

HIHANNAH LAND & CATTLE CO. LTD.

DATE: January , 2009

ACCEPTANCE DATE:

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

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

OWNER/DEVELOPER: HIHANNAH LAND & CATTLE CO. LTD.

Address for Service: 3rd Floor – 1665 Ellis Street, Kelowna, British Columbia V1Y 2B3

Head Office: 3rd Floor – 1665 Ellis Street, Kelowna, British Columbia V1Y 2B3

DEVELOPER BY JOINT VENTURE: SHANNON HEIGHTS DEVELOPMENTS

Name: **SUPER QUAD ADVENTURES LTD.**

Address for Service: 4508 Trepanier Road, Peachland, British Columbia V0H 1X3

Head Office: 4508 Trepanier Road, Peachland, British Columbia V0H 1X3

Name: **CAMERON BRUCE ENTERPRISES LTD.**

Address for Service: 804 - 1708 Dolphin Avenue, Kelowna, British Columbia V1Y 9S4

Head Office: 804 - 1708 Dolphin Avenue, Kelowna, British Columbia V1Y 9S4

Name: **T156 ENTERPRISES LTD.**

Address for Service: 3rd Floor - 1665 Ellis Street, Kelowna, British Columbia V1Y 2B3

Head Office: 3rd Floor - 1665 Ellis Street, Kelowna, British Columbia V1Y 2B3

Name: **HARBOR POINT PROJECTS INC.**

Address for Service; 2nd Floor, 215 Lawrence Ave, Kelowna, British Columbia V1Y 6L2

Head Office: 2nd Floor, 215 Lawrence Ave, Kelowna, British Columbia V1Y 6L2

(together the Owner/Developer and the Developer by Joint Venture are the “Developer”)

Marketing of subdivision lots:

The lots shall be marketed by the Developer by Joint Venture's own employees who are not licensed under the *Real Estate Services Act* and are not acting on behalf of the Purchaser. Also, the Developer by Joint Venture will work with diverse real estate agents who may wish to act on its behalf from time to time.

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 contracts to lease by serving written notice on the developer or the developer's brokerage, within 7 days after the later of the date the contract was entered into or the date the purchaser or lessee received a copy of this Disclosure Statement.

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

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

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

The Developer must comply with the following rules:

- (a) The estimated date, as disclosed in the disclosure statement, for the issuance of a preliminary layout approval, is 9 months or less from the date the developer filed the disclosure statement with the superintendent;
- (b) The developer markets the proposed development units under the disclosure statement for a period of no more than 9 months from the date the disclosure statement was filed with the superintendent, unless an amendment to the disclosure statement that sets out particulars of the issued preliminary layout approval is filed with the superintendent during that period. The developer must also either:
 - (i) prior to the expiry of the 9 month period, file with the superintendent an amendment to the disclosure statement that sets out particulars of the issued preliminary layout approval; or

- (ii) upon the expiry of the 9 month period, immediately cease marketing the development and confirm in a written undertaking to the superintendent that all marketing of the development has ceased and will not resume until after the necessary amendment has been filed, failing which a cease marketing or other order may be issued by the superintendent to the developer without further notice.
- (c) Any purchase agreement used by the developer, with respect to any development unit offered for sale or lease before the purchaser's receipt of an amendment to the disclosure statement that sets out particulars of the issued building permit, contains the following provisions:
- (i) The purchaser may cancel the purchase agreement for a period of seven days after receipt of an amendment to the disclosure statement that sets out particulars of the issued preliminary layout approval if the layout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the preliminary layout approval;
 - (ii) If an amendment to the disclosure statement that sets out particulars of an issued preliminary layout approval is not received by the purchaser within 12 months after the initial disclosure statement was filed, the purchaser may at his or her option cancel the purchase agreement at any time after the end of that 12 month period until the required amendment is received by the purchaser, at which time the purchaser may cancel the purchase agreement for a period of seven days after receipt of that amendment only if the layout or size of the applicable development unit, the construction of a major common facility, including a recreation centre or clubhouse, or the general layout of the development, is materially changed by the issuance of the building permit;
 - (iii) The amount of the deposit to be paid by a purchaser who has not yet received an amendment to the disclosure statement that sets out particulars of an issued building permit is no more than 10% of the purchase price; and
 - (iv) All deposits paid by a purchaser, including interest earned if applicable, will be returned promptly to the purchaser upon notice of cancellation from the purchaser;

TABLE OF CONTENTS

Paragraph		Page
1.	Owner/Developer and Developer by Joint Venture	4
2.	General Description	7
3.	Utilities and Services	9
4.	Title and Legal Matters	10
5.	Construction and Warranties	12
6.	Approvals and Finances	12
7.	Miscellaneous	13
8.	Caution	14
	Solicitor's Certificate	17
	Statutory Declaration of Russell Ensign	18
	Statutory Declaration of Russell Stanley E. Ensign	19
	Statutory Declaration of Christopher Wayne Ensign	20
	Statutory Declaration of Cameron Bruce Ensign	21
	Statutory Declaration of Shauna Joy Bakala	22
	Exhibit "A" Proposed Subdivision Plan	
	Exhibit "B" Declaration of Building Scheme	
	Exhibit "C" Addendum – Terms and Condition of Sale	
	Exhibit "D" Contract of Purchase and Sale	

