"LAKESIDE WEST"
Langford, British Columbia

AMENDMENT TO DISCLOSURE STATEMENT

May 24, 2024

This Amendment to Disclosure Statement (this "**Amendment**") amends a Disclosure Statement dated May 25, 2023 (the "**Original Disclosure Statement**") with respect to an offering by Draycor Developments Ltd. (the "**Developer**") for the sale of seventy-eight (78) residential strata lots (collectively, the "**Strata Lots**" and each of them, a "**Strata Lot**") to be created in a development to be known as "Lakeside West" and located at 2860 Leigh Road, Langford, British Columbia (the "**Development**").

DEVELOPER

Name:	Draycor Developments Ltd.
Business Address:	204 – 655 Tyee Road, Victoria, BC V9A 6X5
Address for Service:	204 – 655 Tyee Road, Victoria, BC V9A 6X5
Agent of Developer:	Todd Mahovlich, Personal Real Estate Corporation Julian Parson c/o Royal LePage Coast Capital Realty 132B – 2945 Jacklin Road Victoria, BC, V9B 5E3 Tel: 250-474-4800 Email: westshorerlp@shaw.ca

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 _____ who has confirmed that fact by initialling the space provided here _____.

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* (BRITISH COLUMBIA). 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.

A purchaser may serve a notice of rescission by delivering a signed copy of the notice in person or by registered mail to:

(a) the developer at the address shown in the disclosure statement received by the purchaser;

(b) the developer at the address shown in the purchaser's purchase agreement;

(c) the developer's brokerage, if any, at the address shown in the disclosure statement received by the purchaser; or

(d) the developer's brokerage, if any, at the address shown in the purchaser's purchase agreement.

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

Section 21 also provides that, subject to certain exception subject to certain exceptions and conditions, a purchaser of a development unit may rescind a purchase agreement by serving a written notice of rescission on the developer or the developer's brokerage: (1) if the purchaser is entitled to a disclosure statement for the Development but does not receive the disclosure statement; or (2) if all of the following apply: (a) the purchaser does not receive an amendment to this Disclosure Statement which it was entitled to receive; (b) the amendment relates to or would have related to a fact or proposal to do something that is a material fact; (c) the amendment relates to or would have related to a fact or proposal to do something that was or would have been reasonably relevant to the purchaser in deciding to enter into the purchase agreement; and (d) no more than one year has elapsed after the transfer of title to the development unit to the purchaser. The foregoing rights of rescission apply regardless of whether title to the development unit has been transferred.

INTERPRETATION

Unless otherwise defined in this Amendment, each capitalized term set out in this Amendment will have the meaning given to it in the Original Disclosure Statement.

AMENDMENTS

The Original Disclosure Statement is hereby amended as follows:

1. **Rights of Rescission - Policy Statement No. 5** – by deleting Right of Rescission: Policy Statement No. 5 – When Building Permit Not Issued, on page 3.

2. **Right of Rescission – Policy Statement No. 6** – by deleting Right of Rescission: Policy Statement No. 6 – Satisfactory Arrangements, on page 4.

3. **General Description of the Development** – by deleting section 2.1 (entitled "General Description of the Development") and replacing such section with the following:

"2.1 General Description of the Development

The property will be developed in one building with an underground parking garage, commercial space on the ground level, and residential strata development above the commercial space. The residential strata development will consist of 78 units, of which 30 will be one-bedroom units and 48 will be two-bedroom units.

The project will be located at 2881 Leigh Road, Langford, British Columbia.

The residential strata development will be part of a larger development project that will include a commercial component which will be leased or sold by the Developer as a commercial development separate and apart from the residential strata development. The residential and commercial components will have their own, separate strata corporation. For added clarity, any reference to the development, strata corporation, strata property (including but not limited to common property or limited common property), strata lots, or any other reference to the development in this Disclosure Statement is in respect of the residential strata development, unless explicitly stated otherwise.

The residential strata development will be developed in an airspace parcel. The registration of the airspace parcel will result in a remainder parcel. The commercial component will be contained within the remainder parcel. The airspace parcel will include the residential strata development component of the development. The remainder parcel will include the commercial component.

A plan of the parent property is attached as **Exhibit "A"**.

A preliminary plan of the airspace parcel is attached as **Exhibit "A2"**.

The commercial component and the residential strata component will share a common building, some parking, and access to and use of certain amenities spaces, among other things. The residential and commercial components will each contribute proportionally to shared costs for the building, shared amenity spaces and services.

The owners of the residential strata lots will each be entitled as tenants-in-common to a proportionate share of the common property of the strata corporation to be created upon the deposit of the strata plan in the Victoria Land Title Office. Each owner's entitlement to a proportionate share of the common property of the strata corporation and the common facilities and assets of the strata corporation is subject to the bylaws of the strata corporation, any designations of common property as limited common property and any licenses, easements, leases, rights of way, equitable charges, covenants or any other encumbrances or charges described in this Disclosure Statement which are granted by the Developer prior to or concurrently with the registration of the strata plan or by the strata corporation once the strata plan is registered in the Victoria Land Title Office and the strata corporation is formed. The commercial portion of the development is not part of the residential strata corporation. It is intended that the commercial component will be developed and owned by the Developer or an entity related to the Developer, and sold or leased.

It will be necessary to register easements, including cost sharing arrangements regarding access and parking facilities between the owners of the residential strata lots and the owner(s) of the commercial strata lots within the commercial component for jointly used items and areas and for use or maintenance of items in areas belonging to or relevant to one party only but passing through or into the common property of the development or the commercial property component. These easements may benefit or burden the commercial property or the residential strata lots or may be reciprocal to each.

Easements currently contemplated include, without limitation:

(a) Parking;
(b) Access to utility service boxes and rooms;
(c) Development access;
(d) Insurance;
(e) Structural support;
(f) Structural and mechanical repair and maintenance;
(g) Roof drainage system(s);
(h) Placements of pipes, ducts, conduits, connections and all other things necessary or desirable in order to provide services such as hydro, water, sewer, telephone, cable, internet, as well as other services and amenities not currently included in the development, such as natural gas or new technological services;
(i) Repair, maintenance and replacement of the roof and placement operation and servicing of HVAC equipment on the rooftop, by or on behalf of the commercial properties in the development;
(j) Service rooms;
(k) Exhaust systems;
(l) Fire prevention and other safety equipment;
(m) Further development or repair of the airspace parcel containing the residential development; and
(n) Permitting noise, odours, activities and nuisances associated with a commercial development (limited to the City of Langford Bylaws).

A preliminary draft copy of the easements agreement is attached as **Exhibit "G"**.

Despite anything else providing in this Disclosure Statement, the statements in this

Disclosure Statement relating to the commercial component are statements of the Developer's intentions only. The Disclosure Statement is solely in respect of the residential strata lots.

Approximate dimensions, lot lines and locations of the proposed residential strata lots are shown on the draft strata plan attached as Exhibit "B". The dimensions, areas, lot lines and locations of the residential strata lots shown on the draft strata plan or in any sales brochures or other marketing materials, are provided for information purposes only and are not represented as being the actual final areas, lot lines, dimensions, or locations of the residential strata lots.

The Developer reserves the right to amend the size, number and type of units for the development, to combine one or more residential strata lots into a single lot, to subdivide single residential strata lots or to renumber the unit number assigned to the residential strata lots and/or to amend the size of any limited common property (defined bellow) and common property (defined below) prior to filing the final strata plan."

4. Existing Encumbrances and Legal Notations – by deleting section 4.3 (entitled "Existing Encumbrances and Legal Notations") and replacing such section with the following:

"4.3 Existing Encumbrances and Legal Notations

Legal Notations

(a) Hereto is annexed Easement CB1211996 over Lot 5 Plan 17880

This legal notation is a notice that the Lands have the benefit of an easement over Lot 5 Plan 17880 ("**Lot 5**") which permits the owner to, *inter alia*: (A) install and leave certain works under and within Lot 5 that are necessary for the purpose of shoring up any excavation undertaking on the Lands and underpinning or otherwise supporting any building on the Lands; and (B) swing the boom of a construction crane through the airspace above Lot 5. This easement includes an indemnity by the owner of the Lands in favour of the owner of Lot 5.

(b) This title may be affected by a permit under Part 14 of the Local Government Act, see CB427678.

This legal notation is a notice that a development permit under the *Local Government Act* (British Columbia) has been issued by the City with respect to the Lands.

Charges, Liens and Interest

(c) Easement G4487

This easement was granted by the registered owner of the Lands in favour of an adjacent property, to allow the adjacent property owner access to an easement area (a 37.5 square foot area of the north-east corner of the Lands) to install, maintain and repair a power pole.

(d) Covenant CA9979171

This covenant granted to the City pursuant to section 219 of the *Land Title Act* was granted by the registered owner of the Lands and requires certain development conditions be met as part of this development project.

(e) Mortgage CB67363 and Assignment of Rents CB7364

This Bank of Nova Scotia Mortgage and Assignment of Rents secure financing in favour of the Developer. The Developer intends to cause these charges to be repaid and discharged from title concurrently with registration of the Developer's Construction Security (as hereinafter defined).

(f) Covenant CB1126510

This covenant granted to the City pursuant to section 219 of the *Land Title Act* was granted by the registered owner of the Lands, in favour of the City, and requires the owner to: construct and maintain electric vehicle charging systems, ensure a separate parking stall is allocated to each residential unit in the development without charge or additional consideration, and ensure off-street parking stalls allocated to commercial premises in the development can be counted towards the visitor parking stalls required for the residential complex within the development.

(g) Priority Agreement CB1126511

This priority agreement grants Covenant CB1126510 priority over Mortgage CB67363 and Assignment of Rents CB67364.

(h) Easement CB1211998

This easement was granted by the registered owner of the Lands in favour of Lot 5 and permits the owner of Lot 5 to, *inter alia*: (A) swing the boom of a construction crane through the airspace above the Lands; (B) enter over, on, in and under the Lands with or without vehicles for the purposes of installing, constructing, stabilizing, keeping, repairing, replacing, and maintaining the Lot 5 owner's crane; and (C) remove any fence or similar structure from the property line separating Lot 5 and the Lands as are necessary to facilitate the construction of the Lot 5 owner's construction project. This easement includes an indemnity by the owner of Lot 5 in favour of the owner of the Lands.

(i) Priority Agreement CB1211999

This priority agreement grants Easement CB1211998 priority over CB67363 and Assignment of Rents CB7364.

(j) Statutory Right of Way CB1289715

This statutory right of way granted to British Columbia Hydro and Power Authority ("**BC Hydro**") permits BC Hydro to enter onto the Lands for the purposes of, *inter alia,* installing, repairing and maintaining certain BC Hydro works including but not limited to above ground, pad-mounted or underground transformers, underground wires and cables (and connectors), switchgear, controlgear, kisoks, associated underground civil infrastructure, and related fitting and components including

protective installations, for the purposes of transmitting and distributing electricity and for the purpose of communications, all as relating to the rights and responsibilities of BC Hydro in connection with BC Hydro's distribution system.

(k) Statutory Right of Way CB1289716

This statutory right of way granted to TELUS Communications Inc. ("**Telus**") permits Telus to enter onto the Lands for the purposes of, *inter alia,* installing, repairing and maintaining certain Telus works including but not limited to above ground, pad-mounted or underground transformers, fibre optic cables, underground wires and cables (including connectors), switchgear, controlgear, kiosks, associated underground civil infrastructure, and related fittings and components and protective installations for the purposes of telecommunications and data transmission, all as relating to the rights and responsibilities of Telus in connection with Telus' telecommunications and data transmission system.

5. **Construction Dates** – by deleting section 5.1 (entitled "Construction Dates") and replacing such section with the following:

"5.1 Construction Dates

Commencement of construction of the Development started on April 1, 2024. For the purpose of the foregoing "commencement of construction" means the date of commencement of excavation in respect of construction of the improvements that will become part of a Strata Lot within the Development.

Completion of construction of the Development is expected to occur between the dates of November 1, 2026 and January 31, 2027. For the purpose of the foregoing, "completion of construction" means the first date that a Strata Lot within the Development may be lawfully occupied, even if such occupancy has been authorized on a provisional or conditional basis.

The estimated dates for commencement of construction and completion of construction are estimates only and the actual date for commencement or completion of construction may vary, subject to the provisions of the purchase agreements. The estimated completion dates are not to be relied upon by purchasers of the Strata Lots for determining the completion dates of their purchases. In particular, depending on construction schedules, financing arrangements, market conditions and other factors, the Developer may significantly advance the date for commencement of construction or completion of construction, or both, to an earlier date, or significantly delay the date for commencement or completion of construction, or both (or any combination of the foregoing)."

6. **Development Approval** – by deleting section 6.1 (entitled "Development Approval") and replacing such section with the following:

"6.1 Development Approval

Municipal zoning required to permit the construction of the development has been approved by the council of the City of Langford.

The City issued Development Permit No. DP22-0076 on December 6th, 2022, in respect of the Development.

The City issued Building Permit No. BLD23-0130 on May 6, 2024, for construction of the Development."

7. **Construction Financing** – by deleting section 6.2 (entitled "Construction Financing") and replacing such section with the following:

"6.2 Construction Financing

The Developer has obtained an Offer of Credit from Island Savings, a division of First West Credit Union (the "**Construction Lender**"), to finance the construction of the Strata Lots and the Development.

The titles to the Strata Lots are or will be subject to a mortgage, an assignment of rents and other security required by the Construction Lender with respect to the construction financing (collectively, the "**Construction Security**"). The Developer will cause the Construction Lender to provide a partial discharge of the Construction Security in respect of each Strata Lot, within a reasonable period of time after completion of the sale of such Strata Lot to a purchaser, upon receipt by the Construction Lender of a specified or predetermined amount from the proceeds of the sale of such Strata Lot."

8. **MISCELLANEOUS** – by deleting Article 7 (entitled "MISCELLANEOUS", and comprised of sections 7.1, 7.2, 7.2.2, 7.2.3, 7.2.4, 7.2.5, 7.3 and 7.4) and replacing such article with the following:

"7. MISCELLANEOUS

7.1 Deposits

Except as otherwise provided in this section 7.1, all deposits and other monies received from a purchase of a Strata Lot (collectively, the "**Deposits**") will be held by Royal LePage Coast Capital Realty (the "**Deposit Holder**") in trust in the manner required by the *Real Estate Development Marketing Act* (British Columbia) until such time as:

(a) the final strata plan is deposited in the Land Title Office;

(b) the approvals required for the lawful occupation of the Strata Lot have been obtained; and

(c) an instrument evidencing the interest of the purchaser in the Strata Lot has been filed for registration in the Land Title Office.

The Developer reserves the right to enter into a deposit protection insurance contract, in accordance with the provisions of the *Real Estate Development Marketing Act* (British Columbia) and the regulations thereunder, which would permit the Developer to use the deposit money to construct and market the development. In such event, the Developer will provide purchasers with an amended Disclosure Statement filed with the Superintendent stating the aggregate and per claim limits of the insurance and, in accordance with Section 10 of the Regulations, the name and business address of the insurer, the name of the developer who entered into the deposit protection contract, and the date on which the insurance takes effect.

7.2 Purchase Agreement

A copy of the Developer's form of purchase agreement is attached as **Exhibit "F"** to the Disclosure Statement, unless otherwise agreed to between the Developer and a purchaser of a Strata Lot. The Purchase Agreement provides, among other things:

(a) Provisions for terminating the Purchase Agreement:

"Time will be of the essence of this Purchase Agreement and if the Deposit is not made as and when due under this Purchase Agreement or if the balance of the adjusted Purchase Price is not paid on the Closing Date as set out in this Purchase Agreement, the Vendor may, at the Vendor's option:

(i) terminate this Purchase Agreement by written notice to the Purchaser and in such event any Deposit made by the Purchaser will be forfeited to the Vendor on account of the Vendor's damages, without prejudice to any other remedies of the Vendor; or

(ii) elect to complete the purchase and sale contemplated by this Purchase Agreement.

So long as any default is continuing, the Vendor may terminate this Purchase Agreement at any time after such default by the Purchaser, by notice to the Purchaser, even if the Vendor has previously elected to complete this Purchase Agreement."

"If it is not possible or economically feasible for the Vendor to complete construction of the Development because of any act of God, accident or other event beyond the reasonable control of the Vendor or any action taken, or required approval refused, by any applicable governmental or regulatory authority, the Vendor may terminate this Purchase Agreement upon written notice to the Purchaser, upon which the Vendor will return to the Purchaser any Deposit, together with accrued interest thereon. In the case of any termination of this Purchase Agreement pursuant to this provision, this Purchase Agreement will be null and void effective as of the date of receipt of the notice by the Purchaser or the Purchaser's solicitor and there will be no further obligations as between the Vendor and the Purchaser."

(b) Provisions in the Purchase Agreement that allow for an extension of time for completing the Purchase Agreement, as follows:

"The closing date (the "**Closing Date**") for the purchase and sale of the Property will be ten (10) calendar days after the Purchaser (or the Purchaser's solicitor or notary) receives written notice (the "**Closing Notice**") from the Vendor (or the Vendor's solicitor) that the City of Langford has issued an occupancy permit that applies to the Property (whether interim, conditional or final) and that a certificate of title has been issued by the Land Title Office for the Property. Without restricting the foregoing, and subject to construction delay, the Closing Date is estimated to be on or about January 31, 2027. THIS DATE IS AN ESTIMATE ONLY.

The Closing Notice may be based on the Vendor's estimate as to when the Property will be ready to be occupied. If the Property is not ready to be occupied on the Closing Date so established, then the Vendor may delay

the Closing Date from time to time as required, by notice of such delay(s) to the Purchaser or the Purchaser's solicitor or notary, but any such delay(s) will not exceed in the aggregate ninety (90) days from the date specified in the Closing Notice."

"If the Vendor is delayed in completing the sale of the Property as a result of fire, explosion or accident, howsoever caused, act of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, materials or equipment, flood, act of God, delay or failure by carriers or contractors, unavailability of supplies or materials, breakage or other casualty, climatic conditions, interference of the Purchaser, or any other event beyond the control of the Vendor, then the Closing Date will be extended for a period equivalent to such period of delay."

"If by October 31, 2027 (or such later date which results from the application of the preceding paragraph then by such later date), the Closing Date has not occurred, the Vendor will have the right to cancel the Agreement by giving ten (10) business days' written notice of such termination to the Purchaser or the Purchaser's Solicitors. In the case of cancellation of this Agreement pursuant to this paragraph, the Purchaser will be entitled to repayment of the Deposit and neither party will have any claim against the other party under or in respect of this Agreement."

(c) Provisions in the Purchase Agreement for assigning the Purchase Agreement to a new purchaser, as follows:

"In accordance with Policy Statement 16 promulgated by the Office of the Superintendent of Real Estate pursuant to the *Real Estate Development Marketing Act*, the following is included in this Purchase Agreement and applies to the Transaction, notwithstanding anything to the contrary:

(i) Without the Vendor's prior consent, which may be arbitrarily withheld, any assignment of a purchase agreement is prohibited.

(ii) An assignment under the *Real Estate Development Marketing Act* is a transfer of some or all of the rights, obligations and benefits under a purchase agreement made in respect of a strata lot in a development property, whether the transfer is made by the purchaser under the purchase agreement to another person or is a subsequent transfer.

Each proposed party to an assignment agreement must provide the developer with the information and records required under the *Real Estate Development Marketing Act*.

Before the developer consents to an assignment of a purchase agreement, the developer will be required to collect information and records under the *Real Estate Development Marketing Act* from each proposed party to an assignment agreement, including personal information, respecting the following:

(a) the party's identity;

(b) the party's contact and business information; and

(c) the terms of the assignment agreement.

Information and records collected by the developer must be reported by the developer to the administrator designated under the *Property Transfer Tax Act*. The information and records may only be used or disclosed for tax purposes and other purposes authorized by section 20.5 of the *Real Estate Development Marketing Act*, which includes disclosure to the Canada Revenue Agency."

"In addition to the foregoing, if the Vendor elects to give its consent, the Purchaser will comply with any conditions imposed by the Vendor as conditions to its consent (which consent may include the payment of a consent fee to be determined by the Vendor in its absolute discretion and/or the payment of the Vendor's costs associated with the assignment and consent). Following any permitted assignment, the assignor will not be relieved of its obligations hereunder but will continue to remain liable to perform all obligations of the Purchaser under this Agreement.''

