

INFORMATION STATEMENT

FOR: **CEDARBROOK**
Schweyey Road, Chilliwack, B.C.

DATE: April 15, 2021 (the “**Effective Date**”)

DEVELOPER: **Cedarbrook Development Limited Partnership**

MAILING ADDRESS: 7350 Barrow Road, Chilliwack, B.C., V2R 4J8

Revision Date: April 15, 2021

THIS INFORMATION STATEMENT HAS BEEN PREPARED BY THE DEVELOPER FOR CEDARBROOK. THE DEVELOPER IS NOT REQUIRED TO PREPARE OR FILE A PROSPECTUS OR DISCLOSURE STATEMENT AND WILL NOT FILE THIS INFORMATION STATEMENT WITH ANY GOVERNMENTAL BODY. THIS INFORMATION STATEMENT CONTAINS AN OVERVIEW OF THE CEDARBROOK DEVELOPMENT ONLY AND DOES NOT AMEND OR MODIFY ANY OF THE AGREEMENTS RELATING TO THE DEVELOPMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THIS INFORMATION STATEMENT AND ANY AGREEMENTS RELATING TO THE DEVELOPMENT, THE AGREEMENTS WILL GOVERN. THE MONETARY VALUES REFERRED TO HEREIN MAY BE MODIFIED AT ANY TIME. INTERESTED PARTIES SHOULD CONSULT WITH THEIR LEGAL AND OTHER PROFESSIONAL ADVISORS PRIOR TO MAKING AN INVESTMENT IN THE DEVELOPMENT.

INTRODUCTION

Cedarbrook is a master planned, integrated community that will consist of approximately 1200 homes in a variety of sizes and styles (townhouses, duplexes, single-family homes and condominium style apartments) as well as commercial spaces. Cedarbrook is to be constructed on the Shxwha:y Village Indian Reserve in Chilliwack, British Columbia (hereinafter referred to as the “**Project**”).

The Project is situated on Shxwha:y Village First Nation land. Cedarbrook Development Limited Partnership (formerly called Shxwha:y Village Development Limited Partnership) (the “**Developer**”), has leased the land required for the Project from Shxwha:y Village First Nation (the “**First Nation**”), for a term of 125 years ending on November 3, 2144 pursuant to a head lease registered at the First Nations Land Registry in Ottawa, Ontario, on November 4, 2019 (the “**Head Lease**”). Pursuant to the Head Lease, the Developer will complete the construction of the homes described above and then grant subleases for each. Each sublessee (a “**Buyer**”) will acquire a sublease for their home (hereafter called a “**Unit**”).

As the Project is situated on Shxwha:y Village First Nation land, the *Land Title Act* and the *Strata Property Act* of British Columbia do not apply to the Project. The Project has been structured, however, so that it will function in a manner essentially similar to a strata development. When construction of each Unit has been completed and the sublease for that Unit is issued to a Buyer, the Developer will transfer to the Buyer a share in a British Columbia company called Cedarbrook Homeowners Corporation (the “**Homeowners Corporation**”), which will carry on functions similar to a strata corporation for the Project. The Developer may create multiple homeowners corporations for various phases of the Project. For example, a separate homeowners corporation may be formed for the owners of Units within apartment buildings and for owners of commercial Units. The Developer will retain voting control of the Homeowners Corporation until up to 6 months following the date the last unit in the Project has been subleased after which time voting control will pass to the Buyers. In brief, the Project will be structured and operate as follows when the Project has been completed and all subleases issued by the Developer:

- A. The Homeowners Corporation (or multiple homeowners corporations) will be granted one or more subleases of the common areas in the Project, such as roadways, common parking areas, common facilities such as parks, playgrounds and the community trail, utilities corridors and any common buildings such as clubhouse, etc. (the “**common areas**”). All of the shares in the Homeowners Corporation will be held by the Buyers (other than the shares held by the Developer).
- B. After voting control of the Homeowners Corporation has passed to the Buyers the board of directors of the Homeowners Corporation will be elected by the Buyers. A director must be a Buyer, or a nominee of a corporate owner. During the time the Developer holds voting control of the Homeowners Corporation the Developer may seek willing Buyers to agree to accept advisory positions or positions on the board and to effectively operate the Homeowners Corporation with guidance and oversight from the Developer.