1. OWNER/DEVELOPER and DEVELOPER BY JOINT VENTURE

1.1 A. OWNER/DEVELOPER:

- (a) Name: **HIHANNAH LAND & CATTLE CO. LTD.**
- (b) Address for Service: 3rd Floor – 1665 Ellis Street
Kelowna, British Columbia V1Y 2B3
- (c) Head Office: 3rd Floor – 1665 Ellis Street
Kelowna, British Columbia V1Y 2B3
- (d) Jurisdiction of Incorporation: British Columbia
- (e) Date of Incorporation: March 27, 1981
Incorporation Number: BC0230646

B. DEVELOPER BY JOINT VENTURE:

- (a) Name: **SUPER QUAD ADVENTURES LTD.**
- (b) Address for Service: 4508 Trepanier Road
Peachland, British Columbia V0H 1X3
- (c) Head Office: 4508 Trepanier Road
Peachland, British Columbia V0H 1X3
- (d) Jurisdiction of Incorporation: British Columbia
- (e) Date of Incorporation: September 3, 1998
Incorporation Number: BC0571234

C. DEVELOPER BY JOINT VENTURE:

- (a) Name: **HARBOR POINT PROJECTS INC.**
- (b) Address for Service; 2nd Floor, 215 Lawrence Ave
Kelowna, British Columbia V1Y 6L2
- (c) Head Office: 2nd Floor, 215 Lawrence Ave
Kelowna, British Columbia V1Y 6L2
- (d) Jurisdiction of Incorporation: British Columbia
- (e) Date of Incorporation: December 27, 2002
Incorporation Number: BC0660842

D. DEVELOPER BY JOINT VENTURE:

- (a) Name: **CAMERON BRUCE ENTERPRISES LTD.**
- (b) Address for Service: 804 - 1708 Dolphin Avenue
Kelowna, British Columbia V1Y 9S4
- (c) Head Office: 804 - 1708 Dolphin Avenue
Kelowna, British Columbia V1Y 9S4
- (d) Jurisdiction of
Incorporation: British Columbia
- (e) Date of Incorporation: September 3, 1998
Incorporation Number: BC0571201

E. DEVELOPER BY JOINT VENTURE:

- (a) Name: **T156 ENTERPRISES LTD.**
- (b) Address for Service: 3rd Floor - 1665 Ellis Street
Kelowna, British Columbia V1Y 2B3
- (c) Head Office: 3rd Floor - 1665 Ellis Street
Kelowna, British Columbia V1Y 2B3
- (d) Jurisdiction of
Incorporation: British Columbia
- (e) Date of Incorporation: July 29, 1998
Incorporation Number: BC0569221

1.2 The Owner/Developer which is also a part of the joint venture was not incorporated specifically for the purpose of developing the subdivision lots. It will continue to own the remainder of the Development Property after this sub-division with the intention of further sub-dividing the remaining the parent lot and of marketing those subdivided lots. The other four companies of the Joint Venture were established specifically for the purposes of developing and marketing subdivisions for the Owner/Developer and the four companies making up that joint venture were established at the time of the joint Venture and hold no other assets. The Joint Venture has worked with the Owner/Developer to develop and market a number of previous sub-divisions of the Development Property.

This subdivision is Phase 13 of a development of the original property. Future developments will further integrate this neighbourhood's streets and its services.

1.3 Registered and Record Office:

HIHANNAH LAND & CATTLE CO. LTD.

3rd Floor – 1665 Ellis Street, Kelowna, British Columbia V1Y 2B3

SUPER QUAD ADVENTURES LTD.

4508 Trepanier Road, Peachland, British Columbia V0H 1X3

CAMERON BRUCE ENTERPRISES LTD.

804 - 1708 Dolphin Avenue, Kelowna, British Columbia V1Y 9S4

T156 ENTERPRISES LTD.

3rd Floor - 1665 Ellis Street, Kelowna, British Columbia V1Y 2B3

HARBOR POINT PROJECTS INC.