(d) Provisions in the Purchase Agreement for the Developer to receive interest on the deposit monies, as follows:

"The Deposit will be paid to the Vendor's agents, Royal LePage Coast Capital Realty, in trust. The Vendor's agent will place same in a non-interest-bearing trust account. The Deposit will be credited toward the payment of the Purchase Price on the Closing Date."

7.3 Developer's Commitments

The Developer is subject to a servicing obligation with the City for local utilities, amenities, and services which may include road improvements, sidewalks, storm drains, water and sewers. The Developer will be providing the City with a security deposit or letter of credit as required by the City as security for the performance of these obligations, if necessary. In addition, the Developer may enter into agreements or contract with any public authority with respect to the Development, in addition to those existing and proposed covenants and encumbrances as more particularly described in sections 4.3 and 4.4."

7.4 Other Material Facts

(a) Material Contracts

The Developer has not entered into any contracts with respect to the Development other than the contracts described herein. When appropriate to do so, the Developer intends to enter into, or to cause the strata corporation to enter into or to assume, the following agreements:

(i) elevator servicing agreement;

(ii) elevator emergency phone monitoring agreement;

(iii) security system maintenance, monitoring and rental agreement;

(iv) utilities and other service agreements referred to in section 3.9;

(v) landscaping and garden maintenance agreement;

(vi) fire alarm system monitoring agreement;

(vii) agreements referred to in section 4.4;

(viii) any unregistered agreements required by the Town in order to approve all development, building and occupancy permits in respect of the development of the Lands.

(b) Continuing Sales and Marketing Program

Following the deposit of the final strata plan for the development, the Developer will continue to carry out, for such period as the Developer determines to be necessary or desirable in connection with the marketing of the development, marketing and sales activities within the common property and any Strata Lots owned or leased by the Developer, including maintaining display suites, other display areas, parking areas and signage and permitting public access to same. In addition, the Developer may conduct tours of the development from time to time with prospective purchasers and hold events and other activities within the Development in connection with such marketing and sales activities. The Developer will act reasonably in exercising such rights and use reasonable efforts to minimize any interference with the use or enjoyment of the common property by the owners of the Strata Lots.

(c) Delivery of Disclosure Statement by Electronic Means

In accordance with section 15(3) of the *Real Estate Development Marketing Act*, and the *Electronic Transactions Act*, the Developer intends to provide copies of this Disclosure Statement and any amendment or amendments to this Disclosure Statement from time to time by electronic means to each purchaser of a Strata Lot, with the written consent of the purchaser as provided for and obtained under the terms of the Purchase Agreement.

9. **Exhibit A2 – Preliminary Air Space Plan** – by inserting the attached Exhibit A2 – Preliminary Air Space Plan.

10. **Exhibit E – Budget** – by deleting Exhibit "E" (entitled "Budget") and replacing it with the attached Exhibit "E" – Budget.

11. **Exhibit F – Purchase Agreement** – by deleting Exhibit "F" (entitled "Purchase Agreement") and replacing it with the attached Exhibit "F" – Purchase Agreement.

12. **Exhibit G – Easements Agreement** – by inserting the attached Exhibit "G" – Easements Agreement.

[REMAINDER OF PAGE INTENTIONALLY BLANK – SIGNATURE PAGE TO FOLLOW]

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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 the Province of British Columbia, as of May 24, 2024.

DEVELOPER:

DRAYCOR DEVELOPMENTS LTD.,
by its authorized signatory:

By: DocuSigned by: 345E925D5D37409...
Print name: Kevin Parker

THE DIRECTORS OF DRAYCOR DEVELOPMENTS LTD.:

DocuSigned by: 345E925D5D37409...
KEVIN PARKER

DocuSigned by: Kent Sheldrake 3ECCFB0998104C5...
KENT SHELDRAKE

EXHIBIT A2

Preliminary Air Space Plan

See attached.

Sketch Plan of Preliminary Air Space Subdivision of Part of Lot A, Section 79, Esquimalt District, Plan EPP122543.

Metres
4 0 4 8 12 16 20

The intended plot size of this plan is 559 mm in width by 864 mm in height (D size) when plotted at a scale of 1:400

Legend:

All distances are in metres and decimals thereof unless otherwise indicated.

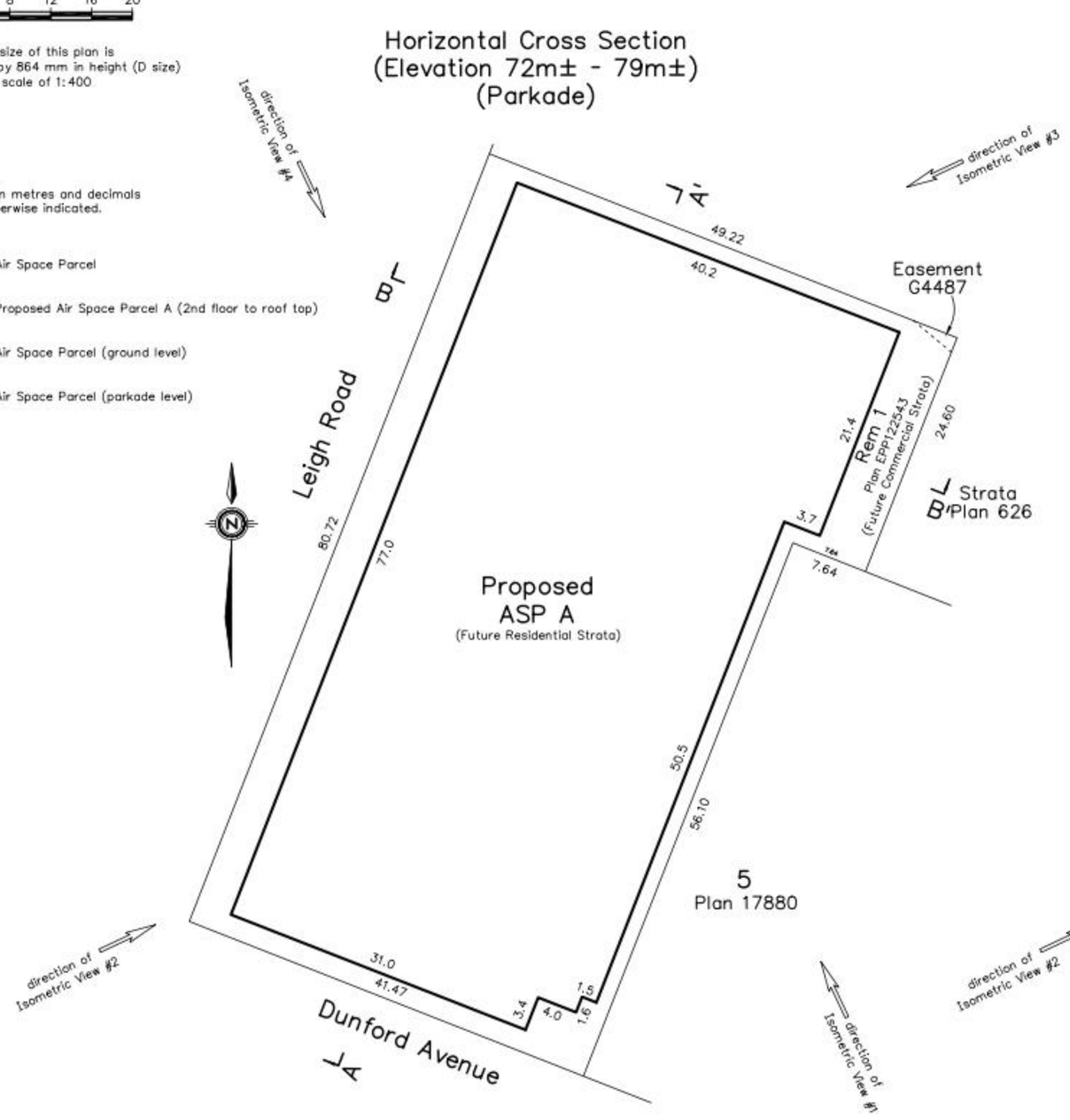
ASP Denotes Air Space Parcel

Denotes Proposed Air Space Parcel A (2nd floor to roof top)

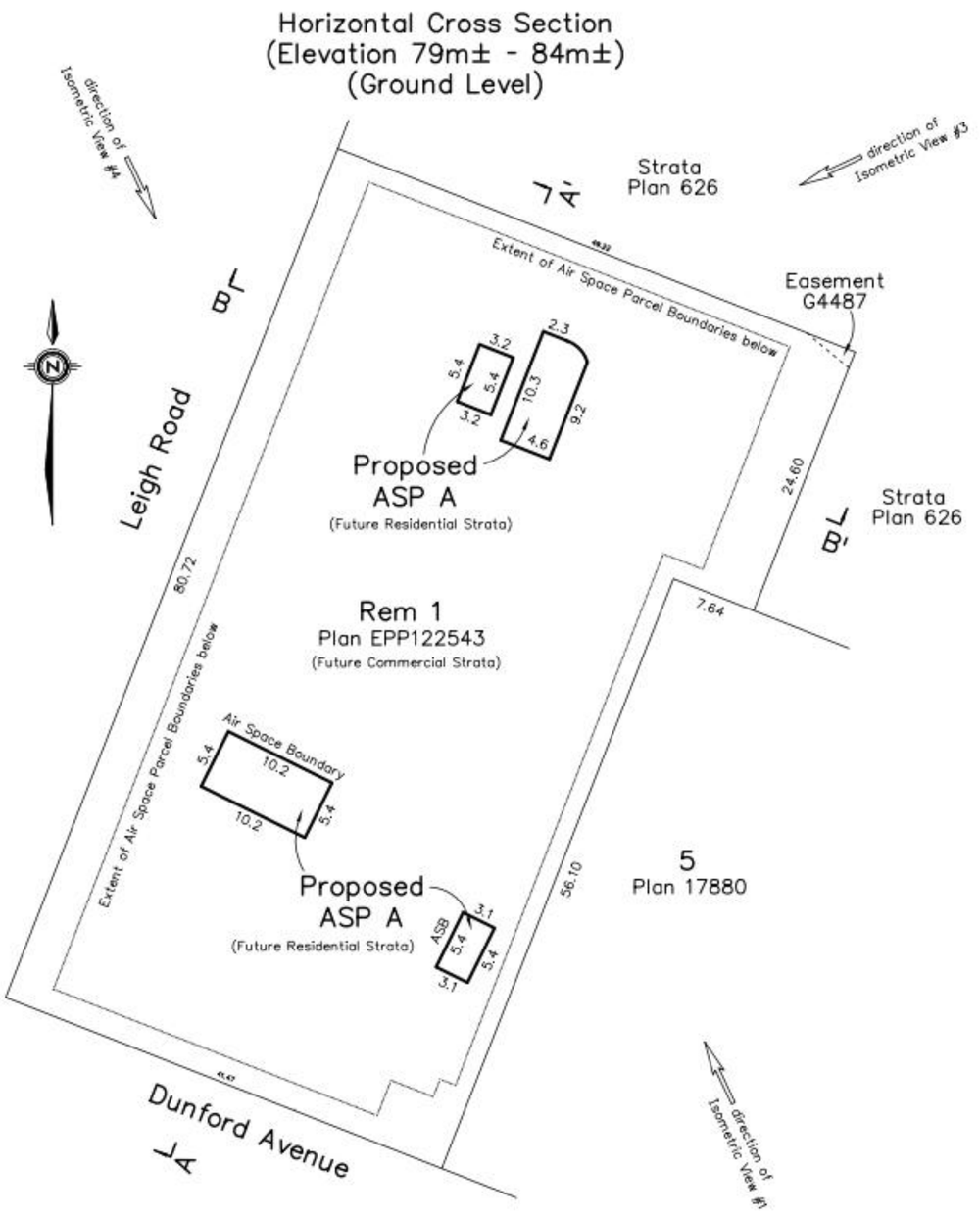
Denotes Air Space Parcel (ground level)

Denotes Air Space Parcel (parkade level)

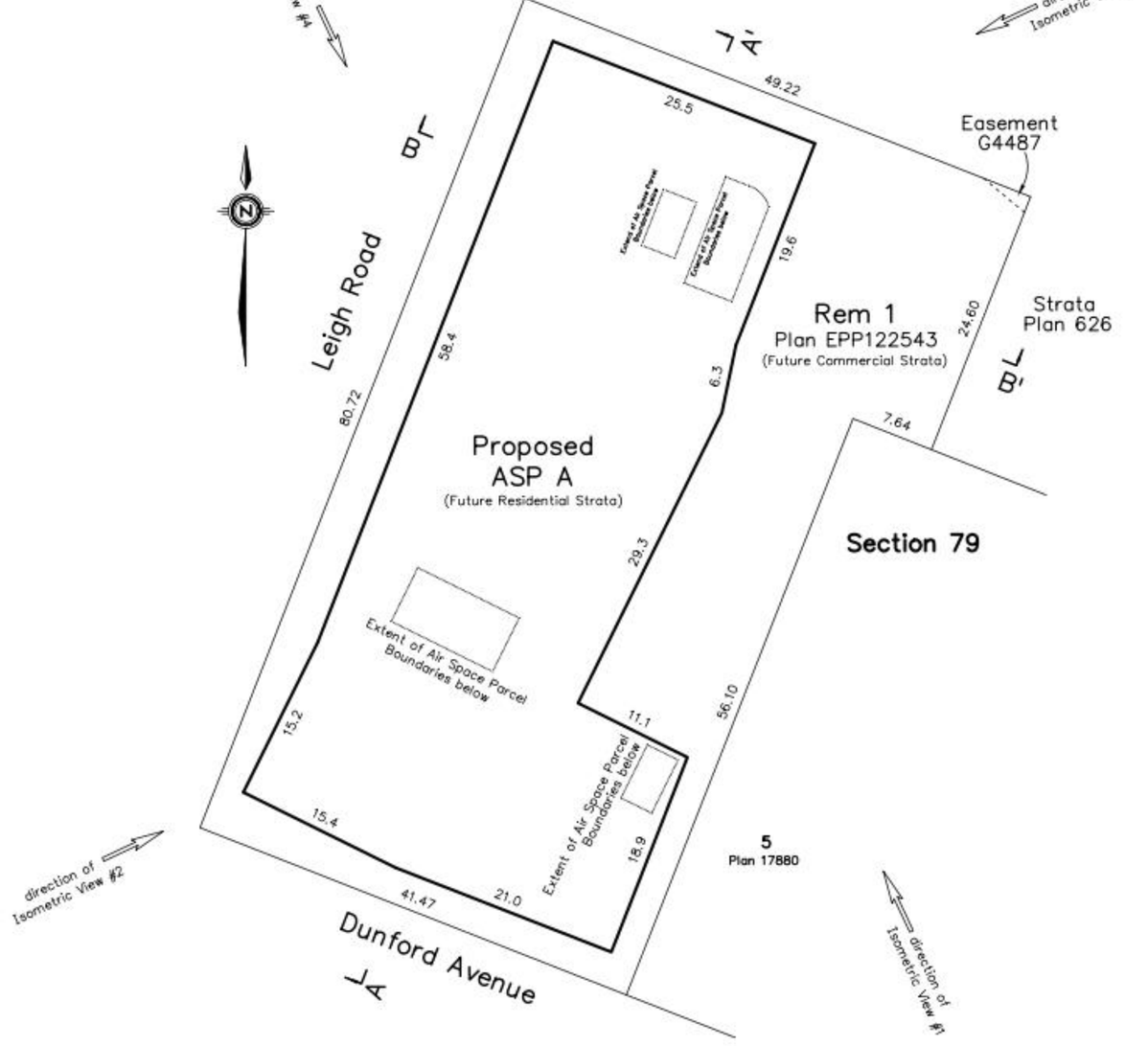
Horizontal Cross Section (Elevation 72m± - 79m±) (Parkade)



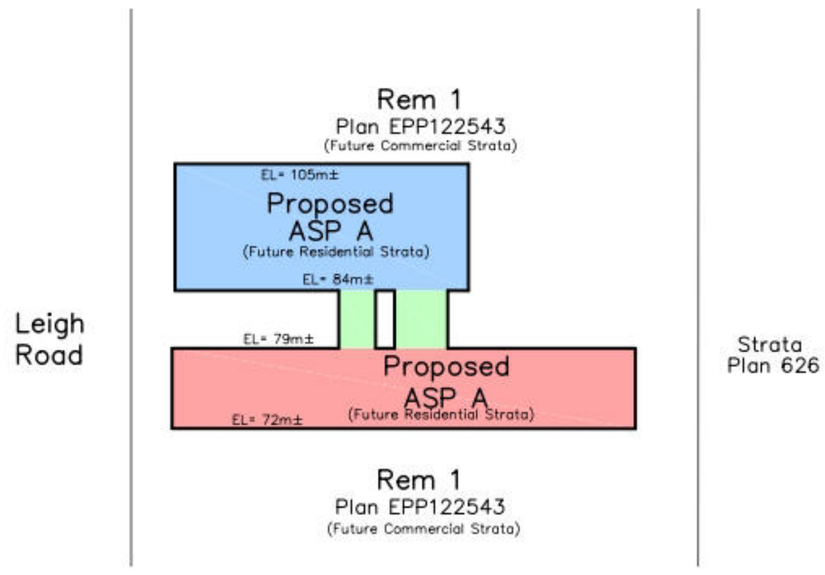
Horizontal Cross Section (Elevation 79m± - 84m±) (Ground Level)



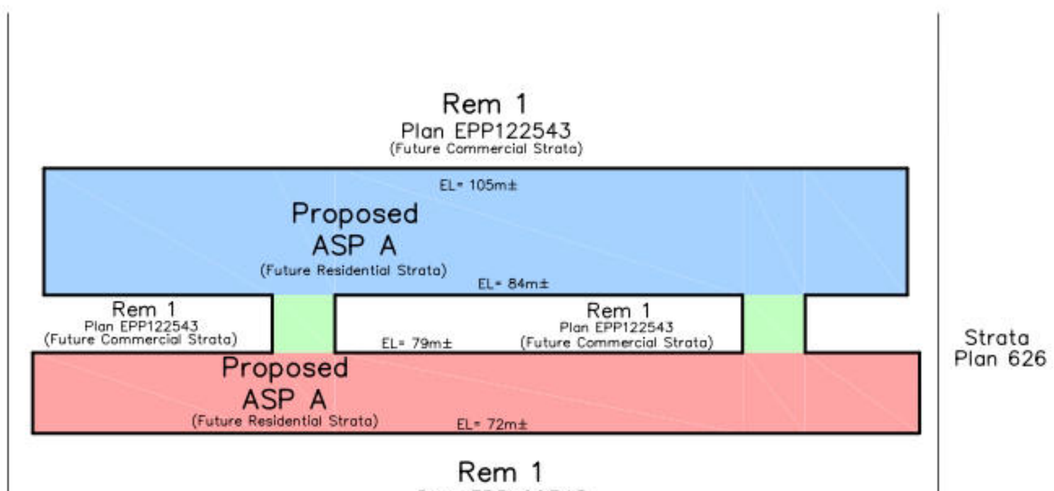
Horizontal Cross Section (Elevation 84m± - 105m±) (2nd floor to Roof top)



Cross Section B - B'



Cross Section A - A'



Joseph S. Hadley, BCLS
25 January 2024

McIlvaney Riley
Land Surveying Inc.
#113 - 2244 Sooke Road
Victoria, B.C. V9B 1X1
(250) 474-5538
www.mrls.ca

