7 Budget

The proposed operating budget for the Strata Corporation is attached as Exhibit G, and will be allocated among the individual Strata Lot owners based on unit entitlement. Strata Lot owners are responsible for paying the cost of utilities and other services.

3.8 Utilities and Services

- (a) Water – The Strata Lots in the Development will be served by private water lines maintained by the Strata Corporation and located on the Common Lot described herein. This cost is included in the common expenses and is reflected in the monthly strata fees. The Developer has obtained Conditional Water Licence No. CA120713 in accordance with the *Drinking Water Protection Act* for the supply of water. The Developer will be responsible to obtain permits and pay the cost of running the water lines to the property boundary of each Strata Lot, and each Strata Lot owner will be responsible for obtaining any required permits from Alberni-Clayoquot Regional District, whose contact information is set out in Paragraph 2.2, and paying the cost of hooking up to the waterline and running it from the property boundary. The responsibility for and cost of operating and maintaining the system and paying the \$600 annual fee to the Developer for locating the system on Lot 6 shall be the responsibility of the Purchasers and will be included in their monthly strata fees.
- (b) Electricity – The Strata Lots in the Development will be serviced by BC Hydro. Purchasers will have to make application to BC Hydro for services, and obtain any permit and pay BC Hydro's standard connection fees and service rates. Service is overhead. This cost is not included in the common expenses or assessment.
- (c) Sewerage – The Development will utilize a new sewage treatment plant and disposal field located on Lot 4, owned by the Developer, via easement. The permit for and cost of building the sewage treatment plant and disposal field and running it to the property line shall be the responsibility of the Developer. The responsibility for and cost of operating and maintaining the system and paying the \$600 annual fee to the Developer for locating the system on Lot 4 shall be the responsibility of the Purchasers and will be included in their monthly strata fees.

The cost of hooking up to the sewer system at the property line and running it on their property and obtaining all required pumps and tanks will be the responsibility of the individual Purchasers, who would also have to obtain any necessary permits and approvals by contacting the Alberni-Clayoquot Regional District, whose contact information is set out in Paragraph 2.2. The Developer

understands that the Purchaser will have to hire a Registered Onsite professional to design and install their sewage tanks and pumps.

- (d) Natural gas – The Strata Lots in the Development are not served by natural gas lines.
- (e) Fire and Police Protection – Fire protection is provided by the Sproat Lake Voluntary Fire Department. The nearest fire station is located approximately twelve kilometres from the Development. For more information, Purchasers may call the non-emergency telephone number at (250) 724-1351. Police protection is provided by the Royal Canadian Mounted Police. The nearest detachment is located at Port Alberni, British Columbia, approximately twenty kilometres from the Development. For more information, Purchasers may call the non-emergency number at (250)743-2424.
- (f) Telephone – The Strata Lots in the Development will be serviced by Telus. Purchasers of Strata Lots will be responsible for making application, obtaining any permits from Telus and payment of the usual application and connection fees for telephone. This cost is not included in the common expenses or assessment.
- (g) Access – Access to the Development is from Central Lake Road and the Lot 1 Common Lot. There is no public transportation.

3.9 Strata Management Contracts

The Developer does not intend to cause the Strata Corporation to enter into a management contract and, accordingly, the Interim Budget (Exhibit G) makes no provision for the expense of a Manager; however, the Developer will be entering into a one year contract to manage and maintain the water system and sewage treatment plant at a cost of \$5,600 per year for water and \$3,000 per year for sewer, which amount is contained in the budget and paid for by the strata fees. At the first Annual General Meeting of the Strata Corporation, the Owners shall assume all responsibilities for the management of the Strata and form a Strata Council.

3.10 Insurance

- (a) The Developer will obtain insurance coverage for the first year against such “major perils” (as defined in 9.1(2) of the Regulations) as are appropriate in the name of the Strata Corporation for full replacement value of common assets and fixtures built or installed on the Common Property as part of the original construction. The cost shall be the responsibility of the owners and included in the monthly strata fee. The owners shall be responsible for any renewals.
- (b) The Developer will also obtain liability insurance for the first year in an amount not less than \$2,000,000 to insure the Strata Corporation against liability for property damage and bodily injury. The cost shall be the responsibility of the

owners and included in the monthly strata fee. The owners shall be responsible for any renewals.

