REVELSTOKE MOUNTAIN RESORT  
MACKENZIE LANDING  
CONSOLIDATED DISCLOSURE STATEMENT  
(REAL ESTATE DEVELOPMENT MARKETING ACT OF BRITISH COLUMBIA)  

December 1, 2009

This Consolidated Disclosure Statement relates to an offering by Revelstoke Mountain Resort Limited Partnership (the “Developer”) for the sale of certain bare land strata lots located at Revelstoke Mountain Resort, British Columbia in a development known as “Mackenzie Landing”. This Consolidated Disclosure Statement consolidates information contained in the original disclosure statement (the “Original Disclosure Statement”) dated September 26, 2007, as amended by amendments to disclosure statement dated October 12, 2007, January 21, 2008, March 10, 2009 and December 1, 2009 (collectively, the “Amendments”).

DEVELOPER

Name: Revelstoke Mountain Resort Limited Partnership  
Business Address and Address for Service: 2950 Camozzi Road, PO Box 2460, Revelstoke, British Columbia, V0E 2S0

AGENT OF DEVELOPER

Sotheby’s International Realty Canada  
1672 West 2nd Avenue  
Vancouver, British Columbia  
V6J 1H4

DISCLAIMER

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


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 PURCHASER’S 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.
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1. **THE DEVELOPER**

1.1 The Developer

The Developer is a limited partnership formed on February 15, 2007 pursuant to a Certificate of Limited Partnership filed under the *Partnership Act* (British Columbia) at the office of the Registrar of Companies, Victoria, British Columbia, under number 444005-07. The general partner of the Developer is Revelstoke Mountain Resort Inc. (“RMRI”). RMRI was incorporated under the *Business Corporations Act* (British Columbia) on February 2, 2007 under incorporation number BC0781736. The names and addresses of the limited partners of the Developer are available for inspection during ordinary business hours at the mailing address and address for service set out on the face page of this Disclosure Statement.

1.2 Purposes of Formation

The Developer was formed for the purpose of owning and operating Revelstoke Mountain Resort and carrying out the development of the base land surrounding Revelstoke Mountain Resort. The Developer possesses assets other than the lands (the “Lands”) from which the Strata Lots (as defined in subsection 2.1(c)) were created.

1.3 Registered and Records Office

The registered and records office of the Developer is 1300 – 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K2.

1.4 Directors

The directors of Revelstoke Mountain Resort Inc., the general partner of the Developer, are Andrea Gaglardi, Devonna Gaglardi, Robert John Gaglardi and Robert Thomas Gaglardi.

1.5 Background of Developer

(a) Experience

(i) Although the Developer and its general partner were both formed in 2007, certain of the officers and directors of the general partner of the Developer have previous experience in the development industry. Andrea Gaglardi, Devonna Gaglardi, Robert John Gaglardi and Robert Thomas Gaglardi have been involved in the real estate industry in various capacities for approximately 10, 2, 40 and 20 years, respectively, and have varied experience in real estate development, design, financing and hotel operations.

(b) Regulatory Proceedings

(i) To the best of the Developer’s knowledge, it is not aware that the Developer, the general partner of the Developer, any principal holder of the general partner of the Developer, or any director or officer of the general partner of the Developer or a principal holder of the general partner of the Developer, within the ten years before the date of the Developer’s declaration attached to this Disclosure Statement, has been subject to any penalties or sanctions imposed by a court or regulatory authority,
relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud.

(ii) To the best of the Developer’s knowledge, it is not aware that the Developer, the general partner of the Developer, any principal holder of the general partner of the Developer, or any director or officer of the general partner of the Developer or a principal holder of the general partner of the Developer, within the five years before the date of the Developer’s declaration attached to this Disclosure Statement, has been a director, officer or principal holder of any other developer that, while that person was acting in that capacity, 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.

(c) Bankruptcy / Insolvency

(i) To the best of the Developer’s knowledge, it is not aware that the Developer, the general partner of the Developer, any principal holder of the general partner of the Developer, or any director or officer of the general partner of the Developer or a principal holder of the general partner of the Developer, within the five years before the date of the Developer’s declaration attached to this Disclosure Statement, 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 its assets.