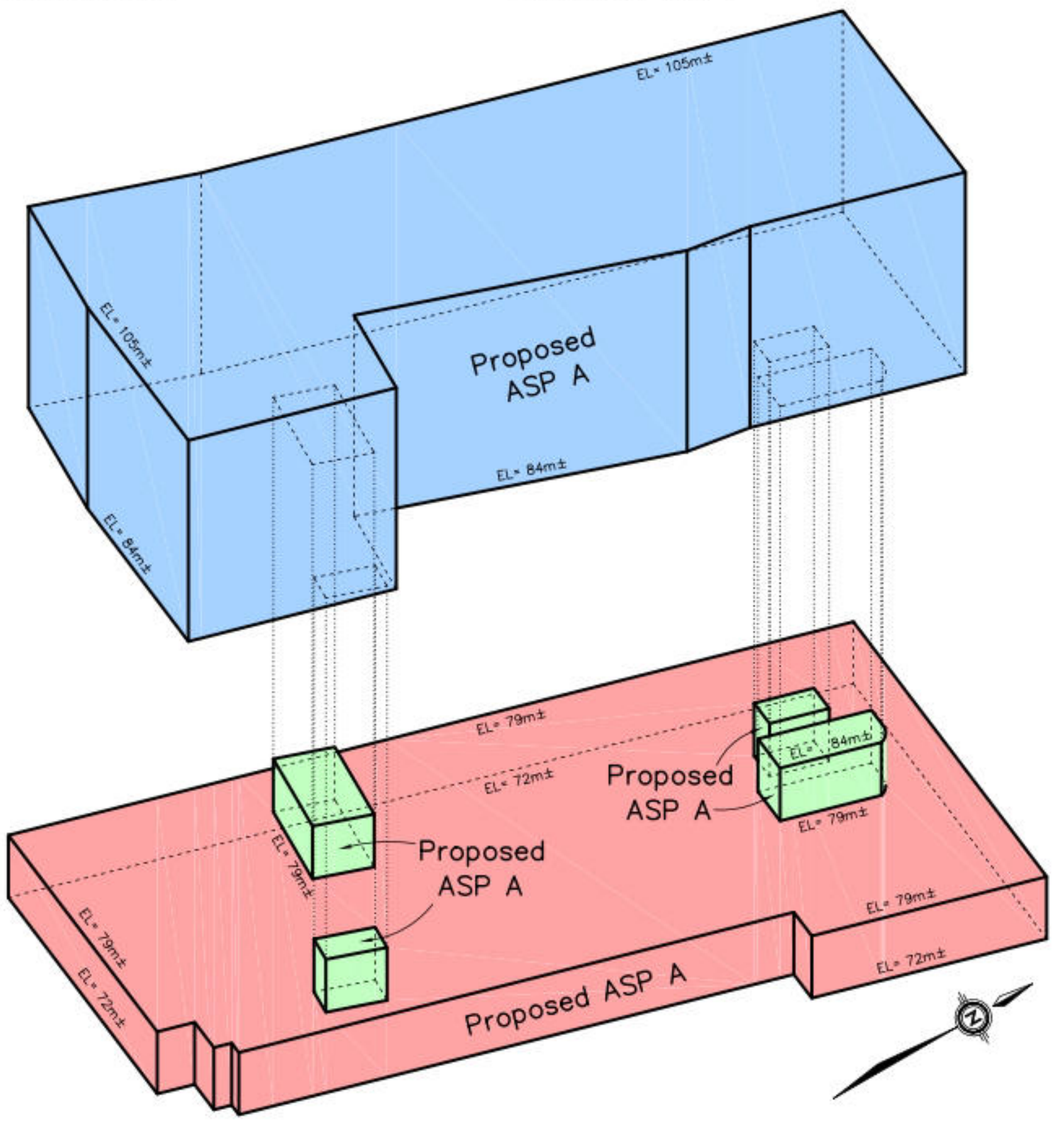
File: 6869Prelim-ASP

Isometric Views

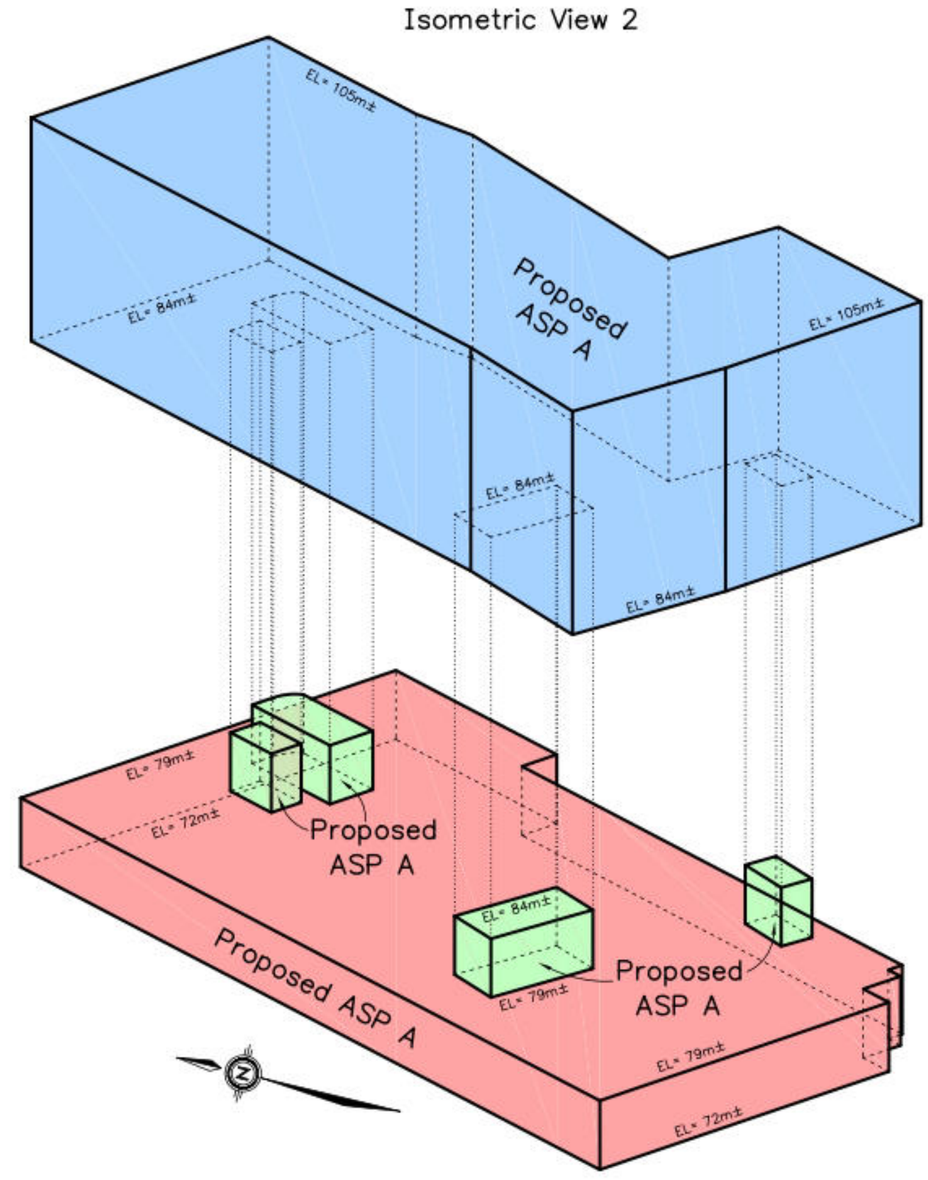
Not to Scale

The intended plot size of this plan is
559 mm in width by 864 mm in height (D size)
when plotted at a scale of 1:500

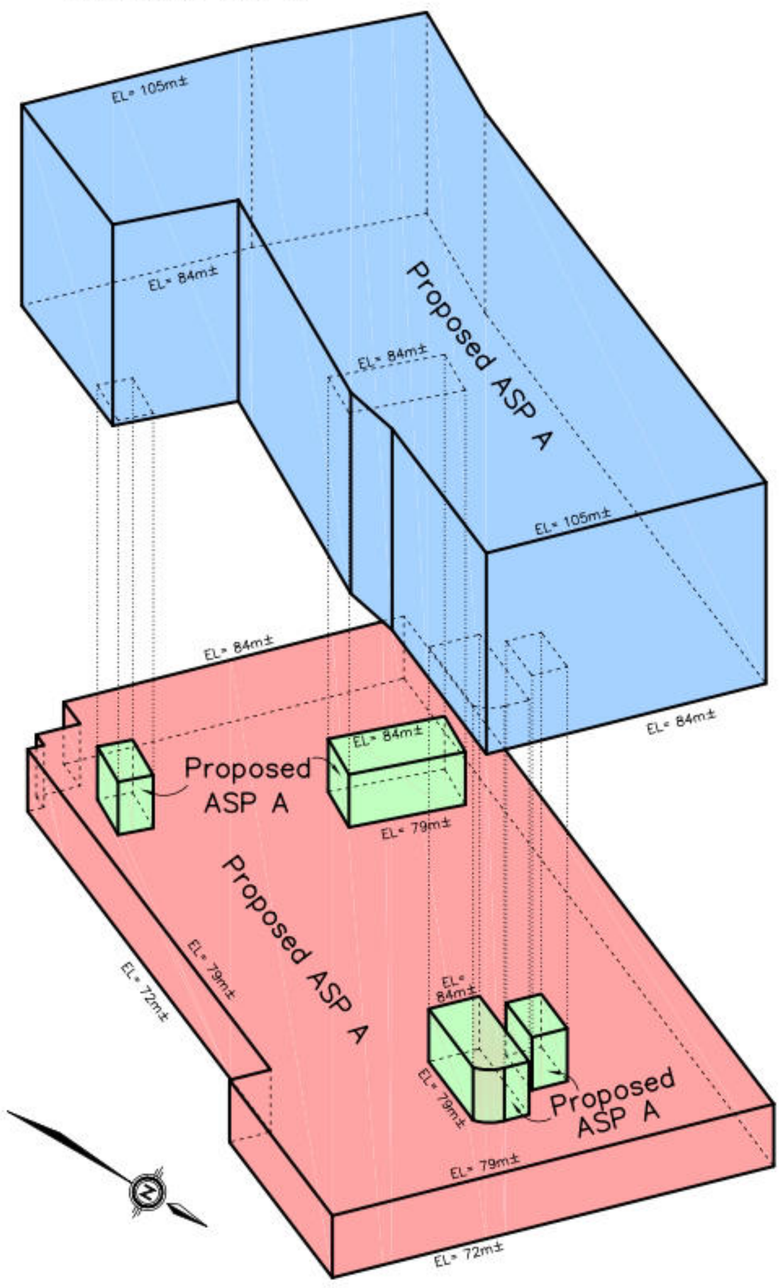
Isometric View 1



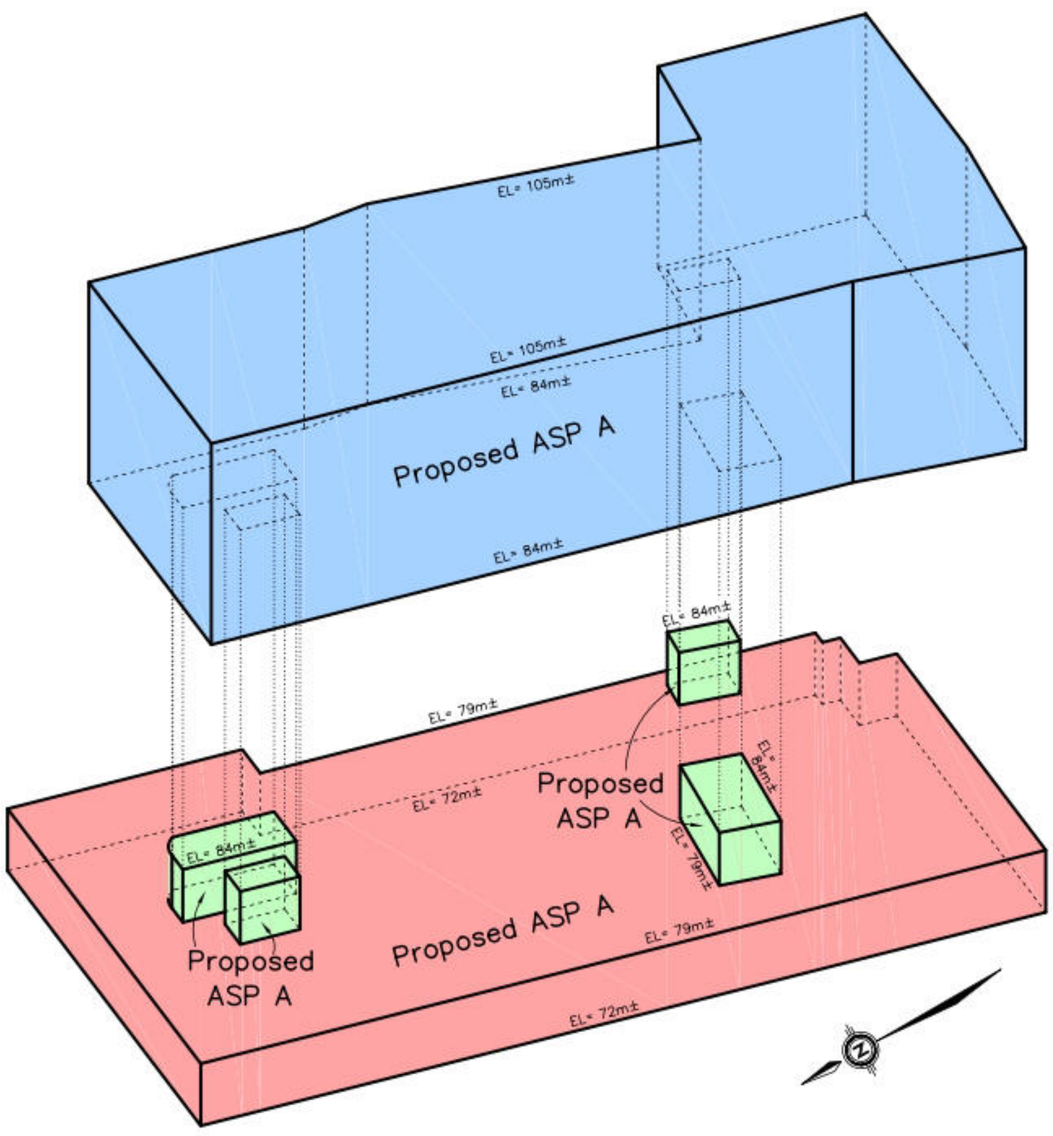
Isometric View 2



Isometric View 3



Isometric View 4



25 January 2024

File: 6869Prelim-ASP

EXHIBIT E

Budget

See Attached.

LAKESIDE WEST STRATA BUDGET

For the first 12 months of operations

REVENUES:

Strata Fees Collected from Owners:	$372,225.20
Contribution to shared expenses - Commercial strata:	$12,260.00
Developer contribution to CRF:	$34,953.20
TOTAL:	$419,438.40

EXPENDITURES:

Garbage and Recycling	$20,000.00
Common Hydro	$51,000.00
Water/Sewer	$50,000.00
HVAC R&M	$2,500.00
Monitoring & Phone Lines	$3,000.00
Elevator R&M	$7,500.00
Rooftop Amenities	$1,500.00
Fire Safety	$6,000.00
Roof/Gutter Maintenance	$1,500.00
General R&M	$8,500.00
Janitorial	$17,000.00
Landscape	$12,000.00
Irrigation	$600.00
Locks and Keys	$1,500.00
Management Fees	$32,432.00
Pest Control	$1,500.00
Plumbing/Mechanical	$1,000.00
Snow Removal	$4,000.00
Window Cleaning	$6,500.00
Insurance	$90,000.00
Insurance Appraisal	$3,500.00
Professional Fees	$2,500.00
Natural Gas	25,000.00
Trust Audit	$500.00
SUB-TOTAL	$349,532.00
Owner Contribution to Contingency Fund	$34,953.20
TOTAL	$384,485.20
LESS CONTRIBUTION TO SHARED EXPENSES FROM COMMERCIAL STRATA:	$12,260.00
NET BUDGET TO BE COLLECTED FROM STRATA OWNERS:	**$372,225.20**

BUDGET RECONCILIATION - FIRST YEAR

OPERATING FUND:

Opening Balance:	$0.00
Total Revenues as above:	$419,438.40
Less Total Expenditures:	$349,532.00
Excess of Revenues over Expenditures:	$69,906.40
To Contingency Reserve Fund	$69,906.40
Closing Balance Operating Fund	$0.00

CONTINGENCY RESERVE FUND

Opening Balance:	$0.00
Add Contribution from Developer	$34,953.20
Add Contribution from Owners	$34,953.20
Closing Balance CRF	$69,906.40

Strata Lot	Unit Entitlement	Operating Budget Contribution	Contingency Budget Contribution	Monthly Strata Fees Payable
1	86	$374.22	$38.78	$413.01
2	96	$417.74	$43.29	$461.03
3	92	$400.33	$41.49	$441.82
4	92	$400.33	$41.49	$441.82
5	94	$409.04	$42.39	$451.43
6	59	$256.74	$26.61	$283.34
7	94	$409.04	$42.39	$451.43
8	98	$426.44	$44.19	$470.64
9	108	$469.96	$48.70	$518.66
10	61	$265.44	$27.51	$292.95
11	94	$409.04	$42.39	$451.43
12	59	$256.74	$26.61	$283.34
13	59	$256.74	$26.61	$283.34
14	59	$256.74	$26.61	$283.34
15	76	$330.71	$34.27	$364.98
16	102	$443.85	$46.00	$489.85
17	86	$374.22	$38.78	$413.01
18	96	$417.74	$43.29	$461.03
19	92	$400.33	$41.49	$441.82
20	92	$400.33	$41.49	$441.82
21	94	$409.04	$42.39	$451.43
22	59	$256.74	$26.61	$283.34
23	94	$409.04	$42.39	$451.43
24	98	$426.44	$44.19	$470.64
25	108	$469.96	$48.70	$518.66
26	61	$265.44	$27.51	$292.95
27	94	$409.04	$42.39	$451.43
28	59	$256.74	$26.61	$283.34
29	59	$256.74	$26.61	$283.34
30	59	$256.74	$26.61	$283.34
31	76	$330.71	$34.27	$364.98
32	102	$443.85	$46.00	$489.85
33	86	$374.22	$38.78	$413.01
34	96	$417.74	$43.29	$461.03
35	92	$400.33	$41.49	$441.82
36	92	$400.33	$41.49	$441.82
37	94	$409.04	$42.39	$451.43
38	59	$256.74	$26.61	$283.34
39	94	$409.04	$42.39	$451.43
40	98	$426.44	$44.19	$470.64
41	108	$469.96	$48.70	$518.66
42	81	$352.47	$36.53	$389.00
43	94	$409.04	$42.39	$451.43
44	59	$256.74	$26.61	$283.34

45	59	$256.74	$26.61	$283.34
46	59	$256.74	$26.61	$283.34
47	76	$330.71	$34.27	$364.98
48	102	$443.85	$46.00	$489.85
49	86	$374.22	$38.78	$413.01
50	96	$417.74	$43.29	$461.03
51	92	$400.33	$41.49	$441.82
52	92	$400.33	$41.49	$441.82
53	94	$409.04	$42.39	$451.43
54	59	$256.74	$26.61	$283.34
55	94	$409.04	$42.39	$451.43
56	98	$426.44	$44.19	$470.64
57	108	$469.96	$48.70	$518.66
58	61	$265.44	$27.51	$292.95
59	94	$409.04	$42.39	$451.43
60	59	$256.74	$26.61	$283.34
61	59	$256.74	$26.61	$283.34
62	59	$256.74	$26.61	$283.34
63	76	$330.71	$34.27	$364.98
64	102	$443.85	$46.00	$489.85
65	86	$374.22	$38.78	$413.01
66	96	$417.74	$43.29	$461.03
67	92	$400.33	$41.49	$441.82
68	92	$400.33	$41.49	$441.82
69	94	$409.04	$42.39	$451.43
70	59	$256.74	$26.61	$283.34
71	94	$409.04	$42.39	$451.43
72	61	$265.44	$27.51	$292.95
73	94	$409.04	$42.39	$451.43
74	59	$256.74	$26.61	$283.34
75	59	$256.74	$26.61	$283.34
76	59	$256.74	$26.61	$283.34
77	76	$330.71	$34.27	$364.98
78	102	$443.85	$46.00	$489.85
	6459	$28,106.00	$2,912.77	$31,018.77

EXHIBIT F

Purchase Agreement

See Attached.