2nd Floor, 215 Lawrence Ave, Kelowna, British Columbia V1Y 6L2

1.4 Names of Directors

HIHANNAH LAND & CATTLE CO. LTD. - DIRECTORS AND OFFICERS

- | | |
|---------------------|--|
| (a) Name: | RUSSELL ENSIGN |
| Officer/Director: | President/Director |
| Address/Occupation: | 2210 Bartley Road,
Kelowna, British Columbia V1Z 2M7
Businessman |
| (b) Name: | DOREEN ENSIGN |
| Officer/Director: | Secretary/Director |
| Address/Occupation: | 2210 Bartley Road,
Kelowna, British Columbia V1Z 2M7
Businesswoman |

SUPER QUAD ADVENTURES LTD. - DIRECTORS AND OFFICERS

Name:	RUSSELL STANLEY A. ENSIGN
Office/Director:	President/Secretary/Director
Address/Occupation:	4508 Trepanier Road Peachland, British Columbia V0H 1X3 Businessman

CAMERON BRUCE ENTERPRISES LTD. - DIRECTORS AND OFFICERS

Name:	CAMERON BRUCE ENSIGN
Office/Director:	President/Secretary/Director
Address/Occupation:	2210 Bartley Road Kelowna, British Columbia V1Z 2M7 Businessman

T156 ENTERPRISES LTD. - DIRECTORS AND OFFICERS

Name:	SHAUNA JOY BAKALA
Office/ Director:	President/Secretary/Director
Address/Occupation:	3790 Water Road Kelowna, British Columbia V1W 4G5

HARBOR POINT PROJECTS INC. - DIRECTORS AND OFFICERS

Name:	CHRISTOPHER WAYNE ENSIGN
Office/Director:	President/Secretary/Director
Address/Occupation:	2284 Bartley Road Kelowna, British Columbia V1Z 2M7 Businessman

1.5 Disclosures

- (1) In the past, the Developer has sub-divided 12 sub-divisions of varying sizes and number of lots, from the original larger property. Starting with land that was originally part of a cattle ranch on the West side of Lake Okanagan, they have subdivided portions of the hillside, creating a mixed neighbourhood they call Shannon Heights.
- (2) To the best of the Developer's knowledge, none of the Developer, any principal holder of the Developer, or any director or officer of the developer or principal holder, within the last ten years, has been the subject to any penalties or sanctions imposed by a court or regulatory authority, relating to the sale, lease, promotion, or management of real estate or securities dealing in mortgages of land, or to arranging, administering or dealing in mortgages or land, or to theft or fraud, and describe any penalties or sanctions imposed.
- (3) To the best of the Developer's knowledge, none of the Developer, any principal holder of the Developer, or any director or officer of the developer or principal holder, within the last five years, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.
- (4) To the best of the Developer's knowledge, no director, officer or principal holder of the developer, or any director or officer of the principal holder, within the five years prior to to the date of the developer's declaration attached to the disclosure statement has been a director, officer or principal holder of any other developer that, while that person was acting in that capacity, that other developer
 - (a) Was subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud;
 - (b) Was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

- (5) There are no existing or potential conflicts of interest among the developer, manager, any directors, officers and principal holders of the developer and manager, any directors and officers of the principal holders of the developer and manager, any directors and officers of the principal holders, and any person providing goods or services to the developer, manager or holders of the development units in connection with the development which could reasonably be expected to affect the purchaser's purchase decision.

2. GENERAL DESCRIPTION

- 2.1** The Developer proposes to subdivide Lots 1 to 40 (the "Subdivided Lots") as shown on draft Subdivision Plan of Part of Lot B, DL 2044, ODYD, Plan 81833 a copy of which is attached hereto as Exhibit "A" and it is the Developer's intention that all 40 lots, which together form a portion of the overall Development Property, shall be marketed and sold, with the exception that lot 36 shall be further sub-divided in future.

The subdivision is located in Westside District Municipality on the right at the end of Shannon Way off of Shannon Lake Road.

The particulars of the subdivision are as follows:

- (a) This is a bare land subdivision with 40 proposed new lots all of which shall be derived from the Development Property Lot B, DL 2044, ODYD Plan 81833 (the "Development Property").
- (b) Lots 1 to 35 and lot 39 are zoned single family and are created in various sizes and shapes, with lot 23 expected to be approximately 0.645 hectares in size and with the smallest of lots 1 to 35 and 39 being lot 29 with an area expected to be approximately 813.8 metres squared, and the largest being lot 6 with an area expected to be approximately 0.231 hectares. The actual areas of the lot may vary from that shown on the Schedule "A" and set out herein if some variations are required prior to the registration of the subdivision in the Kamloops Land title Office. The Subdivided Lots are being offered for sale by the Developers with the assistance of diverse Real Estate Agents. Lots 1 to 35 and 39 will be designated single family lots and Lots 37, 38 and 40 will be designated multi-family. Lot 36 will be further sub-divided into single family lots at some point in the future.
- (c) There are no recreational facilities provided.

2.2 Permitted Use

Lots 1 to 36 and 39 are zoned R1 for single family development and Lots 37, 38 and 40 are zoned R3B for multi family development. The Subdivided Lots may be used for commercial or other purposes permitted by municipal bylaws for lots with that zoning.