- C. The Homeowners Corporation, through its board of directors, will be responsible for those issues relating to the Project that the strata council would be responsible for under a typical residential development situation, including maintenance of the common areas, placing of insurance, settling of budgets, collection of maintenance and operating fees and enforcement of the bylaws relating to the Project.
- D. Following change of control of the Homeowners Corporation, the Buyers will have a right to stand for election as a member of the board of directors of the Homeowners Corporation and will be the parties who will be responsible for electing the board of the Homeowners Corporation. They will also have a right to vote on any changes in the bylaws which govern use of the Project.

1. LOCATION OF THE DEVELOPMENT

1.1 The Land

The Project is being constructed on approximately 80 acres of land located in the Skway Indian Reserve No. 5 in Chilliwack, British Columbia being legally described as Lot 87 CLSR 109096 Skway Indian Reserve No. 6 (the “**Land**”).

Plans indicating the location of the Land are attached as Exhibit A. The exact area and location of the Project and access may vary from that shown on Exhibit A.

1.2 Access

Access to and from the Land is via Schweyey Road, Chilliwack. Schweyey Road is within the Reserve but is a road managed and maintained by the City of Chilliwack pursuant to an easement agreement in place between the City of Chilliwack and the First Nation.

2. THE DEVELOPER

2.1

- (a) Name: The Developer is a Limited Partnership called Cedarbrook Development Limited Partnership which is a limited partnership that was formed on July 12, 2019 pursuant to the British Columbia *Partnership Act*, under registration number LP278443. The Partners of the Developer are the First Nation and Westbow Schweyey Holdings Limited Partnership.
- (b) Address for Service in British Columbia: Suite 201 - 45793 Luckakuck Way, Chilliwack, B.C. V2R 5S3
- (c) Jurisdiction of Formation of the Partnership: British Columbia
- (d) Date of Creation of the Limited Partnership: July 12, 2019
- (e) The Partners of the Limited Partnership are currently as follows:

- (1) Shxwha:y Village First Nation, which is a “Band” as defined in the Indian Act, having an office address at 44680 Schweyey Road Chilliwack, BC V2R 5M5.

➤ Chief: Robert Gladstone

- (2) Westbow Schweyey Holdings Limited Partnership, which is a limited partnership that was formed on July 10, 2019 pursuant to the British Columbia *Partnership Act* under registration number LP782297.

2.2 Developer’s History

- (1) The Developer is a Limited Partnership. One of the limited partners, Westbow Schweyey Holdings Limited Partnership, is a limited partnership controlled by Dick Westeringh and Nicholas Westeringh (together the “**Westerings**”), who are both long-time residents of Chilliwack.

The Westerings are the principals of the Westbow Group of Companies (“Westbow”). Dick Westeringh established Westbow in 1977 in Chilliwack. Since then, Westbow has built homes all across North America. Recent projects include Elk Creek (120 homes on Chilliwack’s eastern hillside, Webster Crossing (160 homes in Sardis) and Hillcrest Lane (144 homes on Promontory, Chilliwack). Westbow is also currently involved in a number of large residential subdivisions in Saskatchewan (see www.westbow.ca). Westbow will be primarily responsible for all development activity for Cedarbrook.

- (2) To the best of the Developer’s knowledge, none of the Developer or any of its partners have ever 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.
- (3) To the best of the Developer’s knowledge, none of the Developer or any of its partners have ever been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromises with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such persons.
- (4) To the best of the Developer’s knowledge, none of the Developer or any of its partners have ever been a director, officer or principal holder of any other developer that, while the person was acting in that capacity, that other developer:
 - (i) was subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to

arranging, administering or dealing in mortgages of land, or to theft or fraud; or

- (ii) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets.

3. TITLE AND STRUCTURE OF THE DEVELOPMENT

3.1 Development

The Chief and Council for the First Nation have approved conceptual plans for the Project. Detailed plans for the Project will be submitted to the First Nation for approval as the Project proceeds.

3.2 Head Lease

The landlord under the Head Lease is the First Nation (and is referred to herein in that capacity as the “**Landlord**”) and the tenant is the Developer. The material terms of the Head Lease include the following:

- (a) the term of the Head Lease is 125 years ending November 3, 2144;
- (b) all rent payable under the Head Lease has been paid in full;
- (c) the tenant under the Head Lease has certain additional ongoing obligations under the Head Lease, including the obligation to pay all ongoing third- party expenses such as taxes and utilities, the obligation to repair the premises, the obligation to insure and the obligation to ensure compliance by all subtenants with the terms of the Head Lease;
- (d) the Head Lease is registered in the First Nations Land Registry in Ottawa. The Head Lease has not been and will not be registered under the British Columbia Land Title System;
- (e) the Head Lease is non-cancellable, which means that the Landlord can not terminate the Head Lease for any reason whatsoever; and
- (f) the Head Lease includes a mechanism protecting sublessees in the event there is a default by the Developer.