"LAKESIDE WEST"

2881 Leigh Road, Langford, B.C.

PURCHASE AGREEMENT

Strata Lot No. _____

Suite No. _____

Date: _____, 20____

VENDOR

DRAYCOR DEVELOPMENTS LTD.
c/o Johns Southward LLP
#204 - 655 Tyee Road
Victoria, B.C. V9A 6X5
Phone: (250) 381-7321
Fax: (250) 381-1181
E-mail: ekerr@johnssouthward.com / donna@johnssouthward.com

PURCHASER

_____	_____
Name	Name
_____	_____
Address	Address
_____	_____
Phone: (Home) _____	Phone: (Home) _____
(Cell) _____	(Cell) _____
(Email) _____	(Email) _____
Fax: _____	Fax: _____
Social Insurance No. _____	Social Insurance No. _____
This Purchaser ☐ is / ☐ is not a resident of Canada for the purposes of the *Income Tax Act* (Canada).	This Purchaser ☐ is / ☐ is not a resident of Canada for the purposes of the *Income Tax Act* (Canada).

Such one or more parties are referred to as the "**Purchaser**".

PROPERTY

The strata lot identified above (the "**Property**") of the strata plan to be registered in respect of, and in order to subdivide and stratify, the parent property (the "**Parent Property**") legally described as Parcel Identifier: 031-825-311, Lot 1 District Lot 79 Esquimalt District Plan EPP122543, which Property is anticipated to have a civic address of the suite number identified above, located in Langford, British Columbia. The current civic address for the development (the "**Development**") within which the Property will be located is 2881 Leigh Road, Langford, British Columbia. The address of the Development may change upon completion of the Development.

PURCHASE PRICE

The purchase price (the "**Purchase Price**") for the Property is $_____ in Canadian funds, excluding applicable goods and services tax ("**GST**").

DEPOSITS

A non-refundable deposit (the "**Deposit**") of $_____, will be payable by certified cheque or bank draft, within ____ calendar days of waiver or satisfaction of the Purchaser's conditions set out in Schedule(s) _____.

CLOSING DATE

The closing date (the "**Closing Date**") for the purchase and sale of the Property will be ten (10) calendar days after the Purchaser (or the Purchaser's solicitor or notary) receives written notice (the "**Closing Notice**") from the Vendor (or the Vendor's solicitor) that the City of Langford has issued an occupancy permit that applies to the Property (whether interim, conditional or final) and that a certificate of title has been issued by the Land Title Office for the Property. Without restricting the foregoing, and subject to construction delay, the Closing Date is estimated to be on or about January 31, 2027. THIS DATE IS AN ESTIMATE ONLY.

The Closing Notice may be based on the Vendor's estimate as to when the Property will be ready to be occupied. If the Property is not ready to be occupied on the Closing Date so established, then the Vendor may delay the Closing Date from time to time as required, by notice of such delay(s) to the Purchaser or the Purchaser's solicitor or notary, but any such delay(s) will not exceed in the aggregate ninety (90) days from the date specified in the Closing Notice.

DISCLOSURE STATEMENT

The Purchaser acknowledges having received and having had an opportunity to read the Disclosure Statement of the Vendor dated May 25, 2023, as amended pursuant to the First Amendment to Disclosure Statement dated May 24, 2024 (together, the "**Disclosure Statement**). The Purchaser further acknowledges and agrees, pursuant to section 15(3) of the *Real Estate Development Marketing Act,* and the *Electronic Transactions Act,* that the Vendor may provide the Purchaser with a copy of the Disclosure Statement and any and all subsequent amendments to the Disclosure Statement from time to time by electronic means to the fax number or e-mail address for the Purchaser set out above. If the Purchaser wishes to change such fax number or e-mail address from time to time, the Purchaser must notify the Vendor in writing.

SCHEDULES

This Purchase Agreement includes Schedules A, and _____.

OFFER

The Purchaser hereby offers to purchase the Property from the Vendor for the Purchase Price and on the terms and conditions set out in this Purchase Agreement (the "**Transaction**"). Upon acceptance by the Vendor this offer will be a legally binding Purchase Agreement on the terms and conditions set out herein. This offer will be irrevocable and open for acceptance by the Vendor until:

_____, 20__.

This Purchase Agreement may be executed and delivered in counterparts and/or transmitted by fax or email to any of the parties at the fax and/or email particulars set out above.

Witness: _____	Purchaser: _____
Witness: _____	Purchaser: _____

ACCEPTANCE

The Vendor hereby accepts the offer contained herein and agrees to sell the Property to the Purchaser for the Purchase Price and on the terms and conditions set out in this Purchase Agreement.

Accepted on _____, 20___ by:

DRAYCOR DEVELOPMENTS LTD.,

Per: _____
Authorized Signatory

TO PURCHASE AGREEMENT
RE: STRATA LOT _____
2881 Leigh Road, Langford, B.C.

The following terms and conditions form part of this Purchase Agreement:

TITLE

The title to the Property will be free and clear of all encumbrances except subsisting conditions, provisos, restrictions, exceptions and reservations contained in the original grant or in any other grant or disposition from the Crown, except as set out in the Disclosure Statement and except for the Vendor's Financial Charges to be discharged by the Vendor after closing as set out in this Purchase Agreement under the heading "**Closing Procedures**".

INCLUDED ITEMS

The Purchase Price includes the following:

- Refrigerator
- Stove
- Dishwasher
- Washer
- Dryer
- Microwave Oven
- Hood fan
- Electric Fire Place
- Blinds

STORAGE LOCKER

The Purchase Price includes the right to use one (1) storage locker, to be designated as set out in the Disclosure Statement.

PARKING STALL

The Purchase Price includes the right to use _____ (___) parking stall(s), to be designated as set out in the Disclosure Statement.

☐ The Purchasers(s) have initialed this box to indicate an election to purchase the SWTCH electric vehicle charging system for an addition $10,000.00 plus GST added to the Purchase Price as described in section 3.6 (Parking) in the Disclosure Statement.

DEPOSIT

The Deposit will be paid to the Vendor's solicitor, in trust. The Vendor's agent will place same in a non-interest bearing trust account. The Deposit will be credited toward the payment of the Purchase Price on the Closing Date.

POSSESSION DATE

Provided that the Vendor's solicitor has received the adjusted Purchase Price from the Purchaser in accordance with the terms of this Purchase Agreement by the Closing Date, the Purchaser will have possession of the Property at 1:00 p.m. (Pacific Standard Time) on the day (the "**Possession Date**") after the Closing Date.

ADJUSTMENTS

The Purchaser will assume and pay all taxes, utilities, strata maintenance fees and other charges that are the subject of adjustment, from and including the Possession Date. If the strata lots have not been individually assessed for property taxes for the year in which the Closing Date occurs, then property taxes will be adjusted, based on the tax assessment for the Parent Property, as the Vendor's solicitor may reasonably determine.

GOODS AND SERVICES TAX

The Purchase Price does not include GST. The Purchaser is responsible for the payment of GST. If the Purchaser delivers to the Vendor, with the delivery of the closing documents, a duly completed and signed GST Form 190E pursuant to the *Excise Tax Act* (Canada) and such other GST documentation as the Vendor's solicitor may reasonably require, then the Vendor will credit the Purchaser on the statement of adjustments for the amount of any new housing rebate (the

"**Rebate**") which the Purchaser is entitled to thereunder. Should the Purchaser's claim to the Rebate, if made, be denied by the Minister of National Revenue or the Canada Revenue Agency for any reason whatsoever, the Vendor will not be liable in any way for having relied upon the Purchaser's declaration of entitlement. The Purchaser hereby agrees to indemnify and save the Vendor harmless from any liability for GST as a result of the denial of the Rebate and such agreement will survive the closing of this transaction.

OTHER TAXES

The Purchaser will be responsible for the payment of all other taxes payable in connection with the purchase of the Property, including (without limitation) property transfer tax and provincial sales tax, if applicable.

BUILDERS LIEN HOLDBACK

Any portion of the Purchase Price required by law to be held back by the Purchaser in respect of builders lien claims (the "**Lien Holdback**") will be paid on the Closing Date to the Vendor's solicitor who will hold same in trust solely in respect of any lien claims registered at the Land Title Office in connection with work done or materials supplied at the request of the Vendor with respect to the Development. The Vendor's solicitor is authorized (but not required) to invest the Lien Holdback in an interest-bearing trust account, with interest to accrue to the Vendor, and to pay same to the Vendor on the day after the expiration of the applicable lien period, less the amount of any builders lien claims filed against the Property of which the Purchaser or the Purchaser's solicitor has notified the Vendor's solicitor in writing by 1:00 p.m. (Pacific Standard Time) on that day. Except as expressly set out in writing herein, there will be no other holdbacks from the Purchase Price.

CLOSING PROCEDURES

The Purchaser, at its cost, will cause the Purchaser's solicitor:

(a) to prepare a Form A Freehold Transfer (the "**Transfer**") and a statement of adjustments, in form reasonably satisfactory to the Vendor's solicitor, and to deliver same to the Vendor's solicitor by not later than five business days prior to the Closing Date; and

(b) to submit the Transfer to the Land Title Office by not later than the Closing Date and to pay the balance of the adjusted Purchase Price to the Vendor's solicitor, by certified cheque, bank draft, or solicitor's trust cheque immediately after the Transfer has been accepted for registration and a post-index search discloses that in the ordinary course of Land Title Office procedure title will issue in the name of the Purchaser, subject only to the encumbrances permitted under this Purchase Agreement and in any event by the Closing Date, on the undertakings of the Vendor's solicitor to:

   (i) pay to any lender who has a mortgage registered against title to the Property, in accordance with its payout statement or written agreement with the lender, sufficient funds to discharge its mortgage and any related financial charges (collectively, the "**Vendor's Financial Charges**") as they relate to the Property on the trust condition that such lender delivers to the Vendor's solicitor partial discharges of such charges as they relate to the Property; and

   (ii) upon receipt of such discharges, submit same for registration at the Land Title Office within a reasonable time and advise the Purchaser's solicitor of discharge particulars.

NEW MORTGAGE OF PURCHASER

If the Purchaser is relying on a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the Purchase Price on the Closing Date, may register the Transfer in advance of receipt of the mortgage proceeds, provided that the Purchaser's solicitor has given an undertaking to the Vendor's solicitor that:

(a) the Purchaser has deposited in trust with the Purchaser's solicitor all the required closing proceeds except for the net mortgage proceeds;

(b) the Purchaser has fulfilled all conditions for the funding of the new mortgage except for the filing of the mortgage for registration at the Land Title Office; and

(c) immediately after the filing of the Transfer and the mortgage, receipt of a post-index search disclosing that in the ordinary course of Land Title Office procedure title will issue in the name of the Purchaser subject only to the encumbrances permitted under

this Purchase Agreement, and receipt of mortgage proceeds, the adjusted Purchase Price will be paid to the Vendor's solicitor as set out herein.

CONDOMINIUM CERTIFICATES

The Purchaser, at its cost, will be responsible for obtaining any *Strata Property Act* Form B and Form F Certificates from the management company for the strata corporation, to the extent that the Purchaser requires same.

BYLAWS AND ASSESSMENTS

The Purchaser acknowledges that as owner of the Property the Purchaser will be bound by the bylaws of the strata corporation from time to time from and including the Closing Date and will be responsible for the payment of amounts assessed by the strata corporation with respect to the Property, from and including the Possession Date.

MINOR VARIATIONS

The Purchaser acknowledges and agrees that the Vendor from time to time, in its discretion, or as required by any governmental authority, may without notice to the Purchaser make minor variations in the plans and specifications for the Property or the Development.

EQUIPMENT WARRANTIES

Any manufacturer's warranties on any equipment in the Property and included in this Transaction will be deemed to be assigned to the Purchaser, if and to the extent permitted by such warranties.

CONSTRUCTION WARRANTY

The Property will be covered by home warranty insurance, as more specifically described in the Disclosure Statement. The Purchaser agrees to sign any Home Warranty Certificate of Possession Form required in order for such insurer to issue to the Purchaser a Home Warranty Insurance Certificate. At any time during the warranty period, the Purchaser will permit the Vendor and the warranty provider and their authorized representatives to have access to the Property and the common property, upon reasonable notice to the Purchaser, to inspect the Property and common property and to undertake any necessary or desirable maintenance or repairs thereto, and this agreement of the Purchaser will survive the completion of the Transaction.

WALK THROUGH INSPECTION

The Purchaser will inspect the Property with a representative of the Vendor at a reasonable time prior to the Closing Date, as determined by the Vendor. At such time, the parties will prepare and sign a conclusive list of any defects and deficiencies (the "**Deficiencies**") and will determine the estimated date by which corrections are to occur. The Vendor will repair or remedy the Deficiencies in a timely manner and the Purchaser will not be entitled to hold back any portion of the Purchase Price in respect of the Deficiencies. In the event of any dispute in respect of the Deficiencies, a decision by the Vendor's architect will be final and binding on the parties. In all other respects, the Purchaser will be deemed to have accepted the physical condition of the Property.

RISK

The Property will be at the risk of the Vendor until 12:01 a.m., Pacific Standard Time, on the Closing Date and thereafter will be at the risk of the Purchaser. In the event of material loss or damage to the Property prior to the Closing Date, either party may, at its option, terminate this Purchase Agreement by written notice to the other party and in such event the Deposit, plus any accrued interest thereon, will be returned to the Purchaser and neither the Purchaser nor the Vendor will have any further obligations to the other party. The Purchaser agrees that, except as aforesaid, the Purchaser will have no claim against the Vendor in the event of such termination.

ASSIGNMENT

In accordance with Policy Statement 16 promulgated by the Office of the Superintendent of Real Estate pursuant to the *Real Estate Development Marketing Act*, the following is included in this Purchase Agreement and applies to the Transaction, notwithstanding anything to the contrary:

Without the Vendor's prior written consent, which consent may be arbitrarily withheld, any assignment of a purchase agreement is prohibited.

An assignment under the *Real Estate Development Marketing Act* is a transfer of some or all of the rights, obligations and benefits under a purchase agreement made in respect of a strata lot in a development property, whether the transfer is made by the purchaser under the purchase agreement to another person or is a subsequent transfer.

Each proposed party to an assignment agreement must provide the developer with the information and records required under the *Real Estate Development Marketing Act*.

Before the Vendor consents to an assignment of a purchase agreement, the Vendor will be required to collect information and records under the *Real Estate Development Marketing Act* from each proposed party to an assignment agreement, including personal information, respecting the following:

(a) the party's identity;

(b) the party's contact and business information; and

(c) the terms of the assignment agreement.

Information and records collected by the Vendor must be reported by the Vendor to the administrator designated under the *Property Transfer Tax Act*. The information and records may only be used or disclosed for tax purposes and other purposes authorized by section 20.5 of the *Real Estate Development Marketing Act*, which includes disclosure to the Canada Revenue Agency."

In addition to the foregoing, if the Vendor elects to give its consent, the Purchaser will comply with any conditions imposed by the Vendor as conditions to its consent (which consent may include the payment of a consent fee to be determined by the Vendor in its absolute discretion and/or the payment of the Vendor's costs associated with the assignment and consent). Following any permitted assignment, the assignor will not be relieved of its obligations hereunder but will continue to remain liable to perform all obligations of the Purchaser under this Agreement.

RESIDENCY OF THE VENDOR

The Vendor warrants and represents that it is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

RESIDENCY OF THE PURCHASER

The Purchaser represents and warrants that the Purchaser's residency for the purpose of the *Income Tax Act* (Canada) is as set out on page 1 of this Purchase Agreement. The Purchaser will notify the Vendor promptly of any change of such residency.

JOINT AND SEVERAL LIABILITY

If the Purchaser consists of more than one person, the obligations of each person comprising the Purchaser will be joint and several.

INTERPRETATION

All words in this Purchase Agreement may be read and construed in the singular, plural, masculine, feminine or body corporate, as the context requires.

GOVERNING LAW

This Purchase Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the applicable laws of Canada and the courts of the Province of British Columbia will have exclusive jurisdiction to hear and resolve any disputes regarding this Purchase Agreement.

NOTICE

Any notice to be given under this Purchase Agreement may be delivered in person or sent by registered mail or fax or email to the particulars shown on page 1 of this Purchase Agreement

or such other addresses or numbers given by one party to the other. Upon the Purchaser giving notice to the Vendor of the name of the Purchaser's solicitor, the Vendor may thereafter give all notices for the Purchaser to such solicitor by delivery, registered mail, fax and/or e-mail. Notices will be deemed to be given on the date of delivery if delivered, on the date of the fax or email if sent on a business day prior to 5:00 p.m., Pacific Standard Time, and if after 5:00 p.m., Pacific Standard Time, then on the next business day, and on the third business day after mailing if sent by registered mail.

TIME OF ESSENCE / DEFAULT

Time will be of the essence of this Purchase Agreement and if the Deposit is not made as and when due under this Purchase Agreement or if the balance of the adjusted Purchase Price is not paid by the Closing Date as set out in this Purchase Agreement, the Vendor may, at the Vendor's option:

(a) terminate this Purchase Agreement by written notice to the Purchaser and in such event any Deposit made by the Purchaser will be forfeited to the Vendor on account of the Vendor's damages, without prejudice to any other remedies of the Vendor; or

(b) elect to complete the purchase and sale contemplated by this Purchase Agreement.

So long as any default is continuing, the Vendor may terminate this Purchase Agreement at any time after such default by the Purchaser, by notice to the Purchaser, even if the Vendor has previously elected to complete this Purchase Agreement.

REPRESENTATIONS AND MODIFICATION WARRANTIES

The Purchaser acknowledges that there are no representations, guarantees, promises or agreements made by the Vendor, its representatives, agents or employees, except as set out in this Purchase Agreement or in the Disclosure Statement. No modification of this Purchase Agreement will be binding unless made in writing and signed by both the Purchaser and the Vendor.

VENDOR'S CONDITIONS

If it is not possible or economically feasible for the Vendor to complete construction of the Development because of any act of God, accident or other event beyond the reasonable control of the Vendor or any action taken, or required approval refused, by any applicable governmental or regulatory authority, the Vendor may terminate this Purchase Agreement upon written notice to the Purchaser, upon which the Vendor will return to the Purchaser any Deposit, together with accrued interest thereon. In the case of any termination of this Purchase Agreement pursuant to this provision, this Purchase Agreement will be null and void effective as of the date of receipt of the notice by the Purchaser or the Purchaser's solicitor and there will be no further obligations as between the Vendor and the Purchaser.

PERSONAL INFORMATION

The Purchaser hereby consents to the collection, use and disclosure by the agents and salespersons described in any schedules hereto, the real estate boards of which those agents and salespersons are members and, if the Property is listed on a Multiple Listing Service, the real estate board that operates that Multiple Listing Service, of personal information about the Purchaser:

(a) for all purposes consistent with the transaction contemplated herein;

(b) if the Property is listed on a Multiple Listing Service, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service and other real estate boards of any statistics including historical Multiple Listing Service data for use by persons authorized to use the Multiple Listing Service of that real estate board and other real estate boards;

(c) for enforcing codes of professional conduct and ethics for members of real estate boards; and

(d) for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled "Working with a Real Estate Agent".

ENUREMENT

This Purchase Agreement will enure to the benefit of and be binding upon each of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

FORCE MAJEURE

If the Vendor is delayed in completing the sale of the Property as a result of fire, explosion or accident, howsoever caused, act of any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, materials or equipment, flood, act of God, delay or failure by carriers or contractors, unavailability of supplies or materials, breakage or other casualty, climatic conditions, interference of the Purchaser, or any other event beyond the control of the Vendor, then the Closing Date will be extended for a period equivalent to such period of delay.

VENDOR'S CANCELLATION RIGHT

If by October 31, 2027 (or such later date which results from the application of the preceding paragraph then by such later date), the Closing Date has not occurred, the Vendor will have the right to cancel the Agreement by giving ten (10) business days' written notice of such termination to the Purchaser or the Purchaser's Solicitors. In the case of cancellation of this Agreement pursuant to this paragraph, the Purchaser will be entitled to repayment of the Deposit and neither party will have any claim against the other party under or in respect of this Agreement.

SCHEDULE _____

TO PURCHASE AGREEMENT
RE: STRATA LOT _____
2881 Leigh Road, Langford, B.C.

This Purchase Agreement is subject to the following conditions precedent in favour of the Purchaser:

Unless each of the above conditions precedent is removed or waived by notice in writing from the Purchaser to the Vendor on or before the date specified for each condition precedent, this Purchase Agreement will be null and void and any Deposit will be returned to the Purchaser, without interest. In consideration of $1.00 non-refundable paid by the Purchaser to the Vendor, and other good and valuable consideration (the receipt and sufficiency of which the Vendor acknowledges), the Vendor agrees not to revoke this Purchase Agreement while it remains subject to the foregoing conditions precedent.