2.3 Building Construction

Purchasers shall be responsible for construction of any improvements on the Subdivided Lots subject to the following:

- (a) Purchasers should be aware that they will be individually responsible to maintain the areas in front of their lot, from the lot line to the traveled portion of the paved roadway. This will include landscape maintenance and sidewalk sweeping and snow removal.
- (b) Lots 1 to 35 and 39, inclusive, will be subject to a Statutory Building Scheme as attached hereto as Exhibit "B". Purchasers of the subdivided lots must post a Five Thousand Dollar (\$5,000.00) bond, letter of credit, or other securities satisfactory to the Developers pursuant to the terms of the Contract of Sale Addendum "Terms and Conditions of Sale Agreement" (the Terms and Conditions of Sale Agreement), a copy of which is attached hereto as Exhibit "C". The Purchaser must have building plans and landscaping plans approved by the Developer prior to commencing its building. The Purchaser shall commence construction of a residential dwelling by a builder approved by the Developers within eighteen months of purchasing a lot, but if he fails to do so, the Developers has an Option to Purchase as outlined in the foresaid Exhibit "B". **If the Purchaser sells the lot to a third party prior to completion of the requirements under the Addendum to the Terms and Conditions of Sale Agreement, the Purchaser shall forfeit his \$5,000.00 deposit and the new Purchaser shall be required to provide a further \$5,000.00 deposit under the same terms and conditions under the Terms and of Conditions of Sale Agreement.**
- (c) Design and Construction Guidelines

Developer's approval of all structures complying with building guidelines and all landscaping plans must be received prior to any excavation or work upon the Subdivided Lots. The design and construction of residential dwellings and landscaping is subject to the restrictions set out in the Statutory Building Scheme. It should be noted that a compliance security deposit of \$5,000.00 is required from lot purchasers under the Terms and Conditions of Sale Agreement and will remain a requirement in perpetuity until an approved building is constructed.
- (d) The Developer has commissioned a geotechnical report (the "Developer's Geotechnical Report"), which identifies the area of each lot where building of a dwelling and any out buildings may be built. The Purchaser's geotechnical engineer will carefully consider the recommendations in the Developer's Geotechnical Report when preparing their own report for the Purchaser.
- (e) Building Permits

Building permits are required prior to commencement of construction, and must be obtained from the Westside District Municipality department, currently located at Mt. Boucherie Community Centre, 2760 Cameron Road, Kelowna, BC, V1Z 2T6 Telephone: 250-469-6228. Purchasers will be required to obtain a further geotechnical report prior to a building permit being issued, which could impose or specify requirements for building on their lots. All permits and inspection costs are the responsibility of the purchaser.

- (e) Purchasers of any Subdivided Lot in the subdivision may have to install a pressure reducer to the main feed line to their house to lower water pressure from approximately 60-90 p.s.i. to 45-60 p.s.i. Each purchaser will have to contact Lakeview Irrigation directly for requirements.

3. UTILITIES AND SERVICES

Particulars of services with respect to the subdivision are as follows:

3.1 Water

The subdivision is serviced with a domestic water system by Lakeview Irrigation District. Water lines have been installed in the subdivision by Developers. Water will be available to each lot upon payment of hook-up costs and connection fees by the Purchaser. Any inquiries with respect to hook-up charges or the current tariff should be addressed to Lakeview Irrigation District at 2570 Bartley road, Kelowna, BC V1Z 2M8. Telephone: 250-769-4322

3.2 Electricity

The subdivision has been serviced with underground distribution Conduit by the Developers and BC Hydro has installed its lines and related facilities. A connection fee will apply to each of the lots 1 to 40. Applications for service and hook-up costs are the responsibility of the purchaser. All inquiries should be directed to BC Hydro at 2401 Juliann Road, Westbank, BC. Telephone: 250-769-3711 or 1 877 520-1355 or online information on how to get connected at www.bchydro.com/getconnected

3.3 Sanitary Sewer

The subdivision is serviced with a sanitary sewage system, which has been installed by the Developers and will be operated by the Municipality of Westside. Applications for service and hook-up costs are the responsibility of the Purchaser. All inquiries should be directed to the building inspections department of the Municipality of Westside, Mt. Boucherie Community Centre, 2760 Cameron Road, Kelowna, BC, V1Z 2T6 Telephone: 250-469-6154.

3.4 Natural Gas

The subdivision is serviced by Terasen Gas. The service mains have been installed. Applications for service and hook-up costs are the responsibility of the Purchaser and all inquiries should be directed to Terasen at 1975 Springfield Road, Kelowna, BC. Telephone: 250-868-4500 or 1 888 224-2710 or www.terasengas.com

3.5 Telephone Service

Telus Corporation will service the subdivision. Underground telephone conduit has been installed by the Developers and Telus will complete its installation when houses are under construction. Service to any of the Subdivided Lots must be arranged by and at the cost of the Purchaser. Inquiries may be made by phoning Prewire service 1-800-665-5259 or customer service 250-310-2255, 1 800 663-3836 or TELUS.COM.