The terms of the Head Lease are settled with the Landlord and may be amended if agreed to by the Landlord and the Developer provided that the amendment does not have a material adverse impact on the holders of Subleases.

3.3 **Sublease**

The Developer will create individual subleases for each Unit in the Project (a “**Sublease**” or “**Subleases**”). A Sublease will be granted to each Buyer. Material terms of each Sublease include the following:

- (a) the term of each Sublease will end November 2, 2144, subject to prior termination in the event of default;
- (b) each Buyer is obligated to pay his or her proportionate share of certain ongoing expenses to the Homeowners Corporation relating to the common areas during the term of the Sublease (in the same fashion as an owner of a strata unit pays similar costs);
- (c) the Sublease will provide that, while the entire home and yard are the Buyer’s property and the Buyer’s responsibility to maintain, the Buyer must obtain the approval of the Homeowners Corporation prior to alterations (including paint colours, etc.) to the exterior of any buildings. Each Buyer shall be responsible for lawn mowing, basic landscaping and for general maintenance and upkeep of all yards, gardens and patio areas;
- (d) a Sublease may be assigned or mortgaged provided the Buyer is not in default. All assignments will be subject to an administration fee to cover the Developer’s legal and administrative costs related to the assignment. The administration fee is equal to 0.5% of the greater of the sale price or the most recent tax assessed value of the Unit;
- (e) the Sublease will be registered in the First Nations Lands Registry in Ottawa. The Sublease will not be registered under the British Columbia Land Title System;
- (f) the Developer’s solicitors will prepare the Sublease for execution by the Developer and the Buyer. The Buyer will be required to contribute \$250.00, plus GST and PST towards the cost of the Sublease preparation;
- (g) the Sublease will contain restrictions on finishing basements on Units that are below the floodplain level; and
- (h) the purchase price payable by a Buyer for a Unit will be paid as prepaid rent in the Sublease.

3.4 **Homeowners Corporation**

The Land is part of the First Nation’s Reserve lands. Dealings in the Lands are recorded in the First Nations Land Registry system maintained in Ottawa and accordingly the Land, the Head Lease and the Subleases are not and will not be registered in the British Columbia Land Title System and the *Land Title Act* and the *Strata Property Act* of British Columbia do not apply to the Land. As a result, the following steps have been taken to structure the Project in a manner similar to a strata unit:

- (a) the Homeowners Corporation has been incorporated by the Developer. The Sublease provides that the Homeowners Corporation will operate in a manner essentially similar to a strata corporation under the *Strata Property Act*. The Homeowners Corporation will be granted one or more subleases of the common areas and will perform functions similar to those performed by a strata corporation under *Strata Property Act* of British Columbia. The Developer may in the future create one or more additional homeowners corporations for various phases of the Project. For example, a separate homeowners corporation may be formed for the owners of Units within apartment buildings and for owners of commercial Units;
- (b) the Developer will own sufficient shares in the capital of the Homeowners Corporation (10,000) (and in any additional homeowners corporations) to retain voting control of the Homeowners Corporation until a time up to six months after the last Unit has been subleased to a Buyer (in this way, the Developer will retain control for a period sufficient to ensure that the Project is completed in an orderly fashion). The Articles of the Homeowners Corporation and the initial 10,000 shares issued by the Homeowners Corporation will permit the Developer to retain such control. Within 6 months of the date that the Project is complete, the original 10,000 shares held by the Developer in the Homeowners Corporation shall be repurchased for a nominal amount and cancelled. Once the Developer has relinquished control of the Homeowners Corporation, the number of issued shares of the Homeowners Corporation will be equal to the total number of Units in the Project and each Buyer will own 1 share. The same process will apply for any additional homeowners corporations;
- (c) the Homeowners Corporation will perform functions that are essentially similar to those performed by a strata corporation under the *Strata Property Act* of British Columbia. In particular, the Homeowners Corporation (which will function through its board of directors) will be responsible for maintaining the common areas, placing insurance on the common areas, establishing budgets, collecting maintenance and operating fees and enforcing the bylaws relating to the Project;
- (d) each Buyer is entitled to one share in the Homeowners Corporation. The only shareholders of the Homeowners' Corporation will be the Developer and the Buyers;
- (e) upon the assignment of a Sublease to a Buyer, the share in the capital of the Homeowners Corporation relating to that Sublease must be assigned to the new purchaser of the Sublease;
- (f) the Homeowners' Corporation may enter into a management contract for professional property management services; and
- (g) as each Unit is completed the owners of that Unit will become shareholders of the Homeowners Corporation.