- (c) Each Owner or Purchaser shall be responsible for placing insurance on the improvements and contents on any Strata Lot, and obtaining all requisite third party liability insurance.

3.11 Rental Disclosure Statement

The Developer does not intend to rent any of the Strata Lots.

4 TITLE AND LEGAL MATTERS

4.1 Legal Description

- (a) Present Legal Description

The property is primarily located on land situated in the Port Alberni Assessment Area, legally described as

Parcel Identifier Number: 028-299-736

Lot 5 and an undivided 16/91 share in Lot 1 District Lots 282 and 283 Alberni District Plan VIP88188 (see Plan as to Limited Access)

(the "Parent Property")

- (b) Proposed Legal Description of Parent Property

Lot 5 and an undivided 16/91 share in Lot 1 District Lots 282 and 283 Alberni District Plan _____ (see Plan as to Limited Access)

- (c) Proposed Legal Descriptions for Bare Land Strata

Strata Lots 1 to 16 and an undivided 1/91 share in Lot 1 District Lots 282 and 283 Alberni District Strata Plan EPS _____ (see Plan as to Limited Access)

(the "Strata Lots")

Each Strata Lot will own a 1/91 share of Lot 1 District Lots 282 and 283 Alberni District Plan _____ (see Plan as to Limited Access) (the "Common Lot")

4.2 Ownership

The registered owner of the lands is Great Central Holdings Ltd.

4.3 Existing Encumbrances and Legal Notations

The Strata Lots are subject to the following existing encumbrances and legal notations:

Legal Notations:

Land herein subject to the provisions of section 33 of the *Forest Act* R.S.B.C. 1948 chap. 128, see DF 73040, filed 15.07.1955 (as to part formerly Pcl. A, DD. 17599N, D.L. 282, Alberni District, exclusive of public road);

Hereto is annexed Easement ET40001 over that part of District Lot 284, Alberni District, included within the boundaries of Plan VIP73575 (part formerly Lot 1, Plan VIP69719);

Hereto is annexed Easement FB364018 over Lot 1, Plan VIP88189, the details of which are set out in a copy of the Easement attached as Exhibit I;

Non-Financial Encumbrances:

- | | | |
|----------|---|---|
| M76300 | - | Exceptions & Reservations in favour of Esquimalt and Nanaimo Railway Company – this is a Reservation of mineral and other rights, over all lots; |
| EM51337 | - | Statutory Right of Way in favour of Catalyst Paper Corporation, details of which are contained in the Statutory Right of Way, a copy of which is attached hereto as Exhibit J; |
| EM106838 | - | Easement granted in favour of DL 284 Alberni District, details of which are contained in the Easement, a copy of which is attached hereto as Exhibit K; |
| ES98384 | - | Statutory Right of Way in favour of British Columbia Hydro and Power Authority for the purpose of access and installation and maintenance of a system for the transmission and distribution of electricity; |
| ES98385 | - | Statutory Right of Way in favour of Telus Communications Inc. for the purpose of access and installation of a system for telecommunications; |
| ET20808 | - | Statutory Right of Way in favour of British Columbia Hydro and Power Authority for the purpose of access and installation and maintenance of a system for the transmission and distribution of electricity; |