Initials	

SCHEDULE _____

TO PURCHASE AGREEMENT
RE: STRATA LOT _____
2881 Leigh Road, Langford, B.C.

The following terms form part of this Purchase Agreement:

Initials	

SCHEDULE _____

TO PURCHASE AGREEMENT
RE: STRATA LOT _____
2881 Leigh Road, Langford, B.C.

This Purchase Agreement is subject to the following conditions precedent in favour of the Purchaser:

A. By not later than _____, _____ the Purchaser will obtain a commitment that a first mortgage will be made available to the Purchaser in the amount of $_____ at an interest rate not to exceed _____% per annum, compounded semi-annually, with a term of not less than _____ years and an amortization period of not less than _____ years.

B. By not later than_____, _____ the Purchaser's lawyer will have approved the terms and conditions of this Contract.

C. By not later than _____, _____, the Purchaser will be satisfied with the state of title to the Property including, without limitation, the nature of each charge and legal notation registered on title to the Property.

Unless these conditions precedent are removed or waived by notice in writing from the Purchaser to the Vendor on or before the date set out above, this Purchase Agreement will be null and void and any Deposit will be returned to the Purchaser, without interest.

Initials	

SCHEDULE _____

TO PURCHASE AGREEMENT
RE: STRATA LOT _____
2881 Leigh Road, Langford, B.C.

The Vendor and the Purchaser acknowledge having received, read and understood the brochure published by the British Columbia Real Estate Association entitled “Working With a Real Estate Agent” and acknowledge and confirm that:

1. The Vendor has an agency relationship with _____, the agent, and _____, its salesperson;

2. The Purchaser has an agency relationship with _____, the agent, and _____, its salesperson.

Initials	

SCHEDULE _____

TO PURCHASE AGREEMENT
RE: STRATA LOT _____
2881 Leigh Road, Langford, B.C.

RECEIPT FOR DISCLOSURE STATEMENT

The undersigned hereby confirm(s) that he/she/it/they has/have received a copy of the disclosure statement dated May 25, 2023, the amendment to disclosure statement dated May 24, 2024, and any other amendments thereto, if any, filed up to the date hereof (the "**Disclosure Statement**") in respect of the Development and certain strata lots located therein, and that the undersigned has been afforded a reasonable opportunity to read the Disclosure Statement.

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/have confirmed that fact by initialling in the space provided here:

_____ Witness: _____
Signature of Purchaser

_____
Print Name

_____ Witness: _____
Signature of Purchaser

_____
Print Name

EXHIBIT G

Easements Agreement

See Attached.

LAND TITLE ACT

TERMS OF INSTRUMENT – PART 2

AIR SPACE PARCEL RECIPROCAL EASEMENTS AND SECTION 219 COVENANT

THIS AGREEMENT dated for reference _____, 202___,

AMONG:

DRAYCOR DEVELOPMENTS LTD., (Inc. No. BC1356081) of 7th Floor – 1175 Douglas Street, Victoria, British Columbia V8W 2E1

(in its capacity as owner of the Remainder, the "**Remainder Owner**")

AND:

DRAYCOR DEVELOPMENTS LTD., (Inc. No. BC1356081) of 7th Floor – 1175 Douglas Street, Victoria, British Columbia V8W 2E1

(in its capacity as owner of AP 1, the "**AP 1 Owner**")

AND:

CITY OF LANDFORD, a municipal corporation, of 2nd Floor, 877 Goldstream Avenue, Langford, British Columbia, V9B 2X8

(the "**City**")

WHEREAS:

A. The Remainder Owner is the registered owner of the Remainder and the AP 1 Owner is the registered owner of AP 1;

B. The Remainder Owner is constructing the Remainder Improvements on the Remainder and the AP 1 Owner is constructing the AP 1 Improvements within AP 1;

C. The Residential Complex will be located within AP 1;

D. The Commercial Complex will be located within the Remainder;

E. The Residential Complex and the Commercial Complex are contained in one single integrated building;

F. The Owners wish to grant certain rights and easements to each other in order to provide access, support, utilities, maintenance and other benefits;

G. Pursuant to Section 18(5) of the *Property Law Act* (British Columbia), a registered owner in fee simple may grant to itself an easement over land that it owns for the benefit of other land that it owns in fee simple;

H. The easements and the section 219 covenant contained herein are requirements of the Approving Officer for subdivision of the lands creating AP 1 and the Remainder;

I. Section 219 of the *Land Title Act* provides, *inter alia*, that a covenant, whether of a negative or positive nature, in respect of the use of land in favour of the City, may be registered as a charge against the title to that land; and

J. The City wishes to become a party to this Agreement to ensure that the rights, licences and easements hereby created continue to enure to the benefit of the Owners from time to time of the Parcels.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of One Dollar ($1.00) now paid by each party to the other and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the parties), the parties hereto covenant and agree with each other as follows:

1. DEFINITIONS

1.1 Definitions

In this Agreement (including in the recitals above), the following capitalized terms have the following meanings unless the context otherwise requires:

(a) "**Approving Officer**" means the person acting as Approving Officer for the City pursuant to the *Land Title Act*, as amended or replaced from time to time, and any employee of the City acting as the nominee or agent of that person in connection with this Agreement;

(b) "**AP 1**" means the lands and premises, including the AP 1 Improvements, situated in Langford, British Columbia and legally described as follows:

> Air Space Parcel A, Section 79, Esquimalt District, Plan EPP_____

(c) "**AP 1 Improvements**" means any buildings, improvements and works and all Utility Systems, Support Structures and other components forming part thereof now or hereafter Constructed within AP 1;

(d) "**AP 1 Owner's Easement**" means the easement and rights granted to the AP 1 Owner pursuant to Section 2;

(e) "**Business Day**" means any day from Monday to Friday (inclusive), except statutory holidays in British Columbia;

(f) "**City**" means the City of Langford, a municipal government incorporated pursuant to the *Local Government Act*;

(g) "**Commercial Complex**" means an approximately 1 storey commercial/retail development and related amenities and service areas located within the Remainder;

(h) "**Common Amenity Areas**" means any outdoor or indoor amenity areas which are for the common use and benefit of the Owners, including but not limited to the outdoor amenity space located on the Remainder;

(i) "**Common Areas and Facilities**" means those Utility Systems, Common Amenity Areas, Pedestrian Access Routes, Vehicular Access Routes, Support Structures, Life Safety Systems and other areas, facilities, systems and equipment which are for the common use and benefit of the Owners, including, without limitation, any building envelope systems which are for the common use and benefit of the Parcels;

(j) "**Common Wall**" means any wall which is owned jointly by the Owners and which separates the Parcels from each other;

(k) "**Construct**" means to alter, construct, demolish, excavate, enlarge, erect, extend, install, place, reconstruct, replace, relocate, remove or renew and all activities or other work incidental or related thereto and "**Constructing**", "**Construction**" and "**Constructed**" have corresponding meanings;

(l) "**Damaged Development**" has the meaning set out in Section 10.1;

(m) "**Defaulting Party**" has the meaning set out in Section 5.4;

(n) "**Development**" in respect of any Parcel means all buildings, erections, improvements and other structures from time to time constructed or situate within or upon such Parcel and all subsequent alterations, additions and replacements thereof, as the case may be, and includes the Commercial Complex and the Residential Complex;

(o) "**Easement Area**" means:

(i) in respect of the Remainder, that portion thereof over which the AP 1 Owner has the AP 1 Owner's Easement; and

(ii) in respect of AP 1, that portion thereof over which the Remainder Owner has the Remainder Owner's Easement,

and "**Easement Areas**" means all of such areas;

(p) "**emergency**" means a situation in which an Owner reasonably believes that there is an immediate threat posed to the health and safety of Users of one or both Parcels or substantial property damage in one or both Parcels is imminent or personal injury (including death) or property damage has actually occurred;

(q) "**Fob**" means a key, fob, access card or other similar device;

(r) "**Inspection**" means to inspect, test or examine any Parcel from time to time for the purpose of ascertaining or determining whether any defect, damage or condition exists or is imminent to such Parcel, or for the purpose of ascertaining or determining whether any defect, damage or condition exists or is imminent which has resulted or may result in the loss of access or egress or support to or use of the Other Parcel, and "**Inspect**" and "**Inspected**" have corresponding meanings;

(s) "**Interfere**" means to interfere unreasonably, unduly or unnecessarily with, endanger, impede or disturb any one or more of the following:

(i) the Construction, Maintenance, Inspection, Repair, operation, use or enjoyment of any Parcel when an Owner is Constructing, Maintaining, Inspecting, Repairing, operating, using or enjoying such Parcel in compliance with the terms and conditions of this Agreement;

(ii) the uninterrupted availability, use, access to and benefit of the Life Safety Systems;

(iii) the exercise of the rights and easements hereby granted, or the use or enjoyment of an Easement Area; or

(iv) the support of a Parcel to the Other Parcel provided by the Support Structures,

and "**Interference**" has a corresponding meaning;

(t) "***Land Title Act***" means the *Land Title Act*, R.S.B.C., 1996, c. 250 and amendments thereto and re-enactments thereof;

(u) "**Langford Building Bylaw**" means the 2008 City of Langford *Consolidated Building Bylaw 1160,* and all amendments thereto or replacements thereof;

(v) "**Life Safety Systems**" means all fire fighting, life safety systems and fire protection equipment from time to time situate on a Parcel and includes all public announcement, fire alarm and sprinkler systems, and facilities providing water or electricity to any such equipment;

(w) "***Local Government Act***" means the *Local Government Act,* R.S.B.C., c. 1 and all amendments thereto or replacements thereof;

(x) "**Maintain**" means to keep in a good and proper state of repair, normal wear and tear excepted, and in a clean and safe condition as would a prudent owner from time to time, and "**Maintenance**", "**Maintained**" and "**Maintaining**" have corresponding meanings;

(y) "**Major Damage**" occurs when:

(i) the improvements within a Parcel or Parcels are damaged or destroyed to the extent of at least 35% of the full replacement cost thereof;

(ii) the improvements within a Parcel or Parcels are condemned; or

(iii) the insurers for any or all of the Parcels, pursuant to policies of insurance maintained in accordance with this Agreement, elect to treat the damage or destruction to the Parcel or Parcels in question as a total loss,

provided that the determination of the extent of damage or destruction as provided in this Agreement will be made by a professional engineer chosen by the Owner or Owners who have suffered such damage or destruction;

(z) "**Other Owner**" means:

(i) in respect of the AP 1 Owner, the Remainder Owner; and

(ii) in respect of the Remainder Owner, the AP 1 Owner;

(aa) "**Other Owner's Easements**" means the easements and rights granted by an Owner to the Other Owner, pursuant to Sections 2 and 3, as the case may be;

(bb) "**Other Parcel**" means, in respect of the Remainder, AP 1 and, in respect of AP 1, the Remainder;

(cc) "**Owner**" means, individually:

(i) the Remainder Owner;

(ii) the AP 1 Owner; or

(iii) the registered owner of any Subdivided Lot of a Parcel including, without limitation, a Strata Corporation if such Parcel has been subdivided by a Strata Plan,

and their respective successors in title as the registered owners from time to time of the Remainder and AP 1 and any lots into which the Remainder and AP 1 may be further subdivided, and "**Owners**" means all of them as the context requires;

(dd) "**Parcel**" means, individually, the Remainder or AP 1, and "**Parcels**" means both of them as the context requires;

(ee) "**Parking Facility**" means those parts of the Project which are used for parking and related or ancillary purposes;

(ff) "**Pedestrian Access Routes**" means, in respect of a Parcel, those parts of the Parcel (including, without limitation, stairs, stairwells, vestibules, elevator lobbies and corridors) which are from time to time designated by the Owner of such Parcel for, or by their nature are intended for, the purpose of:

(i) pedestrian access to and from the Parking Facility and Storage Areas to a Parcel or the streets adjacent to the Project;

(ii) pedestrian access to and from the Common Amenity Areas;

(iii) pedestrian emergency exit routes from one Parcel through the Other Parcel;

(iv) pedestrian access to and from, and use as pedestrian pathways on, the public areas from time to time existing within a Parcel; and

(v) pedestrian access to and from the streets adjacent to a Parcel;

including, without limitation, all emergency exits and routes (including, without limitation, corridors, stairs, and stairwells) out of a Parcel and, for greater certainty, upon the subdivision of a Parcel by the deposit of a Strata Plan, the Pedestrian Access Routes within such stratified Parcel will be automatically restricted to those areas which are not part of a Strata Lot or limited common property for the exclusive use of one or more Strata Lot Owners as shown on the Strata Plan, provided that any such restriction does not result in the loss of any access or egress rights essential to ensure compliance with the Langford Building Bylaw;

(gg) "**Prime Rate**" means the annual rate of interest announced from time to time by Toronto-Dominion Bank, Main Branch, Victoria, British Columbia, or other bank as selected by the Remainder Owner from time to time, as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada;

(hh) "**Project**" means, collectively, AP 1 and the Remainder, together with the AP 1 Improvements and the Remainder Improvements constructed thereon;

(ii) "**Remainder**" means the lands and premises, including the Remainder Improvements, situated in Langford, British Columbia and legally described as follows:

Lot A, Section 79, Esquimalt District, Plan EPP122543, except part in Plan EPP_____

(jj) "**Remainder Improvements**" means any buildings, improvements, equipment and works and all Utility Systems, Support Structures, Common Amenity Areas (if applicable) and other components forming part thereof, now or hereafter Constructed on the Remainder;

(kk) "**Remainder Owner's Easement**" means the easement and rights granted to the Remainder Owner pursuant to Section 3;

(ll) "**Repair**" means:

(i) to remedy any defect and to repair any damage to any part of a Parcel (including any Support Structures or Utility Systems from time to time situate thereon); or

(ii) to take any action reasonably necessary to remedy any failure of an Owner to provide the Other Owner's Easements and rights, as granted hereunder,

and "**Repairs**" and "**Repairing**" have corresponding meanings;

(mm) "**Residential Complex**" means an approximately 5 storey complex containing residential condominiums and related amenities, service areas and parking located within AP 1;

(nn) "**Service Rooms**" means those rooms and other spaces, whether or not enclosed, which: (i) are used for housing or containing Utility Systems or services or equipment for one Parcel or both; or (ii) serve a specific function or purpose such as the storage and removal of garbage and/or recycled materials and the loading and unloading of vehicles.

(oo) "**Storage Areas**" means those parts of the Project which are used by the Users of one or both Parcels for storage including, without limitation, bicycle storage, and related or ancillary purposes;

(pp) "**Strata Corporation**" means a strata corporation created by deposit of a Strata Plan;

(qq) "**Strata Lots**" means the strata lots created pursuant to a Strata Plan and "**Strata Lot**" means any one of them;

(rr) "**Strata Lot Owners**" means, from time to time, the registered owners of Strata Lots and "**Strata Lot Owner**" means any one of them;

(ss) "**Strata Plan**" means a strata plan subdividing a Parcel into Strata Lots and common property in accordance with the provisions of the *Strata Property Act*;

(tt) "***Strata Property Act***" means the *Strata Property Act*, S.B.C. 1998, c. 43, as amended;

(uu) "**Subdivided Lot**" means any part of a Parcel that is created pursuant to the registration of a Strata Plan or upon the registration of a subdivision plan;

(vv) "**Support Structures**" means soil and any and all structural elements from time to time within a Parcel which are required to support the AP 1 Improvements and/or the Remainder Improvements, as the case may be, including, without limitation, anchors, willow and deep foundations, columns, footings, supporting beating walls, floors, ceilings, beams, bents, arches, brackets, grade or tie beams and bracings, reinforced concrete structural system, and the exterior building envelope of walls, windows, cladding systems and roofs, including the roof membrane, insulation, truces, braces, supports and similar elements that support such roofs;

(ww) "**Users**" means the owners, tenants and occupants including, without limitation, any Strata Lot Owners from time to time of all or any part of a Parcel, for whose benefit and use the easements described in Sections 2 and 3 are granted and their respective employees, servants, agents, officers, contractors, licensees and invitees whether their authorization to access is implied or expressed, unless any of such employees, servants, agents, officers, contractors, licensees or invitees are expressly not authorized;

(xx) "**Utility Systems**" means, from time to time, all machinery, equipment, display and control panels, pipes, conduits, wires, cables, chutes, lines, stacks, shafts, meters,

duets, vents, lighting fixtures, heating, ventilating and air conditioning equipment, pumps, transformers, cooling condensers, generators and other devices and systems (including, without limitation, all ancillary appliances and equipment and emergency generators) and all areas (whether or not enclosed), used in connection therewith which may be reasonably required for and in connection with the provision and supply of goods, services, systems and utilities to, from and for the benefit of the AP 1 Improvements and/or the Remainder Improvements including, without limitation, water, sewage, sanitary and storm drainage, gas, oil, electricity and other power sources, steam, air intake, air exhaust, mechanical ventilation and exhaust, energy conveyance, emergency alarms, Life Safety Systems, elevators, security systems, sprinkler and stand pipe system, exit stairs and firefighter's response, telephone, radio, television, cablevision, telecommunication, fibre optic, media connection equipment and boxes and associated conduits, and computer and other communication signals, in any form whatsoever; and

(yy) "**Vehicular Access Routes**" means those parts of the driveways, drive aisles and Parking Facility located within the Project which are from time to time used for, or by their nature are intended for use as, access ramps, drive aisles and circulation lanes for vehicular (including automobiles, motorcycles, trucks and bicycles and other motor vehicles and similar modes of conveyance) entrance, movement and exit to and from and within the Parking Facility.

2. EASEMENT OVER THE REMAINDER FOR THE BENEFIT OF AP 1

2.1 Grant of Easement

The Remainder Owner, as the registered owner of the Remainder, hereby grants to the AP 1 Owner, as the registered owner of AP 1 and its respective Users, in perpetuity, the non-exclusive full, free and uninterrupted right, liberty and easement on, over, within and through the Remainder at all times and from time to time, in common with the Remainder Owner and its Users, and all other persons now or hereafter having the express or implied permission of the Remainder Owner or having a similar right, subject to the following terms, conditions and limitations:

(a) Pedestrian Access Routes. To enter, go, pass and repass in, over and upon all or any part of the Pedestrian Access Routes which are situate on the Remainder as the AP 1 Owner and/or its Users may reasonably require, on foot or by wheelchair or other similar modes of conveyance, with or without supplies, equipment or machinery, for the purpose of obtaining pedestrian access to and egress from AP 1, as may be reasonably required for the reasonable use and enjoyment of the AP 1 Owner and/or its Users.

(b) Vehicular Access Routes. To enter, go, pass and repass in, over and upon all or any part of the Vehicular Access Routes which are situate on the Remainder as the AP 1 Owner and/or its Users may reasonably require, on foot or by wheelchair or other similar modes of conveyance, or bicycles, and with vehicles, with or without supplies, equipment or machinery, for the purpose of obtaining access to and egress from those portions of the Parking Facility and any Storage Areas situate on AP 1.

(c) Exterior of Building. After not less than three (3) days' prior written notice (except in the case of emergency when no notice is required), to enter, go, pass and repass in, over and upon those parts of the Remainder as the AP 1 Owner and/or its Users may reasonably require, on foot or by wheelchair, or other similar modes of conveyance, with or without workers, supplies, equipment and machinery, for the purpose of Inspecting, cleaning, Maintaining, Repairing and replacing the windows and the exterior walls of the AP 1 Improvements and painting such walls.

(d) Utility Systems. To enter, go, pass and repass in, over and upon those parts of the Remainder as the AP 1 Owner and/or its Users may reasonably require, on foot or by wheelchair or other similar modes of conveyance, with or without workers, supplies, equipment and machinery, and, with respect to parts thereof designated for use by vehicles, with vehicles, to Construct, Maintain, Repair, Inspect and use such Utility Systems within the Remainder as may be reasonably required for the use and enjoyment of the AP 1 Improvements in such a manner as may reasonably be required.