3.5 **Encumbrances**

As of the Effective Date, the encumbrances appearing on the Parcel Abstract Reports for the Land issued by the First Nations Land Registry, indicate the following registrations:

- (a) the Head Lease is registered against title to the Lands;
- (b) permit 4106R is registered against Lot 21 in favour of BC Hydro for the purpose of installing, replacing and maintaining hydro lines that run along Schweyey Road and over a portion of the north-east corner of Lot 21;
- (c) an expired lease is registered against Lot 21 under No. 109608 in favour of Fairway Landfill Ltd. (commencing December 1, 1986 and expiring September 30, 1989) and expired permits are also registered against Lot 21 under Nos. 129125 and 132185, respectively, both in favour of JV Industries Ltd. (commencing October 1, 1989 and expiring September 30, 1993) permitting a portion of the Land to be used as a disposal site for construction refuse;
- (d) a mortgage and assignment of rents in favour of First Nations Bank, being the Developer's construction lender.

The Developer may itself, or it may cause the Homeowners' Corporation to, grant permits or easements over the Land in favour of other phases of the Project and/or in favour of additional homeowner corporations formed for the Project, to permit access over and use of common areas (such as roadways, parking areas, walkways, utilities, water lines, sewer lines, etc.) by occupants of other phases of the Project. As each phase of the Project is sold, common areas of that phase are available for use by all owners and occupiers of previous phases, and the owners and occupiers of the completed phase may use all common areas in the Project. The common areas will be for the use of all owners and occupiers of the Project and will be administered by the Homeowners Corporation and possibly by one or more additional homeowner corporations.

The Developer may cause the Homeowners' Corporation to enter into agreements, easements or rights of way or similar rights as may be required for public utilities or authorities, as may be required. Common areas in the Project (except those designated for exclusive use) will be available for use by all occupiers of the Project. The Developer and/or the Homeowners Corporation may grant rights to exclusive use of certain parts of the common areas, on terms and conditions stipulated in such grant.

The Developer will retain the right to use the common areas and one or more homes for marketing purposes.

The following additional encumbrances may also be registered against some or all of the Units:

- (e) Party Wall Agreements; and
- (f) Exterior Features and Finishes Agreements.

3.6 **Mineral Rights**

The Head Lease reserves the right for the Landlord to extract minerals from the Land.

3.7 **Litigation**

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

4. **THE PROJECT**

4.1 **General Description of the Project**

The Project is a master planned community which is anticipated to comprise approximately 1200 Units of various sizes and styles including townhouses, duplexes, single-family homes and multi-family apartments as well as commercial space. The plans and specifications of the Project are subject to change without notice, and the Developer reserves the right to change the configuration, number and type of Units that may be constructed in the Project. The timing and specifications for construction will be determined from time to time by the Developer.

4.2 **Use**

All townhouses, duplexes, single and multi-family homes are intended for residential use only which may include home office uses. Home office uses must be ancillary to dwelling in the Unit, must not cause noise or nuisance to other owners, and must be operated in accordance with the Bylaws. The Developer may use Units and the common areas for marketing purposes. The Sublease will provide that month to month or long-term rentals are permitted.

4.3 **Plans**

Exhibit A to this Information Statement is the conceptual site plan of Cedarbrook. Plans showing the types of Units that will be constructed in Phase 1 of the Project can be found on the Project website (www.westbow.ca/cedarbrook). Dimensions and areas have been measured from the outside of the Unit walls. The final as built size, location, specifications, finishes and details of the Units may vary from those shown on the Project website.