(ii) To the best of the Developer’s knowledge, it is not aware that the Developer, the general partner of the Developer, any principal holder of the general partner of the Developer, or any director or officer of the general partner of the Developer or a principal holder of the general partner of the Developer, within the five years before the date of the Developer’s declaration attached to this Disclosure Statement, has been a director, officer or principal holder of any other developer that, while that person was acting in that capacity, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

1.6 Conflicts of Interest

To the best of the Developer’s knowledge, the Developer is not aware of any existing or potential conflicts of interest among the Developer, manager, any directors, officers and principal holders of the Developer and manager, any directors and officers of the principal holders, and any person providing goods or services to the Developer, manager or holders of the Strata Lots in connection with the Development which could reasonably be expected to affect a purchaser’s purchase decision.
2. GENERAL DESCRIPTION

2.1 General Description of the Development

(a) Revelstoke Mountain Resort

The development known as “Mackenzie Landing” (the “Development”) will be a part of the ski resort known as Revelstoke Mountain Resort, which is located within the City of Revelstoke (the “City”). The City is approximately a 413 kilometre (257 mile) automobile drive from Calgary, Alberta and approximately a 631 kilometre (392 mile) automobile drive from Vancouver, British Columbia. Revelstoke Mountain Resort is accessible year-round by car, as well as by air via Kelowna’s international airport (Kelowna is approximately a 199 kilometre (124 mile) automobile drive from the City).

The Developer has invested approximately $22 million dollars on ski area capital improvements at Revelstoke Mountain Resort, comprised of approximately $15 million dollars for a gondola lift system with a lower terminus situated on lands immediately adjacent to the Development, and approximately $7 million dollars for two high speed quad chairs. The gondola lift system and the high speed quad chairs are now completed and operating. Revelstoke Mountain Resort’s ski area facility consists of approximately 450 acres of skiable terrain, with approximately 10,000 acres of developable terrain remaining. Elevations at the base of the Mountain are approximately 512 metres and at the peak of the Mountain are approximately 2,240 metres, resulting in a vertical drop of approximately 1,728 metres. The Developer may choose to construct additional lift infrastructure at a later date, which would increase the vertical drop at the Mountain to 1,829 metres – the highest vertical descent in North America.

The average historical annual snowfall at the Resort is 12 to 18 metres (see www.hellobc.com, the Province’s official tourism website).

The Developer’s long term plan for Revelstoke Mountain Resort currently includes construction of approximately 20 additional ski lifts and approximately 100 additional ski and snowboard trails, as well as summer season amenities such as an 18 hole signature golf course and hiking and mountain biking trails.

(b) The Development

The Development is a bare land strata plan development under the Strata Property Act (British Columbia). The Development is located at 2080 Mackenzie Court.

(c) The Strata Lots

The bare land strata lots (the “Strata Lots”) being offered by the Developer pursuant to this Disclosure Statement are located in the Development. There are 25 strata lots in the Development (the “Strata Lots”), and the Developer is marketing Strata Lots 1, 13, 18 and 23 (the “Offered Strata Lots”) pursuant to this Disclosure Statement.
2.2 Permitted Use

(a) Zoning

The zoning applicable to the Development is CD8 and the general permitted uses include single family homes.

(b) Master Development Agreement

The Lands may only be developed in accordance with the ski area master development Agreement (the “Master Development Agreement”) between the Developer and the Province of British Columbia (the “Province”), and the ski area master plan (the “Ski Area Master Plan”) prepared by the Developer and approved by the Province under the Master Development Agreement. The development process under the Section 219 Development Covenant (as described in subsection 2.3(b)) ensures that the Development complies with any applicable requirements set out in the Master Development Agreement and the Ski Area Master Plan, each as amended from time to time.

(c) Commercial Use

No Strata Lot may be used for commercial or other purposes not ancillary to residential purposes.

2.3 Building Construction

(a) General Description of Restrictions

Purchasers will be responsible for arranging for construction of single family homes on the Strata Lots including, without limitation, obtaining at their cost all required development permits, building permits or other development or construction approvals from the City in connection with the construction of homes or other improvements or development within the Strata Lots and, following completion of any such construction, obtaining an occupancy permit from the City in respect of any home or other improvement as required by the City.
Each Strata Lot owner will be required to ensure that any development within his or her Strata Lot is carried out in accordance with any applicable requirements of the *British Columbia Building Code*, all applicable laws, bylaws, rules and regulations of the City and any other applicable governmental authority and any encumbrances registered against title, including the Section 219 Development Covenant described in subsection (b) and a copy of which is attached as Exhibit B.

(b) **Section 219 Development Covenant**

The Developer has registered against title to the Development a restrictive covenant in accordance with section 219 of the *Land Title Act* (British Columbia) (the “**Section 219 Development Covenant**”) in favour of RMRI, which governs the use and development of all of the Strata Lots and the Common Property. A copy of the Section 219 Development Covenant is attached as Exhibit B. The Section 219 Development Covenant contains restrictions and requirements applicable to construction on the Strata Lots including, without limitation:

(i) a restriction on construction of improvements on each Strata Lot to the portion of the Strata Lot which is within a defined building envelope area, as set out on the building site plan for the Strata Lot, copies of which building site plans are attached as Schedule A to the Section 219 Development Covenant;

(ii) a requirement that all improvements on the Strata Lots comply with the building design criteria established by the Developer for the Development (the “**Design Criteria**”) and attached as Schedule B to the Section 219 Development Covenant, as well as the site development criteria attached as Schedule C to the Section 219 Development Covenant;