(e) Service Rooms. To enter, go, pass and repass in, over and upon those parts of the Remainder as the AP 1 Owner and/or its Users may reasonably require, on foot or by wheelchair or other similar modes of conveyance, with or without supplies, equipment or machinery, and, with respect to those parts designated for use thereof by vehicles, with vehicles, for the purpose of obtaining access to and egress from the Service Rooms and to Construct, Maintain, Repair, Inspect and use such Service Rooms within the Remainder, with or without supplies, equipment or machinery, as may be reasonably required for the use and enjoyment of the AP Improvements in such a matter as may reasonably be required.

(f) Construction, Inspection, Maintenance and Repair. To enter, go, pass and repass in, over and upon those parts of the Remainder as the AP 1 Owner and/or its Users may reasonably require, on foot or by wheelchair or other similar modes of conveyance, with or without workers, supplies, equipment and machinery and, with respect to parts thereof designated for use by vehicles, with vehicles, at reasonable times and upon reasonable notice to the Remainder Owner (except in the case of emergency when no notice will be required), for the purpose of:

(i) Constructing, Inspecting, Maintaining, or Repairing the AP 1 Improvements, (including, without limitation, the building envelope thereof) and the Utility Systems which are located in AP 1; and

(ii) subject to the provisions of Section 5.1(d), Inspecting, operating, Constructing, Maintaining, and Repairing any portions of the Remainder Improvements or the Utility Systems or Support Structures which are located in the Remainder which are available for the use or benefit of the AP 1 Owner and/or its Users or which Interfere with or could reasonably Interfere with the use and enjoyment of the AP 1 Owner's Easement.

(g) Placement of Materials. At all reasonable times, after reasonable notice (except in the case of emergency when no notice is required), to place and store material (including, without limitation, tools, implements, scaffolding, machinery, equipment, construction materials, trailers, rubbish and debris) reasonably

required for the work referred to in Sections 2.1(c), (d), (e), (f), (i) and (j) hereof in such locations on the Remainder as the AP 1 Owner and/or its Users may reasonably require, provided that the placing and storing of material as herein provided:

(i) does not Interfere with the Remainder;

(ii) will not render the Remainder Owner liable therefor as a bailee;

(iii) complies with the security rules of the Remainder Owner; and

(iv) upon substantial completion of any such work on the Remainder, the AP 1 Owner and/or its Users, as the case may be, will thereupon forthwith remove from the Remainder any material referred to in this Section 2.1(g) and leave those portions of the Remainder used for such purposes in the same condition as prior to the placement or storage of such materials.

(h) Support. For support of the AP 1 Improvements by any Support Structures on the Remainder which are necessary for the support of the AP 1 Improvements.

(i) Equivalency Requirements. To enter, go, pass and repass in and upon those parts of the Remainder as the AP 1 Owner and/or its Users may reasonably require for the purpose of Inspecting, Constructing, Maintaining or Repairing in compliance with the Equivalency Requirements.

(j) Life Safety Systems. To enter, go, pass and repass in and upon those parts of the Remainder as the AP 1 Owner and/or its Users may reasonably require for the purposes of Constructing, Inspecting, Maintaining, Repairing or using, in the case of an emergency to life or property, any Life Safety Systems which are situate within the Remainder or are necessary for the use of Life Safety Systems which are situate within AP 1.

(k) Common Amenity Areas. To enter, go, pass and repass in, over and upon and use and enjoy any part of the Common Amenity Areas which are situate on the Remainder as the AP 1 Owner and/or its Users may reasonably require on foot or by wheelchair or other similar modes of conveyance for the reasonable use and enjoyment of the AP 1 Owner and/or its Users.

(l) Generally. To do all acts, things and matters necessary for or incidental to the exercise of the rights granted in this Section 2.1.

2.2 Benefit and Burden

The easements granted in Section 2.1 will be appurtenant to and for the benefit of AP 1 and will charge and be a burden upon and run with the Remainder.

2.3 Secured Areas and Unrestricted Easement Areas in the Remainder

Notwithstanding any provision herein, the AP 1 Owner acknowledges that, despite the easement rights granted in Section 2.1, certain Easement Areas in the Remainder will be secured areas and accessible only by Fob and that, if any User of the AP 1 is not issued or does not have a Fob to

access any such secured area (or alternatively, such User's Fob is not programmed to permit access), then such access will only be conducted under escort by the property manager or any other authorized personnel from the Remainder, provided that under no circumstances may the Remainder Owner restrict access by the AP 1 Owner and its Users to the following areas in the Remainder:

(a) those Pedestrian Access Routes that are emergency exit routes; and

(b) any and all pedestrian doors or vehicular gates in the Parking Facility.

Nothing in this Section 2.3 entitles the AP 1 Owner to deny access to the Remainder Owner with respect to any areas which are unsecured as of the date of this Agreement, or are not intended or designated to be secured.

3. EASEMENT OVER AP 1 FOR THE BENEFIT OF THE REMAINDER

3.1 Grant of Easement

The AP 1 Owner, as the registered owner of AP 1, hereby grants to the Remainder Owner, as the registered owner of the Remainder, and its respective Users, in perpetuity, the non-exclusive full, free and uninterrupted right, liberty and easement on, over, within and through AP 1 at all times and from time to time, in common with the AP 1 Owner and its Users, and all other persons now or hereafter having the express or implied permission of the AP 1 Owner or having a similar right, subject to the following terms, conditions and limitations:

(a) Pedestrian Access Routes. To enter, go, pass and repass in, over and upon all or any part of the Pedestrian Access Routes which are situate on AP 1 as the Remainder Owner and/or its Users may reasonably require, on foot or by wheelchair or other similar modes of conveyance, with or without supplies, equipment or machinery, for the purpose of obtaining pedestrian access to and egress from the Remainder, as may be reasonably required for the reasonable use and enjoyment of the Remainder Owner and/or its Users.

(b) Vehicular Access Routes. To enter, go, pass and repass in, over and upon all or any part of the Vehicular Access Routes which are situate on AP 1 as the Remainder Owner and/or its Users may reasonably require, on foot or by wheelchair or other similar modes of conveyance, or bicycles, and with vehicles, with or without supplies, equipment or machinery, for the purpose of obtaining access to and egress from those portions of the Parking Facility and any Storage Areas situate on the Remainder.

(c) Exterior of Building. After not less than (3) three days' prior written notice (except in the case of emergency when no notice is required), to enter, go, pass and repass in, over and upon those parts of AP 1 as the Remainder Owner and/or its Users may reasonably require, on foot or by wheelchair, or other similar modes of conveyance, with or without workers, supplies, equipment and machinery, for the purpose of Inspecting, cleaning, Maintaining, Repairing and replacing the windows and the exterior walls of the Remainder Improvements and painting such walls.

(d) Utility Systems. To enter, go, pass and repass in, over and upon those parts of AP 1 as the Remainder Owner and/or its Users may reasonably require, on foot or

by wheelchair or other similar modes of conveyance, with or without workers, supplies, equipment and machinery, and, with respect to parts thereof designated for use by vehicles, with vehicles, to Construct, Maintain, Repair, Inspect and use such Utility Systems with or without supplies, equipment or machinery within AP 1 as may be reasonably required for the use and enjoyment of the Remainder Improvements in such a manner as may reasonably be required.

(e) Service Rooms. To enter, go, pass and repass in, over and upon those parts of AP 1 as the Remainder Owner and/or its Users may reasonably require, on foot or by wheelchair or other similar modes of conveyance, with or without supplies, equipment or machinery, and, with respect to those parts designated for use thereof by vehicles, with vehicles, for the purpose of obtaining access to and egress from the Service Rooms and to Construct, Maintain, Repair, Inspect and use such Service Rooms within AP 1, with or without supplies, equipment or machinery, as may be reasonably required for the use and enjoyment of the Remainder Improvements in such a manner as may reasonably be required.

(f) Construction, Inspection, Maintenance and Repair. To enter, go, pass and repass in, over and upon those parts of AP 1 as the Remainder Owner and/or its Users may reasonably require, on foot or by wheelchair or other similar modes of conveyance, with or without workers, supplies, equipment and machinery and, with respect to parts thereof designated for use by vehicles, with vehicles, at reasonable times and upon reasonable notice to the AP 1 Owner (except in the case of emergency when no notice will be required), for the purpose of:

(i) Constructing, Inspecting, Maintaining, or Repairing the Remainder Improvements (including, without limitation, the building envelope thereof) and the Utility Systems which are located in the Remainder; and

(ii) subject to the provisions of Section 5.1(d), Inspecting, operating, Constructing, Maintaining, and Repairing any portions of the AP 1 Improvements or the Utility Systems or Support Structures which are located in AP 1 which are available for the use or benefit of the Remainder Owner and/or its Users or which Interfere with or could reasonably Interfere with the use and enjoyment of the Remainder Owner's Easement, as the case may be.

(g) Placement of Materials. At all reasonable times, after reasonable notice (except in the case of emergency when no notice is required), to place and store material (including, without limitation, tools, implements, scaffolding, machinery, equipment, construction materials, trailers, rubbish and debris) reasonably required for the work referred to in Sections 3.1(c), (d), (e), (f), (i) and (j) hereof in such locations on AP 1 as the Remainder Owner and/or its Users may reasonably require, provided that the placing and storing of material as herein provided:

(i) does not Interfere with AP 1;

(ii) will not render the AP 1 Owner liable therefor as a bailee;

(iii) complies with the security rules of the AP 1 Owner; and

(iv) upon substantial completion of any such work on AP 1, the Remainder Owner and/or its Users, as the case may be, will thereupon forthwith remove from AP 1 any material referred to in this Section 3.1(g) and leave those portions of AP 1 used for such purposes in the same condition as prior to the placement or storage of such materials.

(h) Support. For support of the Remainder Improvements by any Support Structures on AP 1 which are necessary for the support of the Remainder Improvements.

(i) Equivalency Requirements. To enter, go, pass and repass in and upon those parts of AP 1 as the Remainder Owner and/or its Users may reasonably require for the purpose of Inspecting, Constructing, Maintaining or Repairing in compliance with the Equivalency Requirements.

(j) Life Safety Systems. To enter, go, pass and repass in and upon those parts of AP 1 as the Remainder Owner and/or its Users may reasonably require for the purposes of Constructing, Inspecting, Maintaining, Repairing or using, in the case of an emergency to life or property, any Life Safety Systems which are situate within AP 1 or are necessary for the use of Life Safety Systems which are situate within the Remainder.

(k) Common Amenity Areas. To enter, go, pass and repass in, over and upon and use and enjoy any part of the Common Amenity Areas which are situate on the AP 1 as the Remainder Owner and/or its Users may reasonably require on foot or by wheelchair or other similar modes of conveyance for the reasonable use and enjoyment of the Remainder Owner and/or its Users.

(l) Generally. To do all acts, things and matters necessary for or incidental to the exercise of the rights granted in this Section 3.1.

3.2 Benefit and Burden

The easements granted in Section 3.1 will be appurtenant to and for the benefit of the Remainder and will charge and be a burden upon and run with AP 1.

3.3 Secured Areas and Unrestricted Easement Areas in AP 1

Notwithstanding any provision herein, the Remainder Owner acknowledges that despite the easement rights granted to it in Section 3.1, certain Easement Areas in AP 1 will be secured areas and accessible only by key, fob, access card or other similar device and if any User of the Remainder is not issued or does not have a Fob to access any such secured area (or alternatively, such User's Fob is not programmed to permit access), then such access will only be conducted under escort by the property manager or any other authorized personnel from AP 1, provided that under no circumstances may the AP 1 Owner restrict access by the Remainder Owner and its Users to the following areas in AP 1:

(a) those Pedestrian Access Routes that are emergency exit routes; and

(b) any and all pedestrian doors or vehicular gates in the Parking Facility.

Nothing in this Section 3.3 entitles the AP 1 Owner to deny access to the Remainder Owner with respect to any areas which are unsecured as of the date of this Agreement, or are not intended or designated to be secured.

3.4 Noise, Odours and Fumes Easement

The AP 1 Owner hereby grants to the Remainder Owner for the benefit of the Remainder, the full, free, and unrestricted right to generate, create, cause or permit the noise, dust, fumes, particles, odours, and light associated with the lawful operation of a commercial shopping and restaurant centre on the Remainder and for such noise, dust, fumes, particles, odours and light to enter onto and to pass over and through AP 1. The AP 1 Owner agrees with the Remainder Owner that such activities will not constitute a nuisance and covenants to not complain to the City or apply to any court of law concerning such activities.

4. RESERVATIONS AND LIMITATIONS

4.1 Reservations

Notwithstanding the easements and covenants granted in Sections 2 and 3, there is hereby reserved to the Remainder Owner, in respect of the easements granted over the Remainder and to the AP 1 Owner, in respect of the easements granted over AP 1, subject to the restrictions and limitations hereinafter set out, the right at all times hereafter and from time to time:

(a) Temporary Interruptions. To interrupt temporarily the access, use and enjoyment by the Other Owner of an Easement Area if such temporary interruption is reasonably required to facilitate the Inspection, Maintenance, Construction or Repair of such Easement Area or if such temporary interruption is reasonably required to facilitate the Inspection, Maintenance, Construction or Repair of such Owner's Parcel, as may be required by such Owner or as such Owner may deem expedient, provided that such temporary interruption does not unreasonably Interfere with the life safety, support, security or efficient functioning of, or the access to or egress from, or the enjoyment of, such Other Owner's Parcel, that such interruption is as short as reasonably possible, that reasonable notice of the interruption is delivered to the Other Owner (except in the case of emergency when no notice is required) and all reasonable steps must be taken by the Owner during the period of the interruption to provide the Other Owner with adequate alternative utility services and other easement benefits so interrupted and that if a Pedestrian Access Route is interrupted, a reasonable alternative emergency exit egress route is provided.

(b) Construction. To Inspect, Maintain, Construct or Repair any improvement on its respective Parcel, including those portions of its respective Parcel that qualify as Common Areas and Facilities (as defined in Section 8.1), as it may reasonably require or deem expedient, provided that such use does not constitute a material Interference with the Other Owner's Easements herein granted.

(c) Rules and Regulations. Subject to Section 9.1(b), to make, amend, enforce and rescind reasonable rules, regulations and security arrangements governing, restricting or affecting the manner in which any Easement Area or any part or parts thereof may be used or enjoyed and to take all such reasonable actions as may be necessary to enforce or prevent any breach of such rules, regulations and

security arrangements, provided that such rules, regulations and security arrangements promote the good and reasonable management of the Project, are solely for the purpose of regulating the hours of use, enjoyment, safety, cleanliness, management, Inspection, Maintenance or operation of the applicable Easement Area, such rules and regulations apply fairly to all of the Owners and will not constitute an Interference with the other Owner's Easements and do not impose any fees in respect of the enjoyment of an easement that is stated in Section 2 or 3 to be granted "free".

(d) Grant Rights of Way. To grant statutory rights of way, easements and covenants in favour of the City, other governmental entities, public utilities or public authorities, or any other person over its respective Parcel or any portion thereof, provided such grant does not cause any Interference with the Other Owner's Easements herein granted.

4.2 Limitations

The Owners acknowledge and agree that, notwithstanding the generality of the grant of the Other Owner's Easements, the foregoing grants of the Other Owner's Easements are limited as follows:

(a) Reasonable Access and Exercise. In exercising its rights under the Other Owner's Easements, each Owner will only use those portions of the respective Other Parcels to which it is reasonable for the Owner to have access for the permitted purposes in each case;

(b) Access by Qualified Individuals. The Other Owner's Easements that are herein granted for access to, Construction of and Repair of Service Rooms, Utility Systems, Life Safety Systems, Support Structures and a Development will only be exercised on behalf of the Owners by individuals duly qualified to carry out the Construction or Repair in respect of which access is required, and, without limiting the generality of the foregoing, if any of the Parcels is subdivided by a Strata Plan, the Other Owner's Easements granted in respect of the locations referred to in Section 2 and Section 3 inclusive above may only be exercised by a representative or agent of the Strata Corporation duly qualified to carry out the Construction or Repair in respect of which access is required, and may not be exercised by the individual owners of the strata lots within the applicable Strata Plan;

(c) No Restrictions. No Other Owner's Easements will restrict any Owner from Constructing or Repairing Utility Systems, or making any other improvements or changes to any portion of an Easement Area, in either case as the Owner may require or deem expedient in any manner which does not unreasonably Interfere with the exercise of the easements and rights granted for the benefit of the respective Owners thereof;

(d) Notice. The Other Owner's Easements that are granted herein for the purposes of access to, Repair and Construction of Developments, Service Rooms, Utility Systems, Life Safety Systems, Support Structures and Repair of Common Areas and Facilities may only be exercised by the Other Owner after not less than 48 hours' prior written notice (except in the case of emergency when no notice is required) to the Other Owner and then only to the extent that the Other Owner has not commenced Repair or Construction of the applicable Development, Service

Rooms, Utility Systems, Life Safety Systems or Common Areas and Facilities, or having commenced such Repair or Construction has failed to diligently proceed with same, except in the case of emergency when no notice will be required.

4.3 Easement for Encroachments

Each Owner will acquiesce in minor encroachments and maintenance thereof if and to the extent that:

(a) there are minor variations from the plans and specifications in the Construction of any of the Developments occurring due to Construction accuracy, methods or techniques; or

(b) there is minor settlement or shifting of any Development over time so that any part of a Development encroaches upon a part of an adjacent Parcel.

Such acquiescence for the maintenance of encroachments will exist, as to a particular encroachment, only so long as the encroaching portion of the Development remains in existence. Notwithstanding the preceding provisions of this section, in no event will such acquiescence be granted or continue if such encroachment materially and adversely interferes with the use, operation or enjoyment of another Parcel by its Users. This provision will not relieve or excuse an Owner from exercising all due diligence to Construct its Development within the boundaries of such Owner's Parcel.

5. COVENANTS

5.1 Covenants

Each Owner hereby covenants and agrees that:

(a) No Interference with Easements. Subject to Section 4.1, it will not obstruct or Interfere with, or permit any person claiming through or under it to obstruct or Interfere with, the use and enjoyment of the Other Owner's Easements herein granted, provided that nothing contained in this Agreement will be interpreted so as to restrict or prevent an Owner from using an Easement Area which is on its Parcel in any manner which does not Interfere with the exercise by the Other Owner of the easement rights granted hereunder.

(b) Minimize Interference with Other Owner's Parcel. It will, in exercising the rights and easements granted to it herein:

(i) use only those portions of the Other Owner's Parcel as may be reasonably required for the purpose of such easement;

(ii) use all reasonable efforts to cause as little Interference as possible with the use and enjoyment of the Other Owner's Parcel by the Other Owner;

(iii) if the exercise of such rights and easements causes any damage to the Other Owner's Parcel, forthwith restore the Other Owner's Parcel to a condition as near as is reasonably practicable to the condition thereof

existing immediately prior to the exercise by it of the rights and easements granted hereunder; and

(iv) insofar as it is practicable so to do, exercise, and cause its Users to exercise, its rights hereunder in such a manner as not to Interfere with the Other Parcels.

(c) Minimize Nuisance. It will use all reasonable efforts to minimize the nuisance and inconvenience to the occupants of the Other Parcel arising out of any use of an Easement Area.

(d) Maintain and Repair. Subject to Sections 8.8 and 10.3, each Owner will at all times promptly and properly Inspect, operate, Construct, Maintain, and Repair and replace, as and when required, all of the Exclusive Use Areas and Facilities (as defined in Section 8.1) and Common Areas and Facilities located in or on its Parcel (including the building envelope and the exterior of the Development), as would a prudent owner, and to the extent necessary it will use the easements granted hereunder for those purposes. If an Owner fails to Inspect, operate, Construct, Maintain, Repair and replace in accordance with the obligations hereunder within a reasonable period of time after notice from the Other Owner is given (except in the case of emergency when no notice will be required), the Other Owner may, but will not be obliged to, perform such Owner's failed obligations and the provisions of Section 8 with respect to reimbursement will apply to such expenditures, without need for further notice or agreement.

(e) Installation. Only install Utility Systems within the Other Parcel in common spaces (that is, areas not occupied by a particular owner or tenant), floors and walls of the Development thereon and, in doing so, ensure that there is always a means to measure separately the consumption or usage of any particular Utility System by the Owner;

(f) Other Owner Rules and Regulations. It will abide by any rules, regulations and security arrangements established by the Other Owner pursuant to Section 4.1(c).