3.6 Cable Television

The Developers have installed the underground conduit to service the subdivision. Cable will be installed by Shaw Cable Ltd. when it has customer orders. Further information may be obtained from Shaw Cable Ltd., at 2350 Hunter Road, Kelowna, B.C. Telephone: 250-979-6565 or www.shaw.ca

3.7 Fire Protection

Water hydrants are installed throughout the subdivision. Fire protection is provided by the Westside Fire Protection District, Fire Hall #31, whose fire hall is located approximately 3.4 kilometres from the subdivision on Old Okanagan Hwy.

3.8 Sanitary Sewer Connection

Lots 1 to 27, 32 to 38 and 40 are served by a storm sewer connection to the municipal system and the owners of each lot shall connect the drainage of their lot to that system.

3.8 Access

All of the Subdivided Lots have access to at least one of Hihannah View, Hihannah Drive, Sundance Drive, Shannon Ridge Drive, Ensign Quay, and Ensign Way, which connect to Shannon Way, Shannon Lake Rd, Old Okanagan Highway to Highway 97s. Furthermore lots 8 to 22, 32 to 35 and 37 have access to their property by way of a shared access easement, the users of which must share in the organization and payment for its maintenance.

4. TITLE AND LEGAL MATTERS

4.1 Legal Description

The Legal Description of the Development Property is: Lot B, DL 2044, ODYD, Plan 81833.

4.2 Ownership

The Owner/Developer, Hihannah Land & Cattle Co Ltd. is the registered owner of the Development Property and will be the owner of lots 1 to 40 once subdivided.

4.3 Existing Encumbrances and Legal Notations

KX106874 to KX106881 - provides the Development Property with an easement over previously subdivided lots 3 to 10 Plan KAP78710, which will form a part of the access easement set out in 4.4(f) below.

KT98408 – Statutory Right of Way in favour of Lakeview Irrigation District over a portion of the Development Property which is expected to be released from all the proposed Subdivided Lots.

KV99047 – Statutory Right of Way in favour of Lakeview Irrigation District over a portion of the Development Property which is expected to be released from all the proposed Subdivided Lots except for lot 35.

KV99050 – Statutory Right of Way in favour of The Crown for a cul de sac on Sundance drive, which is expected to be released from all of the proposed Subdivided Lots except lot 37.

KX76934 – Statutory Right of Way in favour of the Crown for a Cul de Sac at the end of Ensign Quay, which is expected to be released from all of the proposed Subdivided Lots.

KX76935 – Statutory Right of Way in favour of the Central Okanagan Regional District for a sanitary sewer, which is expected to be released from all of the proposed Subdivided Lots, except for Lots 8, 9 and 37.

KX76936 – Statutory Right of Way in favour of the Lakeview Irrigation District for a water line, which is expected to be released from all of the proposed Subdivided Lots, except for Lots 8, 9 and 37.

KX76937 – Statutory Right of Way in favour of Terasen Gas for a gas pipeline, which is expected to be released from all of the proposed Subdivided Lots, except for Lots 8, 9 and 37.

KX76938 – Statutory Right of Way in favour of British Columbia Hydro and Power Authority for hydro lines, which is expected to be released from all of the proposed Subdivided Lots except for Lots 8, 9, 32 and 37.

KX76939 – Statutory Right of Way in favour of Telus Communications Inc. for telephone lines, which is expected to be released from all of the proposed Subdivided Lots except for Lots 8, 9, 32 and 37.

KX106882 – is an easement over a defined portion of the Development Property favouring previously subdivided lots 3 to 10 plan KAP78710, as set out in easement plan KAP78711, which will remain registered on title of lot 32, 37, 8 and 9 and which will join with the access easement over lots 7 to 22, 32 to 36 and 37 to form a shared access area for all of the lots as set out in 4.4(f) below.

LA68553 - Statutory Right of Way in favour of the Lakeview Irrigation District for a water line, which is expected to be released from all of the proposed Subdivided Lots, except for Lot 37, 38 and 39.

LA68554 - is an easement over a defined portion of the Development Property, which benefits previously subdivided Lots, and which shall be released from all of the proposed Subdivided lots, except lot 40.

LA123494 - Statutory Right of Way in favour of The Crown for a cul de sac and drain on Sundance drive, which is expected to be released from all of the proposed Subdivided Lots.

LA123499 - Statutory Right of Way in favour of The Crown for a cul de sac and drain on Sundance drive, which is expected to be released from all of the proposed Subdivided Lots.

LB94414 – is an easement over a defined portion of the Development Property, which shall be released from all of the proposed sub-divided lots, except lot 35.

KAP81831 – is an easement plan for Terasen Gas that passes over properties 1 to 6, which is expected to remain after sub-division.