- ET20809 - Statutory Right of Way in favour of Telus Communications Inc. for the purpose of access and installation of a system for telecommunications;
- ET39997 - Statutory Right of Way in favour of Timberwest Forest Corp., details of which are contained in the Statutory Right of Way, a copy of which is attached hereto as Exhibit L;
- ET39998 - Statutory Right of Way in favour of Island Timberlands GP Ltd., details of which are contained in the Statutory Right of Way, a copy of which is attached hereto as Exhibit M;
- ET39999 - Easement granted in favour of part of Block 208, Alberni District, details of which are contained in the Easement, a copy of which is attached hereto as Exhibit N;
- EX112026-7 - Mortgage and Assignment of Rents of ET39998, in favour of BNY Trust Company of Canada – this is a Mortgage with Assignment of Rents of the Statutory Right of Way;
- EX138220 - Covenant in favour of Regional District of Alberni-Clayoquot to restrict the disposal of sewage into bodies of water in proximity to the Strata Lots, and to restrict the building and development of the Strata Lots, details of which are contained in the Covenant, a copy of which is attached hereto as Exhibit O;
- FB333195 - Statutory Right of Way in favour of Island Timberlands GP Ltd., details of which are contained in the Statutory Right of Way, a copy of which is attached hereto as Exhibit P;
- FB363991 - Statutory Right of Way in favour of Regional District of Alberni-Clayoquot and The Crown in Right of British Columbia, details of which are contained in the Statutory Right of Way, a copy of which is attached hereto as Exhibit Q;
- FB363992 - Easement for access, details of which are contained in the Easement, a copy of which is attached hereto as Exhibit R;
- FB363993 - Statutory Right of Way in favour of Timberwest Forest Corp., an extension of SRW ET39997, details of which are contained in the Statutory Right of Way, a copy of which is attached hereto as Exhibit S;
- FB363994 - Easement granted in favour of part of Lot D, Plan VIP88184, for constructing, installing and maintaining a variety of systems for the provision of utilities and services;

- FB364009 - Covenant in favour of Regional District of Alberni-Clayoquot and The Crown in Right of British Columbia, details of which are contained in the Covenant, a copy of which is attached hereto as Exhibit T;
- FB364010 - Covenant in favour of Regional District of Alberni-Clayoquot and The Crown in Right of British Columbia, details of which are contained in the Covenant, a copy of which is attached hereto as Exhibit U;
- FB364012 - Covenant in favour of Regional District of Alberni-Clayoquot and The Crown in Right of British Columbia, details of which are contained in the Covenant, a copy of which is attached hereto as Exhibit V;
- CA7594106-7 - Mortgage and Assignment of Rents of EM51337, in favour of PT Bank Negara Indonesia (Persero) TBK – this is a Mortgage with Assignment of Rents of the Statutory Right of Way;

Financial Charges:

None.

4.4 Proposed Encumbrances and Legal Notations

- (a) The Developer intends to register such utility and access easements or rights of ways as are required to provide services to the Development.
- (b) The Developer intends to register an easement over part of Lot 6 for the benefit of all Strata Lots for access to build, maintain and operate a water treatment system.
- (c) The Developer intends to register a covenant in favour of Alberni-Clayoquot Regional District restricting the use of the Strata Lots to one single family residence with a maximum of three bedrooms.
- (d) The Developer intends to register an easement over part of Lot 4 for the benefit of all Strata Lots for access to build, maintain and operate a sewage treatment system.
- (e) The Developer intends to register on each Strata Lot a covenant requiring that each Strata Lot contain two outside parking stalls and agrees to hook up to the community water system when available.
- (f) The Developer intends to register on each Strata Lot a statutory building scheme, the details of which are set out in the Schedule of Restrictions, a copy of which is attached as Exhibit W. It is anticipated that some changes will be required to the

wording to allow for it to be registered in the Land Title Office.

4.5 Outstanding or Contingent Litigation or Liabilities

There are no outstanding or contingent litigation or liabilities regarding the Development. The only outstanding liabilities in respect of the Development are those incurred in the ordinary course of construction, and they are to be paid by the Developer from its own resources.

4.6 Environmental Matters

There is a ten metre riparian area that is measured from the high water mark of the lake, as defined by Fisheries and Oceans Canada. No work or undertaking that will cause harmful alteration, disruption or destruction of fish habitat may be carried out without the authorization of Fisheries and Oceans Canada, and any other required government approvals; see Development Permit DPD20015 attached as Exhibit D.

There are two additional covenants registered on title, copies of which are attached as Exhibit T and Exhibit U. Exhibit T restricts construction less than 15 metres from the high water mark, and Exhibit U restricts construction to below the geodetic elevation of 84.5 metres. The full details are contained in Exhibit T and Exhibit U. The Developer is unaware of any soil, or subsoil, or other environmental matters affecting the Development property.

5 CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

The date for the commencement of construction of the Development was February 1, 2020. The estimated date for the completion of the construction of Development is between August 30, 2021, and October 30, 2021.