4.4 **Common Areas**

The common area consists of roads, parking areas, garden areas, common buildings, boulevards, park areas, playgrounds, the trail system and utilities and utility corridors outside of Units. The common areas within the Project are available for the use and enjoyment of all occupants of Units in the Project and their invitees provided that the Developer and the Homeowners Corporation may designate some common areas and facilities as “exclusive use areas” which means that they will be for the exclusive use of a sublessee or group of sublessees. There will be some street parking set aside for the Units, and those parking spaces will be on the main access road for the Project.

4.5 **Unit Entitlement**

The unit entitlement (“**Unit Entitlement**”) of each Unit is a figure indicating its owner’s contribution to the expenses of the Homeowners Corporation. The Unit Entitlement for each Unit is equal, being the percentage obtained when one is divided by the total number of Units in the Project, however the Developer has determined that Units with secondary suites (or secondary accommodation of any kind) will have a greater Unit Entitlement as indicated in Exhibit C attached hereto. The Developer reserves the right to amend Unit Entitlement calculations from time to time for Units with any such secondary suites.

4.6 **Construction Commencement**

Construction of Cedarbrook Phase 1 commenced on November 1, 2020.

4.7 **Construction Completion**

The completion of Cedarbrook is dependent on market conditions. The Developer estimates that it could take 10 or more years from the Effective Date before all phases of the Project are complete.

4.8 **Development Particulars**

(a) **Development Approval**

The overall development plan for the Project has been approved conceptually by the First Nation. Detailed plans for each phase of the Development will be submitted to the First Nation by the Developer for approval as construction proceeds.

(b) **Construction Approvals and Standards**

The Head Lease requires the Developer to obtain all required approvals and permits from the appropriate authorities prior to commencement of construction. All Units will be constructed in accordance with the current British Columbia building code.

(c) **Building Inspections**

Inspection services will be provided by a qualified building inspector retained by the Developer.

(d) **Utilities and Other Services**

(i) **Services** – The Project is serviced with the following services, namely domestic water, sanitary sewer, street access and fire and police protection. These services will be provided by the City of Chilliwack, which will be entering into a servicing agreement with the Developer and the First Nation. It is anticipated that each Unit will be separately metered for water and sewer services;

- (ii) Hydro - The Project will be serviced with electricity by British Columbia Hydro.
- (iii) Natural Gas - The Project will be serviced with natural gas by Fortis B.C.
- (iv) Telephone - The Project will be serviced with telephone service by Telus or Shaw.
- (v) Television/Internet - The Project will be serviced with television and internet service by Telus or Shaw.

The Developer may change the service providers at any time.

The day-to-day charges for the above utilities and services will be charged directly to the Buyers or determined by sub-metering, proration or Unit Entitlement, as the case may be.

4.9 **Changes from Natural State**

There have been no changes from the natural state of the Land other than normal clearing, site grading, foundation excavation and landscaping.

4.10 **Soil Conditions and Flooding Dangers**

Based on a physical examination of the lands, the developer is not aware of any hazards or dangers to the Land with regard to soil conditions or flooding.

5. **THE OFFERING**

5.1 **Terms of Offering**

(a) **Offering**

Buyers will be granted a Sublease of their Unit and will acquire one share in the capital of the Homeowners Corporation.

(b) **Equipment in Unit**

Some Units will include a microwave, hood fan, dishwasher, fridge, range, washer and dryer, fireplace, and mini-blinds on all the windows.

(c) **Parking**

Each Unit will have enclosed parking space(s) plus at least one or more surface parking space(s) on their lot. No parking will be allowed on the common roads. A limited number of visitor parking stalls will be located on the Project. Owners may only park on their lot and must abide by all bylaws regarding parking of vehicles and trailers.

(d) Warranties

Pacific Home Warranty will provide standard 2-5-10 warranty as described in Exhibit B.

(e) Purchase Financing

Subject to the Buyers meeting specified qualifications, the Developer is advised that several financial institutions are prepared to provide first mortgage financing to approved borrowers.

(f) Leasing of Units

The Developer reserves the right to retain Units and to lease those Units on terms and conditions determined by the Developer. The Developer may retain one or more Units for use as display suites as part of the Developer's marketing activities in the Project and the Developer may construct one or more Units for "spec" sale purposes. Sublessees shall not be entitled to place "for sale" signage on their Units, rather a central directory will be established to advertise Units for sale.