4.4 Proposed Encumbrances

- (a) The Subdivided Lots 1 to 6, 8 to 16 and 30, 31 and 36 will be subject to a Statutory Right-of-Way in favour of the Municipality of Westside for sanitary sewer.
- (b) The Subdivided Lots 7 to 22, 32 to 35, 37, 38 and 39 will be subject to a Statutory Right-of-Way in favour of the Lakeview Irrigation District for water service.
- (c) The Subdivided Lots 1 to 22, 32 to 35 and 39 will be subject to a Statutory Right-of-Way in favour of BC Hydro, Terasen Gas and Telus.
- (d) Subdivided Lots 1 to 22, 30, 31 and 36 are subject to a Statutory Right of Way in favour of Municipality of Westside for storm sewers.
- (e) Subdivided Lots 7 and 16 to 26 are subject to a Statutory Right of Way in favour

of the Municipality of Westside for a wildlife corridor.

- (f) Lots 6, 7 to 22, 32 to 35 and 37 are subject to a Access Easement in favor of some or all of the Subdivided Lots in this group and to certain lots 3-10 on plan KAP78710. In future some of the lots to be subdivided from lot 36 may also have reciprocal rights to use the Right of Way Easement. The easement covenant registered against title of the dominant and servient lots taking part in the Easement shall be required to form a group to maintain the easement road and to equally contribute to its ongoing maintenance and repair. A separate access Easement over the remainder of the parent lot will benefit lot 40.
- (g) A Geotechnical Report shall be prepared and Regional District of Central Okanagan that will require a restrictive covenant under Section 219 of the Land Title Act against some or all of the Subdivided Lots in the subdivision.
- (h) A wildland/urban interface assessment report shall be prepared by a registered Professional Forester and as a result of that report, a restrictive covenant under section 219 of the Land Title Act will be required.
- (i) There are no existing or proposed management, recreational or other agreements, which will grant rights to or impose obligations upon the purchaser of a Subdivided Lot.
- (j) Subdivided lot 38 will have access over a portion of subdivided lot 39 by way of easement covenant. Lot 11 Plan KAP81056 has an easement over a portion of proposed lot 39 registered under number LB94414.
- (k) Either a no build non disturb wildlife covenant or a sanitary storm sewer easement, each 6 metres wide, shall be over the sloped area of lots 1 to 26, and lots 30, 31 and 39.

4.5 Outstanding or Contingent Litigation or Liabilities

There are no outstanding or contingent litigation or liabilities in respect of the Development Property or against the Developers that may affect the Subdivided Lots or their purchasers.

4.6 Environmental Matters

- (a) The Developers are not aware of any dangers or any requirements imposed by Municipalities or other governmental authorities relating to flooding or the condition of soil and sub-soil.
- (b) The Developers may have deposited fill on Subdivided Lots 1 to 40 inclusive, in order to level the lots. More fill may be required on some Subdivided Lots, and it is specifically drawn to the Purchasers attention that Purchasers shall require the

assistance of a Geotechnical Engineer to assist in the design of engineered footings or will have to build on native ground. Also, note 4.4 (g) above regarding a geotechnical covenant over the Subdivided Lots.

5. CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

The actual date of commencement of construction of the subdivision was in or about February 2008. The actual date of completion of the subdivision and of the servicing and the utilities to the Subdivided Lots is projected to be in or about March 2009 upon final inspection by the municipality's engineers.

5.2 Warranties

No specific warranties are provided by the developer regarding the construction of the subdivision or any other aspects surrounding its creation and marketing.

6. APPROVALS AND FINANCES

6.1 Development Approval

The Ministry of Transportation and Highways granted Preliminary Layout Approval file #_02-081-21745 for the subdivision on March 26, 2007, which expired on March 25, 2008. A one year extension was applied for and granted, which extend to March 26, 2009.

6.2 Construction Financing

There are not, nor will there be any monetary encumbrances over the Subdivided Lots, as a result of construction financing. The Developers have acquired construction financing in such a way that title to the Development Property and each of the Subdivided Lots will not be encumbered in any way and title will pass to the purchaser without any financial encumbrance having to be released from title.

7. MISCELLANEOUS

7.1 Deposits

All monies received from a Purchaser of a Subdivided Lot shall be held in trust in the manner required by the Real Estate Act until an instrument evidencing the interest of the person acquiring the same has been delivered to that person. Deposits will be held in trust by the Real Estate firm of the Real Estate Agent involved in any sale of each of the Subdivided Lots.

7.2 Purchase Agreement

The Developer intends to use a standard OMREB or CBABC Purchase and Sales Agreement an example of which is attached hereto as Exhibit “D”, and Exhibit “G” shall form an addendum to any such Purchase Agreement along with other such terms and subjects that may be agreed to between the Vendor and Purchaser at the time of entering into such an agreement.

7.3 Developer’s Commitments

The Developer has no commitments which shall be met after completion of the sale and has not posted any security to meet the commitment except as follows:

Aesthetic Street lighting will be installed and the value of the work to install such lamp standards has been bonded with Central Okanagan Regional District (“CORD”) Engineering department to ensure completion. All underground electrical services have been installed within the road right of ways of the subdivision.

The Developers are committed for 18 months to Municipality of Westside for an "A.4" Maintenance security agreement ensuring that works have been installed properly.