(iii) a requirement that all building plans for improvements on the Strata Lots be approved by RMRI in accordance with the approval process set out therein;

(iv) a requirement to meet the following construction deadlines applicable to each Strata Lot:

(1) the owner must commence construction of his or her single family home on the Strata Lot (as evidence by the issuance of a building permit from the City) within 36 months after the registration of the transfer of the Strata Lot from RAVI (as defined in subsection 4.2(a)) to the first owner thereof; and

(2) the owner must complete construction of his or her single family home on the Strata Lot (as evidence by the issuance of an occupancy certificate from the City) within the earlier of:

(i) 24 months after the issuance of a building permit from the City; and

(ii) 60 months after the registration of the transfer of the Strata Lot from RAVI to the first owner thereof;

(v) a requirement to pay certain damages to RMRI in the event of any default under the Section 219 Development Covenant;
(vi) a rent charge in favour of RMRI, charging the Strata Lots as security for the observation and performance by the Strata Lot owners of all of their duties and obligations to RMRI under the Section 219 Development Covenant, including the obligation to pay all amounts owing to RMRI;

(vii) a prohibition on clearing, excavation and construction on the Strata Lots except in compliance with the provisions of the Section 219 Development Covenant; and

(viii) a requirement that the gross floor area of the single family home on each Strata Lot not exceed the buildable square footage specified on the building site plan for that Strata Lot,

all as more particularly set out in Exhibit B.

The Section 219 Development Covenant will also apply to any development carried out by the Strata Corporation within the Common Property.

Prior to commencement of construction of any improvements on the Strata Lots, plans and specifications must be submitted to RMRI for approval pursuant to the Section 219 Development Covenant and such plans and specifications will be required to comply with the Design Criteria. The Section 219 Development Covenant establishes the procedure for plan approval and requirements for such matters as building height, exterior colour and finishes, roof materials and treatments, landscaping, fencing, parking, driveways, building siting, lot clearing, tree cutting and the like.

RMRI may waive any requirements set out in the Section 219 Development Covenant in its absolute discretion.

Prospective purchasers should review the Section 219 Development Covenant, Design Criteria and building site plans carefully in order to become fully familiar with the additional building restrictions applicable to the Strata Lots.

The Developer reserves the right to make such changes to the form of the Section 219 Development Covenant as are required by the Land Title Office or as are determined by the Developer in its sole discretion.

(c) Security Deposit / Fee for Review of Plans and Specifications

In connection with the development of the Strata Lots pursuant to the Section 219 Development Covenant, the owners of the Strata Lots will be required to post a $25,000 security deposit (the “Security Deposit”) on the terms and conditions of the Addendum to the Contract of Purchase and Sale attached as Exhibit G. Purchasers should read Exhibit G carefully, as it sets out the terms and conditions on which the Security Deposit is to be posted, held and used.

In accordance with the Addendum to the Contract of Purchase and Sale, each purchaser of a Strata Lot is required to pay “all the fees and expenses of the Coordinating Architect (as defined in the Section 219 Development Covenant) in connection with the review of the Plans and Specifications (as defined in the Section 219 Development Covenant)” As of the date hereof, the Developer anticipates that such fees and expenses will be approximately
$2,000 per Strata Lot plus applicable taxes for a “typical” submission of Plans and Specifications which does not involve an unusual amount of re-submissions or consultations.

(d) **Building Permits**

The Developer is not required to obtain building permits for the subdivision and servicing of the Strata Lots. The purchasers of the Strata Lots will be required to obtain a building permit from the City in connection with any construction on the Strata Lots.

(e) **Construction by Purchasers**

The purchasers of the Strata Lots are responsible to review the bylaws, rules, regulations and other requirements of the City and any other applicable authority with respect to the requirements for the approval of any construction proposed by the purchasers on the Strata Lots, and the Developer will be under no obligation to the purchasers in connection therewith. However, the Developer wishes to bring the following matters to the attention of prospective purchasers of the Strata Lots:

(i) The Developer has paid all works and services charges payable to the City in connection with the subdivision of the Strata Lots. This did not include things such as building permit fees, plumbing permit fees, inspection fees, connection fees for any services or utilities or any other fees or charges, all of which will be payable by the purchasers of the Strata Lots in connection with any construction on the Strata Lots.