(g) Continuing Support. It will do no act, will not omit to do anything and will suffer no condition to exist at any time in or upon a Parcel which will in any manner Interfere with the Support Structures of any Parcel and will not remove any Support Structures without providing or ensuring sufficient or equivalent alternate Support Structures.

(h) Discharge Liens. It will not create or permit to remain, and will remove and discharge or cause to be removed and discharged promptly, at its sole cost and expense, any lien, encumbrance or charge or claim of lien upon the Other Owner's Parcel which arises out of the exercise of any rights under this Agreement, the fulfilment of the Owner's rights and obligations hereunder by such Owner or any work carried out by the Owner upon such Other Parcel.

(i) No Derogation from Occupiers' Liability. The grant of the easements contained herein will not abrogate or detract from the liabilities and obligations of an Owner as the occupier of its respective Parcel.

(j) Indemnity. Indemnify and save harmless the Other Owner in respect of all actions, causes of action, suits, losses, expenses, costs and damages of any kind or nature whatsoever at law or in equity, for any injury to person or persons, including death, resulting at any time hereafter and any damage to or loss of property suffered by the Other Owner, arising out of or in any way related to:

(i) the exercise by the indemnifying Owner or its Users of their rights hereunder;

(ii) any breach by the indemnifying Owner or its Users of any of their covenants and obligations under this Agreement; or

(iii) any act or omission of the indemnifying Owner or its Users,

except to the extent such bodily injury or death, property damage, or other loss or damage is caused by the act or omission, including negligent acts or omissions or wilful misconduct, of the Other Owner or their Users for whose conduct the Other Owner are responsible.

(k) Compliance with Applicable Legislation. It will comply with all applicable laws, regulations and bylaws of governmental authorities applicable to its Parcel and the improvements thereon, with respect to the operation, Inspection, Construction, Repair and Maintenance of its Parcel and the improvements thereon and each Owner will not carry out any Construction or Repair to its respective Parcel except in compliance with such laws, regulations or bylaws.

(l) Sale of Parcel. Except for the sale of Strata Lots created by the deposit of a Strata Plan in respect of a Parcel and except for the transfer of a Parcel by reason of the deposit of a Strata Plan (which will be governed by Section 7.2), it will not sell or transfer, directly or indirectly, any legal or beneficial interest in the Owner's Parcel unless, as a condition thereof and prior thereto, the Owner causes the purchaser or transferee to enter into an assumption agreement pursuant to which the purchaser or transferee agrees to assume, be bound by and observe all of the obligations, positive or negative, of the Owner hereunder from and after the effective date of the sale or transfer.

(m) Life Safety Systems. Notwithstanding anything set out herein, the Owners acknowledge and agree that they will use commercially reasonable efforts to engage one company with respect to the Inspection, Maintenance, Repair and replacement of the Life Safety Systems for each of the Parcels, including all separate and shared components of the Life Safety Systems, the cost of which will be shared by the Owners in accordance with the terms hereof.

(n) Fobs. Each Owner covenants and agrees with the Other Owner that:

(i) it may not change any Fobs for secured areas within its Parcel for which the Other Owner had initially been issued Fobs without at least seven (7) days' prior notice to the Remainder Owner; and

(ii) if the Fobs described in paragraph 5.1(n)(i) above have been changed, it will provide the Other Owner with the new Fob as promptly as possible, to the intent that the Other Owner has operating Fobs at all times.

(o) Notice and Exchange of Information. Promptly notify the Other Owners of any Construction or Repair performed by or on behalf of such Owner, as permitted by this Agreement, and provide to the Other Owners a copy of any drawings, plans, operating manuals and maintenance manuals relating to the Construction or Repair after the performance of such work, unless requested earlier by any of the Other Owners in which case such materials will be delivered as soon as reasonably possible following such request.

(p) Assumption Agreement. Upon the transfer or sale of its interest in and to a Parcel, cause the transferee or purchaser thereof to enter into an assumption agreement with the Owners of the Other Parcels in a form satisfactory to the Owners of the Other Parcels, each acting reasonably, to assume all of the then ongoing obligations hereunder of the Owner transferring or selling its Parcel. For the sake of clarity, this subsection 5.1(p) does not apply to the transfer or sale of any strata lot which will be or has been subdivided in accordance with the *Strata Property Act*.

5.2 Insurance by Owners

Each Owner (for the purposes of this Section 5.2, the "**Insuring Owner**") hereby covenants and agrees with the Other Owner that the Insuring Owner will insure and perform the following covenants in respect of the Development on its respective Parcel (for the purpose of this Section 5.2, collectively called the "**Insured Property**"), for itself and for the benefit of the Other Owner, unless otherwise agreed in writing:

(a) subject to Section 5.3, the Insuring Owner will, at its sole cost and expense, and in addition to and not in substitution for any policies of insurance maintained by the Other Owner, take out and keep in full force and effect, or cause to be maintained, policies of:

(i) insurance against fire and other risks of physical loss or damage, including earthquake and flood (if such instance can be obtained on commercially reasonable terms and conditions), sewer backup, leakage from fire protection equipment, and insurance against all other hazards covered by policies normally in use from time to time by prudent owners of properties similar to the Insured Property in an amount equal to the full replacement cost thereof;

(ii) commercial public liability insurance, including all risks normally insured by prudent occupants in connection with the use and occupancy of properties similar to the Insured Property, in respect of the use and occupancy of the Insured Property, for claims for personal injury, death or property damage arising out of any one occurrence in an amount of at least $5,000,000;

(iii) commercial general liability insurance with respect to the use of the easements over the Other Parcel granted herein to the Insuring Owner, in its capacity as the dominant tenement, in an amount of at least $5,000,000

or such greater amount as the Other Owner, in its capacity as the owner of the servient tenement of such easements, may reasonably require from time to time in accordance with the then prevailing industry standards in the Greater Vancouver area for insurance of similar properties, for claims of personal injury, death or property damage arising out of any one occurrence. The Owner in each case will ensure that such insurance policy names the Other Owner and its successors in title as additional insureds and includes a cross-liability and severability of interest endorsement and a 30 day notice of cancellation for the additional insureds;

(iv) if any Parcel is subdivided by a Strata Plan, obtain the insurance required to be obtained and maintained by the Strata Corporation created as a result of the subdivision of the airspace parcel by a Strata Plan pursuant to the *Strata Property Act*; and

(v) if equipment or apparatus normally the subject of boiler and pressure vessel insurance is located on the Insured Property, boiler and pressure vessel insurance in such amount as is normally effected having regard to the nature of such equipment or apparatus;

(b) during the Construction of any Development on the Insured Property, the Insuring Owner will obtain and maintain:

(i) course of construction insurance in such amount as would normally be carried by a prudent owner of properties being developed in a similar manner as the Insured Property, with the Other Owner and its mortgagees as named insureds to the extent reasonably possible; and

(ii) wrap up liability insurance in such amount as would normally be carried by a prudent owner of properties similar to the Insured Property for the period of construction 24 months, with the Other Owner and its mortgagees as named insureds to the extent reasonably possible; and

(c) the Insuring Owner will from time to time, whenever reasonably required by the Other Owner furnish to the Other Owner certificates of insurance, certificates of renewal and other documents appropriate to evidence the insurance from time to time in force as required in this Section 5.2. If the Insuring Owner fails to insure as required under this Section 5.2, the Other Owner, after written notice to the Insuring Owner, may, but will not be obliged to, effect such insurance in the name and at the expense of the Insuring Owner, and the Insuring Owner will promptly repay the Other Owner for all costs incurred by the Other Owner in so doing.

5.3 Joint Insurance

Notwithstanding Section 5.2(a) and subject to Section 5.2(c), the Owners may take out, keep, maintain and participate in a joint insurance policy to cover the matters described in Section 5.2(a), if mutually agreed by the Owners. In such event, the Owners will cooperate with each other to the fullest extent to obtain and maintain such joint insurance policy.

5.4 Default

If an Owner (the "**Defaulting Party**") fails:

(a) to pay any amount owed to the Other Owner under this Agreement within 15 days after notice of such default has been given to the Defaulting Party by such Other Owner; or

(b) to remedy any default in the performance of any of its obligations or covenants under this Agreement (other than in respect of non payment) within 10 days after notice of such default has been given to the Defaulting Party by the Other Owner, or, if such default cannot reasonably be remedied within such 10 day period, failure of the Defaulting Party to commence and diligently pursue all reasonable efforts to remedy the default within a reasonable time,

then the Other Owner may at its discretion, but will not be obligated to, upon written notice to be given at any time after expiration of the above-referenced notice periods, perform any of the Defaulting Party's obligations or covenants (unless the Defaulting Party has referred the matter to arbitration or has disputed the matter pursuant to the terms of this Agreement) and the Defaulting Party will, on demand, reimburse such Other Owner on a complete indemnity basis for all reasonable costs and expenses of doing so. The provisions contained in this Section 5.4 will apply to any breach or event of default under this Agreement.

6. MODIFICATIONS OF EASEMENTS

6.1 Replacement Easements

Subject always to Sections 6.2, 6.3 and 9.1(c), subsequent to or in contemplation of any Construction, damage to, demolition or destruction of or renovations or additions to the AP 1 Improvements or the Remainder Improvements or in the event of the loss of any of the easement rights contained herein for any reason, each Owner will, if so requested in writing by the Other Owner, duly execute in registrable form and deliver to the Other Owner such modifications to this Agreement or such replacement easements, as the case may be, in a form and on such terms and conditions as the Owners agree, to recognize any changes to the physical manifestation of the Project or any portion thereof, and the change in the relationship between the Parcels. There will be no compensation payable to any Owner therefor. It is the intent of the parties hereto that any modification hereof or replacement easements will be at least equal in utility, security, value and convenience to the Owners, respectively, as the easements herein granted and, provided that such modification hereof or replacement easements are so equal, it is also intended that the modification hereof or replacement easements Interfere as little as possible with the access, use and enjoyment of each Parcel by the respective Owner of such Parcel.

6.2 Discharge of Replaced Easement

Following execution and delivery by the parties of any modification agreement or replacement easements in accordance with Section 6.1, the holders of the easements herein granted will, to the extent only that the easements herein granted have been modified or replaced, execute in registrable form and deliver a partial discharge or surrender of the easements so modified or replaced, as the case may be, to the Owner(s) receiving the benefit of such discharge or surrender.

6.3 Priority

Any modifications hereof or any replacement easements over any Parcels will be registered in the Land Title Office and the Owner(s) granting such modification or replacement easement will use their reasonable commercial efforts to cause same to have priority over any charges or encumbrances which permit the exercise of any rights or remedies which might prejudice the rights granted to the holders of the easements herein granted.

7. SUBDIVISION

7.1 Subdivision

If any Parcel is subdivided, then the rights, covenants, easements and charges granted hereunder will continue to run with and bind each Subdivided Lot of which any part of any Easement Area or charged property forms a part and will be forthwith released and discharged from each other Subdivided Lot. Notwithstanding the foregoing, if any Parcel is subdivided by the deposit of a Strata Plan, the benefit and burden of the rights, covenants, easements and charges granted herein will be recorded as being binding upon and appurtenant to each of the Strata Lots created thereby and the common property of such Strata Plan.

7.2 Subdivision by Strata Plan

Upon subdivision of a Parcel by a Strata Plan:

(a) the Strata Corporation so created will:

(i) perform and observe the Owner's covenants herein at the expense of the Strata Corporation and the Strata Lot Owners;

(ii) upon the registration of the Strata Plan, enter into an assumption agreement with the Other Owner in a form satisfactory to the Other Owner, acting reasonably, to assume all of the then ongoing obligations hereunder and benefit from all of the rights as provided herein, whereby the Owner of the stratified Parcel will be released from all of its obligations hereunder;

(iii) take into consideration the content of this Agreement when creating, amending or rescinding the bylaws, rules and regulations of the Strata Corporation applicable to Strata Lot Owners, and will cause the Strata Lot Owners to comply with the obligations, restrictions and limitations as provided herein;

(iv) be responsible for any breach arising from any action or omission of any and all of the Strata Lot Owners of the obligations, restrictions and limitations as provided herein; and

(v) be entitled to give all permissions and consents permitted to be given by the Owner;

(b) the liability of each Strata Lot Owner to pay any costs and expenses of the Owner of the stratified Parcel, as provided herein, will be in proportion to the unit

entitlement of his, her or its Strata Lot as established in accordance with the *Strata Properly Act*;

(c) the benefit and burden of the easements herein granted and the other covenants and agreements herein will be accepted on behalf of the owners of the strata lots by the Strata Corporation created thereby and will be administered, enforced, modified, or released by the Strata Corporation only and, in particular, without limiting the generality of the foregoing, the Strata Corporation will make all payments required to be made hereunder and will receive all payments to be paid hereunder and will be responsible for obtaining the insurance policies required hereunder; and

(d) each owner of a strata lot irrevocably and unconditionally appoints its Strata Corporation that includes such strata lot as its duly authorized representative and attorney-in-fact for all purposes under this Agreement.

8. COST SHARING

8.1 Definitions

The following terms used in this Agreement have the definitions assigned in this Section 8.1 unless otherwise specifically provided or the context so requires:

(a) "**Annual Shared Costs Statement**" has the meaning set out in Section 8.4(a);

(b) "**Collecting Party**" has the meaning set out in Section 8.4(b);

(c) **Dispute**" has the meaning set out in Section 8.6;

(d) "**Exclusive Use Areas and Facilities**" means those Utility Systems, Support Structures, Life Safety Systems, Pedestrian Access Routes, Vehicular Access Routes and other areas, facilities, systems and equipment located in or upon a Parcel that are used by, enjoyed by, or for the sole benefit of, one Owner and its respective Users only;

(e) "**Fiscal Year**" means the Fiscal Year of each Owner. In the event one Owner's Fiscal Year ends on a date which is later than the Other Owner's Fiscal Year, then the Fiscal Year with the later date will apply for the purpose of this Agreement;

(f) "**Net Reimbursable Costs**" means the Reimbursable Costs less the deductions and non-inclusions as provided in Section 8.5;

(g) "**Owner's Share**" means:

(i) in the case of the Remainder, ●%; and

(ii) in the case of AP 1, ●%;

(h) "**Reimbursable Costs**" means the costs and expenses to Inspect, operate, Construct, Maintain, Repair and replace and insure the Common Areas and

Facilities, plus reasonable administrative fees not to exceed 5% of such costs and expenses, and "**Reimbursable Cost**" means any of such costs;

(i) "**Reimbursing Party**" has the meaning set out in Section 8.4(b); and

(j) "**Taxes**" means any tax levied pursuant to Part IX of the *Excise Tax Act* (Canada) or any tax levied in replacement thereof, including any harmonized or value added tax.

8.2 Annual Estimated Budget for Reimbursable Costs

At least 60 days prior to the beginning of each Fiscal Year, each Owner will prepare a budget setting out its estimate of Reimbursable Costs for its Parcel. Each Owner will deliver its budget to the Other Owner and if within 60 days of such delivery, the Owners cannot agree on a budget then the matter will be settled in the manner set out in Section 8.6. Notwithstanding the foregoing, if an Owner acting reasonably, determines that significant Reimbursable Costs will not be incurred in the upcoming Fiscal Year, such Owner is not required to prepare and deliver such a budget.

8.3 Cost Sharing

(a) Each Owner covenants and agrees to reimburse the Other Owner for such Owner's Share of Net Reimbursable Costs incurred by the Other Owner and each Owner further covenants and agrees with the Other Owner to include such Owner's Share of Reimbursable Costs in any annual budget of any Strata Corporation created by the subdivision of such Owner's Parcel by the deposit of a Strata Plan pursuant to the *Strata Property Act*.

(b) Notwithstanding the location of any utility lines and meters, each Owner will pay for its own utilities which are separately metered, including, without limitation, natural gas, and each Owner will pay for the Maintenance and Repair of all the utility meters and related equipment which exclusively service such Owner's Parcel.

(c) The Owners agree that the costs and expenses to Inspect, operate, Construct, Maintain, Repair, replace and insure all Common Areas and Facilities, plus reasonable administrative fees not to exceed 5% of such costs and expenses, will be shared costs between the Owners based on such Owner's Share.

(d) If an Owner elects to alter, enlarge, reconstruct, relocate, or otherwise renovate the improvements located within its Parcel (in this Section 8.3, the "**Renovations**") and such Renovations are strictly for the benefit of and are made at the sole discretion of such Owner, the portion of the costs and expenses for such Renovations that relate to Common Areas and Facilities will be excluded from Reimbursable Costs and will be borne solely by the Owner that engaged in such Renovations.

8.4 Payment of Net Reimbursable Costs

The procedure for an Owner to reimburse the Other Owner for such Owner's Share of Net Reimbursable Costs incurred by the Other Owner will be as follows:

(a) on or before 60 days after the last day of each Fiscal Year or such other date as agreed by the Owners from time to time, each Owner incurring expenses as provided herein will furnish to the other a statement in writing (the "**Annual Shared Costs Statement**") certified by an officer of the Owner (or the Strata Corporation created by the stratification of the applicable Parcel), showing the particulars of the Reimbursable Costs incurred by that Owner for the immediately preceding calendar year in reasonable detail, in order that the Other Owner may determine that the expenditures were reasonably and necessarily incurred;

(b) if the Reimbursable Costs of one Owner (the "**Collecting Party**") for the calendar year as shown in the Annual Shared Costs Statement exceed the Reimbursable Costs of the other Owner (the "**Reimbursing Party**") for the same period, the Reimbursing Party will remit to the Collecting Party on or before 45 days after the last day of such Fiscal Year the amount of the excess together with interest at the Prime Rate plus 2% calculated from the 31st day following receipt of the Annual Shared Costs Statement by the Reimbursing Party until paid;

(c) notwithstanding subsections 8.4(a) and (b), if any single invoice for Reimbursable Cost exceeds $3,000.00, the Owner who incurred such Reimbursable Costs will be reimbursed by the Other Owner for the Other Owner's Share of such Reimbursable Costs within 30 days of receipt by the other of a statement in writing certified by an officer of that Owner (or the Strata Corporation created by the stratification of the applicable Parcel) showing the particulars of the Reimbursable Costs incurred by that Owner in reasonable detail and by reference to that Owner's budget, as approved, in order that the Other Owner may determine that the expenditure was reasonably and necessarily incurred, together with interest at the Prime Rate plus 2% from the 30th day following receipt of such statement in writing until paid, if not paid within 30 days following receipt of such statement;

(d) each Owner agrees that it will keep accurate accounting records of all Reimbursable Costs incurred, which records will be available for inspection or audit at reasonable times by the Other Owner upon 30 days notice and such records will be kept for four years. Any inspection and audit costs will be at the expense of the Other Owner;

(e) if any Owner disputes an Annual Shared Costs Statement or the cost sharing set out therein within 60 days after the last day of the Fiscal Year, then the matter will be settled in the manner set out in Section 8.6 hereof; and

(f) prior to incurring an expense which an Owner has not budgeted for, such Owner must obtain the agreement of the Other Owner to the expense. If there is no agreement then the matter will be settled in the manner set out in Section 8.6 hereof.

Notwithstanding the foregoing, an Other Owner will not be liable to pay for any Reimbursable Costs incurred by an Owner prior to the date that an occupancy permit has been issued by the City for all or a portion of the improvements Constructed within such Other Owner's Parcel.

8.5 Deductions from Reimbursable Costs

(a) The following will be deducted from the calculation of Reimbursable Costs:

(i) all recoveries which reduce costs and expenses to operate, clean, Maintain, Repair, replace and insure the Common Areas and Facilities, including, without limitation, the following:

A. recoveries under any warranties;

B. net recoveries from third parties as a result of any act, omission, default or negligence of such third parties;

C. net amounts received from third parties for the use or occupation of any of the Common Areas and Facilities; and

D. recoveries under any insurance policies maintained by an Owner,

provided that for the purpose of calculating the 5% administration fee, the amount of the recoveries referred to in this Section 8.5(a)(i) will not be deducted.

(b) The following will not be included in the calculation of Reimbursable Costs:

(i) all interest charges on overdue accounts or other financing charges; and

(ii) any Taxes with respect to costs incurred if a credit may be claimed from Canada Revenue Agency for such Taxes.