7.4 Other Material Facts

(a) Police Protection

Police protection is provided by the Royal Canadian Mounted Police Community Detachment on Old Okanagan Highway, Westbank, British Columbia.

(b) School Facilities

Inquiries regarding availability of school facilities should be made to the Administration Office, School District #23, 685 Dease Road, Kelowna, BC Telephone: 491-4000. The closest elementary school is Shannon Lake Elementary School, located at 3044 Sandstone Drive, Westbank, approximately .9 kilometres from the subdivision, the closest middle school is Constable Neil Bruce Middle School, located at 2010 Daimler Road Kelowna, V1Z 3T4, located approximately 4.6 kilometers from the subdivision, and the closest secondary school is Mount Boucherie Secondary School, located at 2751 Cameron Road, Kelowna (Westside), located approximately 5.8 kilometers from the subdivision.

(c) Public Transportation

There is no bus service directly into the subdivision. The closest service is at Shannon Way and Woodstock at the distance of .6 kilometre or on Shannon Lake

Road approximately 1 kilometre from the subdivision.

8. **CAUTION**

The Developer, directors of a corporate developer, and any other person required by the Superintendent to sign this Disclosure Statement are advised to read the provisions of and be fully aware of their obligations under Part 2 of the Real Estate Act as a person who fails to comply with the requirements of Part 2 of the *Real Estate Act* may, on conviction, be liable;

- (a) in the case of a corporation, to a fine of not more than \$100,000.00, and
- (b) in the case of an individual, to either a fine of not more than \$100,000.00 or to imprisonment for not more than 5 years less one day.

And are advised to read the provisions of and be fully aware of their obligations under Part 2 of the *Real Estate Development Marketing Act*, as a person who fails to comply with the requirements of Part 2 of the Real Estate Act may, on conviction, be liable,

- (a) In the case of a corporation,
 - (i) on first conviction to a fine of not more than \$100,000, and
 - (ii) on each subsequent conviction, to a fine of not more than \$200,000, and,
- (b) in the case of an individual,
 - (i) on a first conviction, to a fine of not more than \$100,000 or to imprisonment for not more than 2 years, or to both, and
 - (ii) on each subsequent conviction, to a fine of not more than \$200,000 or to imprisonment for not more than 2 years, or to both.

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.

The foregoing statements disclose, all material facts relating to the Development referred to above, as required by the Real Estate Development Marketing Act of British Columbia, as of January ___, 2009.

OWNER/DEVELOPER:

HIHANNAH LAND & CATTLE CO. LTD. by its authorized signatory(ies)	ALL DIRECTORS IN THEIR PERSONAL CAPACITY
---	---

 RUSSELL ENSIGN

 RUSSELL ENSIGN

 DOREEN ENSIGN

 DOREEN ENSIGN

DEVELOPERS BY JOINT VENTURE:

HARBOR POINT PROJECTS INC. by its authorized signatory(ies)	ALL DIRECTORS IN THEIR PERSONAL CAPACITY
--	---

 CHRISTOPHER WAYNE ENSIGN

 CHRISTOPHER WAYNE ENSIGN

CAMERON BRUCE ENTERPRISES LTD.
 its authorized signatory(ies)

ALL DIRECTORS IN THEIR PERSONAL by
 CAPACITY

 CAMERON BRUCE ENSIGN

 CAMERON BRUCE ENSIGN

T156 ENTERPRISES LTD.
by its authorized signatory(ies)

ALL DIRECTORS IN THEIR PERSONAL
CAPACITY

SHAUNA JOY BAKALA

SHAUNA JOY BAKALA

SUPER QUAD ADVENTURES LTD.
By its authorized signatory (ies)

ALL DIRECTORS IN THEIR PERSONAL
CAPACITY

RUSSELL STANLEY ENSIGN

RUSSELL STANLEY ENSIGN

SOLICITOR'S CERTIFICATE

IN THE MATTER OF: The Real Estate Act and Disclosure Statement of HIHANNAH LAND & CATTLE CO LTD for property described as Lots 1 - 41, inclusive, of a subdivision of part of Lot B , DL 2044, ODYD, Plan 81833.

I, RONALD P. LABOSSIERE, Solicitor, a member of the Law Society of British Columbia, having read over the above described Disclosure Statement dated the ____ day of January, 2009, and made any required investigations in public offices and reviewed the same with the Developers therein named, hereby certify subject to the qualifications hereinafter stated, that the facts contained in items 4.1, 4.2 and 4.3 of the Disclosure Statement are correct, except where stated to be founded on information and belief.

DATED at Kelowna, British Columbia, this day of January, 2009.