(g) Assignment of Subleases

An administration fee equal to 0.5% of the greater of the sale price or the most recent tax assessed value of the Subleased Premises will be charged for each Sublease assignment, as described in the Sublease to cover legal and administrative expenses of the Developer. For such fee the Developer will provide a statement certifying the status of the Sublease and it shall cause the seller's share in the Homeowners Corporation to be transferred to the buyer. If the Sublease is in good standing, without default, it may be assigned without the Developer's consent.

5.2 Deposits

All deposits payable by a Buyer shall be paid directly to the Developer. The terms upon which the deposits will be held will be fully addressed in the Purchase Agreement.

5.3 Property Taxes and Utility Rates

(a) Property Taxes

The First Nation has enacted assessment and property taxation bylaws and such bylaws are applicable to the Project. The Band will administer and collect property taxes on this Project. Each Buyer shall be responsible for property taxes for his or her townhouse, as well as their proportionate share of property taxes assessed on common areas. Federal law requires that all First Nations enacting assessment and property taxation bylaws must utilize the services of the local assessment authority (in this case the B.C. Assessment Authority) and it must adopt the mill rates of the local municipality from year to year (in this case the City of Chilliwack). As a

result, property taxation levels will be very similar to homes within the City of Chilliwack.

(b) Property Transfer Tax

As of the effective date of this Information Statement, the First Nation has not enacted a property transfer tax bylaw. The First Nation does have the legal authority to enact a property transfer tax bylaw (subject to constraints imposed upon the First Nation by federal legislation). Should the First Nation choose to do so in the future each Buyer would be responsible to pay Property Transfer Tax on the fair market value of the Unit on the date of registration of its Sublease.

(c) Expenses

The following utilities will be separately metered or assessed to each Unit and are the responsibility of each Buyer:

- Electricity
- Cablevision/Internet
- Natural Gas
- Telephone

(d) Other Expenses

The Homeowners Corporation will pay the costs and expenses related to common areas including, but not limited to, the following:

- Water and Sewer for the common areas and the Units (these are bulk metered)
- Electricity for common areas
- Repair and maintenance for common areas
- Property Management for the Project
- Landscape maintenance for common areas of the Project
- Snow removal of common areas

The costs will be prorated to the owners of the Units and included in monthly assessments.

5.4 **Common Expenses**

- (a) Exhibit C to this Information Statement is the pro forma initial annual budget for Phase 1 operating expenses of Cedarbrook. The budget is subject to variation by the Developer and will change.
- (b) As of the Effective Date, the monthly assessment for each Unit is \$60 commencing in the month immediately following the Closing Date. This assessment is subject to change.
- (c) The Developer shall not be obligated to pay operating expenses for any Units constructed by it but not yet leased to Buyers or on any bare land inventory,

provided that if the Developer retains Units for short term rental purposes then it shall be obligated to pay its share of operating expenses with respect to those Units.

5.5 Fire and Liability Insurance

- (a) The Developer will obtain course of construction insurance at least equal to the costs of improvements and general liability insurance on the Project in the amount of \$5,000,000.
- (b) After a phase of the Project is complete, the Developer will cause the Homeowners Corporation to arrange insurance coverage to replace the insurance coverage set out above with respect to that phase with an all risk, all property insurance for full replacement value of the common areas, including general liability of at least \$5,000,000. Terms of the insurance are described in the Sublease.
- (c) Each Buyer will be responsible for insuring his or her Unit, with all risk, all property insurance for full replacement value, including public liability insurance in an amount not less than \$5,000,000 per occurrence and for insuring the contents of his or her Unit. The public liability insurance policy must name as insureds the Buyer, the Developer and the Landlord

6. RESTRICTIONS ON USE IN THE DEVELOPMENT

6.1 Use of the Units

With the exception of the planned commercial component of the Project, no Units will be retained or alienated for non-residential purposes, except for use of certain Units by the Developer for marketing purposes for the Project. Owners may use Units for home office uses in accordance with Section 3.2 of this Information Statement.

7. SUBLEASE, BYLAWS

The form of Sublease and Bylaws will be made available for review by prospective Buyers on the Project website (www.westbow.ca/cedarbrook).

8. MISCELLANEOUS

8.1 Material Contracts

No material contracts are in existence or contemplated affecting the Project which would bind the Developer and/or the Homeowners' Corporation, or Buyer except those disclosed herein and those that will be required in the maintenance and operation of the Project in respect of:

Property Management;
Common area maintenance;
Landscape maintenance;
Waste collection;
Snow removal; and
Utilities,

and the Developer will make available for viewing on its website (www.westbow.ca/cedarbrook) copies of relevant documents such as the Head Lease, the Articles and Bylaws of the Homeowners' Corporation and the anticipated form of Sublease.