8.6 Settlement of Disputes

All decisions, determinations and allocations to be made under this Section 8 by agreement between Owners which are not made or resolved to the satisfaction of the Owners (the "**Disputes**", and each a "**Dispute**") will be settled in accordance with the requirements of this Section 8.6, as follows:

(a) immediately after a Dispute arises between the Owners as to their respective rights and obligations under this Section 8, the disputing Owner will, as soon as practicable, give written notice of such Dispute to the Other Owner setting forth particulars of the Dispute and the value of the amount claimed. The time requirement for notification provided for in Section 11.3 will not be considered to have been modified by this Section 8.6. The Other Owner will reply to such notice no later than 14 days after it is received or is considered to have been received, setting out in such reply its answer;

(b) the Owners will then refer such Dispute to non binding mediation before a single mediator to be chosen jointly by them. Failing agreement as to such mediator, then the single mediator will be chosen by reference to a Judge of the Supreme Court of British Columbia;

(c) the Dispute as defined in the notice and reply, if any, will be referred to the mediator no later than 15 days after the disputing Owner receives the reply or is considered to have received it or the time for giving such reply expires. These time limits will be strictly observed. They may be abridged or extended at any time by agreement of the Owners; and

(d) the Owners agree to submit any outstanding Disputes which have not been resolved by mediation pursuant to this Section 8.6 to final and binding arbitration before a single arbitrator agreeable to the Owners pursuant to Section 11.3. The Owners will share equally in the costs of such Dispute resolution.

8.7 Status Certificate

Each Owner will, within 30 days after a written request from the Other Owner and upon payment of a reasonable fee by such requesting Other Owner not to exceed $100.00 (and adjusted each year in accordance with the "all-items Consumer Price Index" for Greater Victoria published by Statistics Canada or successor in function, or any similar replacement index), deliver to any actual or prospective mortgagee or prospective purchaser, as specified by such requesting Other Owner, a certificate upon which the recipient will be entitled to rely specifying:

(a) the amount of money, if any, owing or accruing due to the Owner by the requesting Other Owner pursuant to the terms of this Agreement;

(b) any work which has been undertaken by the Owner for which it will be seeking total or partial compensation from the requesting Other Owner; and

(c) the details of any notice given to the requesting Other Owner pursuant hereto of the Owner's intention to do work.

8.8 Obligations to Repair and Maintain

(a) In connection with the covenant contained in subsection 5.1(d), each Owner agrees to make all reasonable efforts in good faith to co-operate with respect to the Maintenance and Repair of the areas and facilities which are the subject of the easements herein granted, including without limitation the Life Safety Systems, and will, insofar as it is practicable so to do, retain the same contractor to carry out any ongoing Maintenance or special Repair work and, where appropriate, share the cost of any such contractor on a reasonable and equitable basis, and if the Owners cannot agree on the allocation of costs, such dispute will be referred to arbitration as provided in Section 8.6.

(b) Each Owner will Inspect, Maintain, Repair and replace, as and when required and so as to meet the standard of Maintenance and Repair typical of a high-quality residential/commercial development located in the City, its respective Development, and all Utility Systems, Service Rooms, Life Safety Systems, Pedestrian Access Routes, and other areas, facilities, systems and equipment which are or are intended to be for the use only of the particular Owner, whether located on the Parcel owned by such Owner or on the Other Parcel, or which are the subject of an easement or easements hereunder in favour of the particular Owner hereunder.

(c) To the extent that any Development, Utility Systems, Service Rooms, Life Safety Systems, Pedestrian Access Routes and other areas, facilities, systems and equipment are located on one Parcel and are or are designed and intended to be for the use of more than one of the Owners pursuant to the easements granted herein, the Owner of the Parcel on which such shared Development, Utility Systems, Life Safety Systems, Pedestrian Access Routes, and other areas,

facilities, systems and equipment are located will Inspect, Repair, Maintain and replace as and when required and so as to meet the standard of Maintenance and Repair typical of a high-quality residential/commercial development located in the City, the Development, the Common Areas and Facilities, Utility Systems, Service Rooms, Life Safety Systems, Pedestrian Access Routes, and other areas, facilities, systems and equipment located on the Parcel owned by such Owner and the cost of such Repair will be a Reimbursable Cost and be allocated between such Owner and the Other Owners pursuant to Section 8 hereof.

8.9 Failure to Maintain and Repair Common Areas and Facilities and Non-Designated Common Areas and Facilities

If any Owner fails to fulfil its obligations as set out in Section 8.8, an Other Owner, upon giving the defaulting party not less than seven (7) days notice in writing (except in the case of emergency when no notice will be required), will have the right to perform same and will be entitled to be reimbursed as provided herein together with interest at the Prime Rate plus 2% from the date the cost or expense was incurred until paid.

8.10 Modifications to an Owner's Share of Reimbursable Costs

Each Owner acknowledges and agrees that its Owner's Share of Reimbursable Costs set out in Section 8.1(f) has been settled and agreed to by the Owners and may not be changed or altered, pursuant to the dispute resolution process provided for hereunder, any other legal proceedings or otherwise, for any reason whatsoever, save and except:

(a) by written agreement of the Owners; or

(b) in the absence of a written agreement by the Owners, by arbitration in the event of manifest inequity and significant unfairness in the allocation of Reimbursable Costs set out in Section 8.1(f) or 8.3(c) if after the date of this Agreement, there has been a material change in the area or design of any of the developments or in the intended operation of the Project.

For the purposes of this Section 8.10, the question of whether there is a manifest inequity and significant unfairness in an Owner's Share of Reimbursable Costs is a matter that will be determined by arbitration if the parties cannot agree thereon.

9. SECTION 219 COVENANT

9.1 Section 219 Covenant

Pursuant to Section 219 of the *Land Title Act*, each of the Remainder Owner and the AP 1 Owner covenant and agree with the City as a covenant charging and running with and binding each of the Remainder and AP 1, respectively, that:

(a) Easements. Each Owner will use its Parcel, Development, and Easement Area in accordance with the provisions of this Agreement and will comply with all provisions of this Agreement applicable to such Owner. Without limiting the preceding sentence each Owner will:

(i) use its Parcel, Development, and Easement Area to provide the Other Owner's Easements;

(ii) do all work, Construction, Repair, whether on the Owner's Parcel or another Owner's Parcel, and other acts and things required of such Owner under this Agreement;

(iii) make all payments required of such Owner, including to the Other Owners, under this Agreement; and

(iv) obtain and keep in force all insurance required of such Owner under this Agreement.

(b) No Suspension or Termination. Under no circumstances whatsoever will the easements granted under this Agreement be suspended, interrupted or terminated by reason of any breach, default, trespass or other wrong, whether by commission or omission, on the part of either the Remainder Owner or the AP 1 Owner or those claiming by, through or under any of them or for any reason whatsoever, and the Remainder Owner and the AP 1 Owner will each refrain from seeking any judgment, order or declaration to that effect, except with the written consent of the Approving Officer. Nothing contained herein will prevent an Owner (or a Strata Corporation if such Parcel has been subdivided by a Strata Plan) from applying to enjoin or restrain any wrongful action or from seeking damages therefor.

(c) No Modification or Release. The easements, covenants and rights granted pursuant to the provisions of this Agreement (which for the purpose of this subsection 9.1(c) do not include Sections 8 and 10 herein) will not be modified, abandoned, surrendered or discharged without the prior written consent of the City and the Approving Officer, which consent may not be unreasonably withheld, delayed or conditioned.

(d) No Liability. Notwithstanding anything to the contrary herein contained, the City is a party to this Agreement for the purposes only of receiving any rights granted to it in this Section 9 and, without limiting the generality of the foregoing, the City will not be liable for anything done or failed to be done pursuant to or associated with any provision within this Agreement or anything contemplated thereby, whether or not such act or omission was accompanied by negligence on the part of the City.

9.2 Acknowledgement

Each Owner and the City hereby acknowledge, agree and declare that the provisions of Section 9 are for the sole purpose of benefiting the City and, in particular, acknowledge, agree and declare that the provisions of Section 9 are not designed to protect or promote the interests of any Owner or their Users or any future owner, occupier or user of any Parcel or any other person or corporation whatsoever, and the City may at its option execute an amendment to, or a release of, any of the provisions of Section 9 or any part thereof at any time without liability to anyone for so doing.

10. DAMAGE OR DESTRUCTION

10.1 Owner's Obligation to Rebuild and Repair if not Major Damage

In the event that the improvements on any Parcel or any part thereof will at any time be defective or be destroyed or damaged (the "**Damaged Development**") such that the Other Owner's

Easements granted herein are diminished in a material way or are likely to be diminished in a material way, but the Damaged Development has not suffered Major Damage, then after receipt from the Other Owner of a written notice to Inspect, Construct and Repair pursuant to this Section 10.1 (which notice refers to and contains a copy of this Section 10.1), the Owner of the Damaged Development will, within a reasonable period of time following notice thereof from the Other Owner, Inspect, Construct, Repair and make the Damaged Development fit for the purpose of such easements.

10.2 Owner's Obligation to Rebuild and Repair if Major Damage

In the event that the Damaged Development is destroyed or damaged to such extent that Major Damage has occurred but the improvements Constructed on the Other Parcel are not destroyed or damaged to such extent that Major Damage has occurred, the Owner of the Damaged Development will rebuild or Repair the Damaged Development, subject to the *Strata Property Act* to the extent applicable, any requirements by such Owner's lender, or any requirements of the City. If the Owner of the Damaged Development is prevented from rebuilding or Repairing the Damaged Development because of the *Strata Property Act*, requirements by such Owner's lender or requirements of the City, such Owner will demolish and completely remove the Damaged Development and debris from its Parcel and restore the Parcel to a neat and safe condition in a good and workmanlike manner, provided that the Owner will take reasonable measures to ensure that the improvements constructed on the Other Parcel will continue to be functional and safe notwithstanding such demolition and removal. In the event that both Parcels suffer Major Damage, the Owners will act cooperatively to reach a mutually acceptable agreement as to whether to rebuild or Repair the Damaged Developments. If the parties are unable to so agree, the dispute will be resolved in accordance with Section 11.3 hereof.

10.3 Delay in Rebuilding or Repairing

Subject to Sections 10.1 and 10.2 above, in the event that the Repair or rebuilding of a Damaged Development is not undertaken forthwith and proceeded with diligently and expeditiously, then the Owner of such Damaged Development, will forthwith take such reasonable action as is necessary to leave any Easement Areas situate within the Damaged Development in a condition which is neat and tidy and does not in any way create a nuisance or a safety hazard.

10.4 Failure to Rebuild and Repair

If any Owner fails to fulfill its obligations as set out in Sections 10.1, 10.2 and 10.3, and such Owner has not referred the matter for resolution pursuant to Section 11.3, the Other Owner, upon giving the defaulting Owner not less than seven days' notice in writing (except in the case of emergency when no notice will be required), will have the right to perform the failed obligations and will be entitled to be reimbursed as provided herein.

10.5 Costs and Expenses

Any work conducted by an Owner under Sections 10.1, 10.2 and 10.3 will be at such Owner's sole cost and expense, except to the extent that such defect, damage or destruction is caused by or contributed to by the negligence or wilful act or omission of the Other Owner, their Users or those for whom the Other Owner are in law responsible.

11. GENERAL

11.1 Enurement

Subject to the provisions set out herein, this Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, and all of the covenants herein are made by each Owner, for itself and its successors and assigns and the owner or owners from time to time of an interest in all or any portion of the Parcels, except that the covenants of each of the Owners herein will be personal and binding upon each of them only during their ownership of any interest in the respective Parcel.

11.2 Time of the Essence

Time will be of the essence of this Agreement.

11.3 Arbitration

In the event of any dispute or disagreement arising out of this Agreement or the interpretation of any provision hereof, or any failure to reach agreement on any matter herein including, without limitation, any cost sharing provision (subject to Section 8.6) (but excluding any provision in Section 9 hereof), the parties hereto agree that such dispute or disagreement will be submitted to and finally settled by a single arbitrator pursuant to the *Commercial Arbitration Act* (British Columbia), as same may be amended from time to time or any legislation substituted therefor, provided that it is understood and agreed that this Section 11.3 is not intended to nor is to be construed as preventing the parties hereto, or any of them, from seeking injunctive relief from the courts. If the Owners cannot agree to a single arbitrator, then such arbitrator will be chosen by reference to a Judge of the Supreme Court of British Columbia. The Owners will share equally in the costs of referring the choice of an arbitrator to a Judge of the Supreme Court of British Columbia, and the costs of the arbitration. Such arbitration will include a requirement for the production and discovery of documents as required by the British Columbia Supreme Court Rules.

11.4 Severability

Should any portion of this Agreement be declared or held to be invalid, illegal or unenforceable by a court having the jurisdiction to do so, then such portion will be deemed to have been severed from this Agreement and the invalidity or unenforceability thereof will not affect or render unenforceable or invalid any other provisions of this Agreement, and the rest of this Agreement remains in force unamended.

11.5 Notice

Any demand or notice which may be given to any of the parties hereto pursuant to this Agreement will be in writing, and will be delivered, sent by postage prepaid mail, sent by facsimile, or sent by other electronic means and addressed to the intended recipient at the address of the recipient as set out in Item 6 on the Form C attached hereto, or such other address as the intended recipient may have most recently notified the Other Owner hereto as an address for the delivery of notices hereunder. The time of receiving any such demand or notice will be deemed to be the day of delivery or transmittal by facsimile or other electronic means if delivered or sent by facsimile or other electronic means by 4:30 p.m. on a Business Day to the place of the intended recipient, and, if otherwise delivered or transmitted by facsimile or other electronic means, on the next Business Day following the date of such delivery or transmittal, or on the fourth Business Day

after the date of mailing thereof if sent by postage prepaid mail. During any interruption of mail service in or between the place of intended mailing and the location of the intended recipient of a demand or notice, a demand or notice will not be effective if sent by mail until it is actually received by the intended recipient.

11.6 Interpretation

In this Agreement:

(a) Party. Any reference to a party herein will be deemed to include the heirs, executors, administrators, successors, assigns, employees, servants, agents, officers, contractors, licensees and invitees of such parties wherever the context so permits or requires.

(b) Singular; Gender. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed to mean the plural or the feminine or body corporate or politic, and vice versa, as the context or the parties so require.

(c) Captions and Headings. The captions and headings appearing in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any of the provisions hereof.

(d) References. References to the or this “Agreement” and the words “hereof” “herein” and similar words refer to this Agreement as a whole and not to any section or subsection or other subdivision hereof and any reference in this Agreement to a designated section, subsection or other subdivision is a reference to the designated section, subsection or subdivision hereof.

(e) Legislation. Any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and as in force from time to time, and to any statute and regulations that may be passed which have the effect of supplementing or superseding such statutes and regulations.

11.7 Rights of Owners Preserved

Except as otherwise expressly provided for herein, nothing in this Agreement will be interpreted so as to restrict or prevent any Owner from using its Parcel including, without limitation, the Easement Area of the Parcel owned by it, which is the subject of an easement granted hereunder, in any manner which does not interfere with the exercise by the Other Owner of its rights hereunder.

11.8 Covenants Run with the Land: No Vesting of Fee

The burden of the covenants, charges and agreements set out herein will run with each Parcel, as applicable, and will bind each Parcel, as applicable, and will attach thereto and run with each and every part into which the same may be subdivided or consolidated, but no part of the fee or soil of any Parcel will pass to or be vested in the Other Owner under or by virtue of this Agreement.

11.9 Waiver

No waiver of any breach of this Agreement is effective unless it is an express waiver in writing by the party so waiving such breach. No waiver by any party of any default will be deemed to be a waiver by such party of any subsequent default.

11.10 Further Assurances

The parties hereto will do and cause to be done all things and execute and cause to be executed all documents that may be necessary to give proper effect to the intention of this Agreement.

11.11 Entire Agreement

This is the entire agreement between the parties concerning the subject matter of this Agreement.

11.12 Governing Law

This Agreement will be governed and construed in accordance with the laws in force in the Province of British Columbia and the laws of Canada applicable therein.

11.13 Priority

Each Owner will, after execution hereof by the parties hereto, do or cause to be done, at its own cost and expense, all things and acts necessary to ensure that the covenants and easements in Sections 2, 3 and 9 are registered, at the cost of the Owners, against title to the Parcels, as applicable, with priority over all other financial charges or interests in or to the Parcels, as applicable, except encumbrances in favour of the City or for which the City has given written approval. If the Land Title Office rejects the registration of this Agreement, then the parties hereto will re-execute and re-register same in a form and style acceptable to the Land Title Office and to the parties hereto.

11.14 No Derogation

Nothing contained or implied herein will prejudice or affect the City's rights, powers, duties and obligations in the exercise of its function pursuant to the *Local Government Act* and the rights, powers, duties and obligations of the City under all of its public and private statutes, bylaws and regulations, all of which may be as fully and effectively exercised in relation to the Project as if this Agreement had not been executed and delivered by the parties hereto, save and except such rights, powers, duties and obligations may not be exercised retroactively.

11.15 No Liability for Consequential Damages

Under no circumstances will an Owner be liable to the Other Owner or a third party for indirect or consequential damages by reason of a breach of any covenant herein contained.

11.16 No Limitation

This Agreement does not:

(a) affect or limit the discretion, rights or powers of the City under any enactment (as defined in the *Interpretation Act*, R.S.B.C. 1996, c. 238, on the reference date of

this Agreement) or at common law, including in relation to the use or subdivision of the Parcels;

(b) affect or limit any enactment relating to the use or subdivision of the Parcels; or

(c) relieve the Owners from complying with any enactment, including in relation to the use or subdivision of the Parcels.

11.17 Property

All personal property Constructed by an Owner and remaining on an Other Owner's Parcel pursuant to any easement contained herein will remain the property of the Constructing Owner, who may remove them in whole or in part.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written on Forms C and D to which this Agreement is attached and which are a part hereof.

CONSENT AND PRIORITY AGREEMENT

WHEREAS:

A. _____ (collectively, the "**Prior Chargeholder**") is the owner of a mortgage and assignment of rents registered in the Land Title Office under numbers _____ and _____ , respectively, (together, the "**Prior Charge**") against title to the land (the "**Land**") legally described in Item 2 of the *Land Title Act* Form C to which this agreement is attached; and

B. Section 207 of the *Land Title Act* permits the owner of a charge to grant priority over that charge to the owner of a subsequently registered charge.

THIS AGREEMENT is evidence that in consideration of $1.00 and other good and valuable consideration (the receipt and sufficiency of which the Prior Chargeholder acknowledges):

1. The Prior Chargeholder consents to the granting and registration of the easements and section 219 covenant granted and contained in the attached agreement (collectively, the "**Subsequent Charges**") and the Prior Chargeholder agrees that the Subsequent Charges are binding upon its interest in and to the Land.

2. The Prior Chargeholder grants priority for the Subsequent Charges over the Prior Chargeholder's right, title and interest in and to the Land, and the Prior Chargeholder postpones the Prior Charge and all of its right, title and interest under the Prior Charge to the Subsequent Charges as if the Subsequent Charges had been executed, delivered and registered prior to the execution, delivery and registration of the Prior Charge.

AS EVIDENCE OF ITS AGREEMENT to be bound by the above terms and conditions, the Prior Chargeholder has executed the Form D to which this agreement is attached and which forms part of this agreement.

END OF DOCUMENT

SOLICITOR'S CERTIFICATE

CANADA	)	IN THE MATTER OF the Real Estate Development Marketing Act (British Columbia) and the Disclosure Statement dated May 25, 2023, and Amendment to Disclosure Statement dated May 24, 2024, for those lands located at 2881 Leigh Road, Langford, British Columbia which is currently legally described as:
PROVINCE OF	)	
BRITISH COLUMBIA	)	
TO WIT:	)	PID: 031-825-311
	)	LOT 1 DISTRICT LOT 79 ESQUIMALT DISTRICT PLAN EPP122543

I, R. MARIA RAYMOND, Solicitor, a member of the Law Society of British Columbia, HEREBY CERTIFY that I have read over the above-described Amendment to Disclosure Statement dated May 24, 2024, and have reviewed same with the Developer therein named, and that the facts contained in the amended Section 4.3 are correct.

DATED at Victoria, in British Columbia, May 24, 2024

R. MARIA RAYMOND