5.2 Warranties

The Developer will pass on to the Strata Corporation all manufacturers' warranties, if any, for the equipment, pumps and other apparatus installed with respect to the water and sewer treatment system. The Developer does not provide any construction or other warranties.

6 APPROVALS AND FINANCES

6.1 Development Approval

The Developer obtained a Preliminary Layout Approval ("PLA") for the Development

Plan dated July 30, 2020.

6.2 Construction Financing

The Developer intends to use its own funds to complete the Development.

7 MISCELLANEOUS

7.1 Deposits

All deposits are to be held in trust by the Developer's lawyer, the Purchaser's lawyer or notary, or the Purchaser's realtor, as a stakeholder pursuant to the terms of the *Real Estate Development Marketing Act*.

7.2 Purchase Agreement

- (a) The form of purchase agreement to be used is the standard form as jointly adopted by the British Columbia Real Estate Association and the Canadian Bar Association, British Columbia Branch, together with Addendum I, which is attached as Exhibit X.
- (b) There is no specific provision in the purchase agreement for extension of the purchase agreement, and this issue will be negotiated in each purchase offer.
- (c) The purchase agreement will contain a clause providing that the contract cannot be assigned without the written consent of the Seller, which consent may be unreasonably withheld, as well as a clause that the Seller is entitled to any profit from an assignment.
- (d) There is no provision in the agreement for the Purchaser to receive interest on the deposit monies.
- (e) There is a provision in the Contract of Purchase and Sale for the Purchaser to terminate the Contract if completion does not occur before a specified date, and for the refund of the deposit, set out in Addendum 1. In addition, paragraph 2 of the Contract of Purchase and Sale allows the Seller the option to terminate the Contract if the deposit is not paid. Paragraph 12 of the Contract of Purchase and Sale gives the Seller the option to terminate the Contract and claim the deposit if the Buyer does not pay the Seller the balance of the funds on completion.

7.3 Developer's Commitments

There will be no outstanding commitments that the Developer will have to meet after the completion of a sale of a Strata Lot.

7.4 Other Material Facts

- (a) Due to the Development's proximity to Great Central Lake and the potential threat from flooding, there is a covenant registered on title in favour of the Alberni-Clayoquot Regional District whereby the height of the habitable area of any dwelling is to be no less than 84.5 metres geodetic elevation.
- (b) The Development is located across the water from a commercial fish hatchery, and associated noises can be heard from the operations of the hatchery.
- (c) The Development is located and accessed by Great Central Lake Road, and the Ash Main logging road. This logging road is an active logging road and therefore trucks can be heard using this road.
- (d) The Developer is not aware of any other fact which will affect or could reasonably affect the market price, value or use of the Strata Lot or the Development.

8 SIGNATURES

• Deemed Reliance

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

• Declaration

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of October 27, 2020.

DATED October 27, 2020.

GREAT CENTRAL HOLDINGS LTD.)
by its authorized signatory:)
)
)
_____)
Ian Mark Marley)

All Directors in their Personal Capacity:

IAN MARK MARLEY

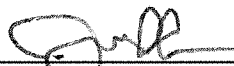
SOLICITOR'S CERTIFICATE

IN THE MATTER of the *Real Estate Development Marketing Act* and the Disclosure Statement of GREAT CENTRAL HOLDINGS LTD., Developer for property described as:

PID 028-299-736, LOT 5 AND AN UNDIVIDED 16/91 SHARE IN LOT 1 DISTRICT LOTS 282 AND 283 ALBERNI DISTRICT PLAN VIP88188 (SEE PLAN AS TO LIMITED ACCESS)

I, **JOHN A. DAVIS**, Barrister and Solicitor, a member of the Law Society of British Columbia, **HEREBY CERTIFY THAT** I have read over the attached Disclosure Statement dated October 27, 2020, and I **HEREBY CERTIFY THAT** the facts contained in Paragraph 4.1, 4.2, and 4.3 are correct.

DATED at Qualicum Beach, British Columbia, October 27, 2020.



JOHN A. DAVIS

MARSHALL & LAMPERSON LAW CORPORATION
Barristers and Solicitors
710 Memorial Avenue, Box 879
Qualicum Beach, British Columbia
V9K 1T2