EXHIBIT "A"

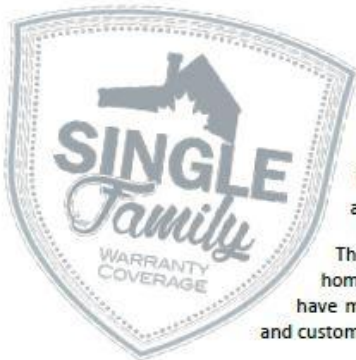
Site Plan



EXHIBIT “B”

Home Warranty Particulars

A Standard Home Warranty as required by the Homeowner Protection Office will be provided by Pacific Home Warranty. A summary of the coverage is as follows:



Pacific Home Warranty provides new home warranty insurance protection that meets or exceeds the requirements of the Homeowner Protection Act. Our home warranties are provided by leading national insurance companies. In addition, Pacific Home Warranty acts as the administrator to ensure that every policy is interpreted fairly.

The Pacific Home Warranty Program is designed to specifically protect new home buyers. We represent excellence and can assure you that our builders have met high standards of accountability in the areas of finance, construction and customer satisfaction.

1 Year Materials & Labour Warranty

Homes enrolled in the Pacific program will be worry free in the first year as we warrant against defects (items that do not conform with warranty standards) in workmanship and materials that may occur during the first year after completion.

2 Year Mechanical Systems Warranty

In the second year our warranty extends to the crucial mechanical systems that keep the home comfortable. We provide coverage for any defect in materials and labour supplied for the gas, electrical, plumbing, heating, ventilation, and air conditioning delivery systems as well as the exterior cladding, caulking, windows and doors.

5 Year Building Envelope Warranty

Pacific Home Warranty includes coverage for the many elements that provide protection to what is called the “building envelope” for five years. Pacific Home Warranty warrants against water penetration and a number of other hazards that threaten the comfort and beauty of a new home.

10 Year Structural Defect Warranty

Pacific Home Warranty protects the very heart of the home’s structure for 10 full years. We cover any defect in materials and labour that results in a failure of the load bearing components of the home or the structural damage that might result from such a failure.

Living Out Allowance Coverage

Our warranty will ensure families have a place to live if they have to move out of their home because of a structural defect. We will reimburse reasonable expenses incurred for hotel rooms while the home is unlivable up to \$100 per day.

\$200,000 Total Policy Limit

At Pacific Home Warranty, we offer total aggregate coverage with a limit of \$200,000. We believe our builders are the best in the industry and we back them with the highest level of consumer protection, helping the homebuyer get a good night’s sleep.



These homes will be built to comply with the Residential Construction Performance Guide, which can be found on the BC Housing Website.

EXHIBIT "C"

Current Homeowners Corporation Budget

	<u>Proposed Budget</u>
Receipts / Revenue	
Maintenance Fees	\$ 39,283.20
Interest Income	\$ -
Penalty Assessments	\$ -
Total Anticipated Income	<u>\$ 39,283.20</u>
Proposed Disbursements	
Maintenance	
General Repairs	\$ 500.00
Landscape Maintenance	\$ 8,000.00
Snow Removal	\$ 1,000.00
Fire Inspection	\$ 500.00
Civil Repair Fund	\$ 10,000.00
	<u>\$ 20,000.00</u>
Utilities & Services (Common Areas)	
Electricity	\$ 2,500.00
Waste Removal	\$ 1,500.00
Metered Water & Sewer	\$ 2,500.00
	<u>\$ 6,500.00</u>
Administration	
Management Fees	\$ 2,262.00
Bank Charges	\$ 150.00
Insurance	\$ 6,000.00
Office and Miscellaneous	\$ 250.00
Annual Tax Filing	\$ 350.00
Professional Fees	\$ 200.00
	<u>\$ 9,212.00</u>
Total Expenses	<u>\$ 35,712.00</u>
Contribution to Contingency	<u>\$ 3,571.20</u>
Total Operating Expenses	<u>\$ 39,283.20</u>
Excess Income over Expenses	\$ -
Based on the unit count in Phase 1, the Monthly Maintenance fees will be:	
Principle Units	\$ 70.84
Secondary Units	\$ 20.00