RONALD P. LABOSSIERE

CANADA

IN THE MATTER OF the Real Estate Act and the
Disclosure Statement of HIHANNAH LAND &
CATTLE CO. LTD. for property described as:

PROVINCE OF BRITISH COLUMBIA Lot B, DL 2044, ODYD Plan 81833 DL 2044, ODYD

TO WIT;

I, RUSSELL ENSIGN, of 2210 Bartley Road, Kelowna, British Columbia, do solemnly declare:

1. THAT I am the President and Director of HIHANNAH LAND & CATTLE CO. LTD., the owner/developer referred to in the above described Disclosure Statement dated the ____ day of January, 2009
2. THAT every matter of fact stated in the Disclosure Statement is correct.
3. THAT a true copy of it will be delivered to any prospective purchaser or lessee.
4. AND I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at the City of)
Kelowna in the Province of British)
Columbia this day of January, 2009.)
)
)
)
)
)
)

RUSSELL ENSIGN

A Commissioner for taking Affidavits
for British Columbia.

CANADA

IN THE MATTER OF the Real Estate Act and the
Disclosure Statement of HIHANNAH LAND &
CATTLE CO. LTD. for property described as:

PROVINCE OF BRITISH COLUMBIA Lot B, DL 2044, ODYD Plan 81833 DL 2044, ODYD

TO WIT;

I, RUSSELL STANLEY A. ENSIGN, of 4508 Trepanier Road, Peachland, British Columbia
V0H 1X3, do solemnly declare:

1. THAT I am the President and Director of SUPER QUAD ADVENTURES LTD., one of the
developers by joint venture referred to in the above described Disclosure Statement dated the
____ day of January, 2009
2. THAT every matter of fact stated in the Disclosure Statement is correct.
3. THAT a true copy of it will be delivered to any prospective purchaser or lessee.
4. AND I make this solemn declaration, conscientiously believing it to be true and knowing that
it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at the City of)
Kelowna in the Province of British)
Columbia this day of January, 2009 .)
)
)
)
)
)
)
)

RUSSELL STANLEY A. ENSIGN

A Commissioner for taking Affidavits
for British Columbia.

CANADA

IN THE MATTER OF the Real Estate Act and the
Disclosure Statement of HIHANNAH LAND &
CATTLE CO. LTD. for property described as:

PROVINCE OF BRITISH COLUMBIA Lot B, DL 2044, ODYD Plan 81833 DL 2044, ODYD

TO WIT;

I, CHRISTOPHER WAYNE ENSIGN, of 2284Bartley Road, Kelowna, British Columbia, do
solemnly declare:

1. THAT I am the President and Director of HARBOR POINT PROJECTS INC., one of the
developers by joint venture referred to in the above described Disclosure Statement dated the
____ day of January, 2009
2. THAT every matter of fact stated in the Disclosure Statement is correct.
3. THAT a true copy of it will be delivered to any prospective purchaser or lessee.
4. AND I make this solemn declaration, conscientiously believing it to be true and knowing that
it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at the City of)
Kelowna in the Province of British)
Columbia this day of January, 2009.)
)
)
)
)
)
)

CHRISTOPHER WAYNE ENSIGN

A Commissioner for taking Affidavits
for British Columbia.

CANADA

IN THE MATTER OF the Real Estate Act and the
Disclosure Statement of HIHANNAH LAND &
CATTLE CO. LTD. for property described as:

PROVINCE OF BRITISH COLUMBIA Lot B, DL 2044, ODYD Plan 81833 DL 2044, ODYD

TO WIT;

I, CAMERON BRUCE ENSIGN, of 2210 Bartley Road, Kelowna, British Columbia, do
solemnly declare:

1. THAT I am the President and Director of CAMERON BRUCE ENTERPRISES LTD., one
of the developers by joint venture referred to in the above described Disclosure Statement
dated the ____ day of January, 2009
2. THAT every matter of fact stated in the Disclosure Statement is correct.
3. THAT a true copy of it will be delivered to any prospective purchaser or lessee.
4. AND I make this solemn declaration, conscientiously believing it to be true and knowing that
it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at the City of)
Kelowna in the Province of British)
Columbia this day of January, 2009 .)
)
)
)
)
)
)

CAMERON BRUCE ENSIGN

A Commissioner for taking Affidavits
for British Columbia.

CANADA

IN THE MATTER OF the Real Estate Act and the
Disclosure Statement of HIHANNAH LAND &
CATTLE CO. LTD. for property described as:

PROVINCE OF BRITISH COLUMBIA Lot B, DL 2044, ODYD Plan 81833 DL 2044, ODYD

TO WIT;

I, SHAUNA JOY BAKALA, of 3790 Water Road, Kelowna, British Columbia, do solemnly
declare:

5. THAT I am the President and Director of T156 ENTERPRISES LTD., one of the
developers by joint venture referred to in the above described Disclosure Statement dated the
___ day of January, 2009
6. THAT every matter of fact stated in the Disclosure Statement is correct.
3. THAT a true copy of it will be delivered to any prospective purchaser or lessee.
7. AND I make this solemn declaration, conscientiously believing it to be true and knowing that
it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at the City of)
Kelowna in the Province of British)
Columbia this day of January, 2009.)
)
)
)
)
)
)
)

SHAUNA JOY BAKALA

A Commissioner for taking Affidavits
for British Columbia.