(ii) The building site plans for the Strata Lots contain important information in respect of the Strata Lots and the development thereof, including the following:

1. the proposed dimensions and areas of the Strata Lots;
2. the maximum allowable buildable square footage that will be applicable to the Strata Lots;
3. the approximate locations of driveways and whether or not there are shared driveways or driveways providing access to any other Strata Lot;
4. the approximate locations of the building envelopes for the Strata Lots (shown in dashed lines) - no dwelling unit may be built on a Strata Lot except within the building envelope for the Strata Lot, except that a dwelling unit above a garage or carport within the front yard setback outside of a building envelope will be permitted if it complies with any applicable restrictions or requirements contained in any bylaw, rule or regulation of the City;
5. the proposed maximum Second Floor elevations (shown as “max 2nd fl”) (all numbers shown are Geodetic Survey of Canada datum) – “Second Floor” is the floor above the lowest floor;
6. the approximate locations of tree preservation areas and riparian covenant areas; and
(7) the approximate locations of proposed easements and rights of way.

Note that all of the foregoing are subject to any change required by the City or made necessary or desirable based upon further on-site investigations or the finalization of the Strata Plan.

(iii) The City has advised that it will not issue an occupancy permit for a building on any Strata Lot until such time as sewer and water services have been installed and a pavement ready road system is in place. This restriction is contained in a section 219 covenant in favour of the City which is registered on title to each Strata Lot (see paragraph 4.3(b)(iii)).

(f) Helicopter Pads

As set out in the Section 219 Development Covenant, the purchasers of Strata Lots 12 to 17 will be permitted to construct Helicopter Pads (as defined in the Section 219 Development Covenant) on their Strata Lots. Any purchaser who elects to construct a Helicopter Pad must comply with the relevant provisions of the Section 219 Development Covenant as well as any applicable laws in carrying out such construction. Additionally, any such purchaser will be responsible for obtaining at his cost all permits or certificates in connection with the use and operation of the Helicopter Pad as are required by Transport Canada and any other governmental agency having jurisdiction. The use of any such Helicopter Pad will be subject to the bylaws of the Strata Corporation and all applicable laws.

(g) Compliance

The Developer will comply with all building restrictions, zoning regulations and other restrictions and requirements in connection with the subdivision and servicing of the Strata Lots and all road construction relating thereto.

2.4 Phasing

Not applicable.

3. STRATA INFORMATION

Upon the deposit of the Strata Plan in the Land Title Office, a strata corporation (the “Strata Corporation”) was formed automatically on behalf of all of the owners of the Strata Lots in accordance with the Strata Property Act (British Columbia). All owners of the Strata Lots will be part of the Strata Corporation. Under the Strata Property Act, each of the owners of the Strata Lots is a voting member of the Strata Corporation in accordance with the Act and the bylaws and rules of the Strata Corporation.

The following sections of the Disclosure Statement describe important features of the Strata Corporation and some concepts applicable to stratified developments such as the Development.
3.1 Unit Entitlement

The “Unit Entitlement” of each Strata Lot is a figure indicating its share in the Common Property (as defined in subsection 3.3(a)) and assets of the Development and is used to determine each Strata Lot’s contribution to expenses incurred in respect of the Common Property. A schedule of the Unit Entitlements for the Strata Lots, which is as set out in Form V under the Strata Property Act, is attached as Exhibit C. The Unit Entitlement for each of the Strata Lots is the same whole number. This is a common formula utilized in the case of bare land strata lots. The finalized Form V was registered at the Land Title Office concurrently with the deposit of the Strata Plan.

3.2 Voting Rights

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

3.3 Common Property and Facilities

(a) Common Property

Each of the owners of the Strata Lots will be entitled to a proportionate share of the common property (the “Common Property”) of the Development and the common facilities and other assets of the Strata Corporation. Subject to the bylaws of the Strata Corporation and any designations of limited Common Property (as described in section 3.4), the owners of the Strata Lots will own such Common Property, common facilities and other assets as tenants-in-common.

The Common Property of the Development consists of all of the land within the Development outside of the Strata Lots themselves, as shown on the Strata Plan attached as Exhibit A. The Common Property includes the Common Property Roadway (as defined in subsection 3.8(k)), trails, green space and a common garbage building. The Common Property is shown on the Strata Plan attached as Exhibit A.

(b) Maintenance of Common Property

The Strata Corporation is responsible for maintaining all Common Property, including limited Common Property. Accordingly, the Strata Corporation will be responsible for maintaining the Common Property Roadway (including removing snow therefrom) and any water, sewer and storm sewer lines and stairways within the Common Property, as well as the entry sign situated on the Common Property.

(c) Common Facilities

The Development includes a common garbage building.

3.4 Limited Common Property

Limited common property is an area within the common property of a strata plan that is designated for the exclusive use of one or more strata lot owners. Any maintenance expenses in respect of limited common property is paid by the strata corporation, except as provided in the bylaws of the strata corporation. The Developer did not designate any areas within the Development as limited Common Property.
3.5 **Bylaws**

The initial bylaws of the Strata Corporation are those contained in the Schedule of Standard Bylaws attached to the *Strata Property Act* at the time of the deposit of the Strata Plan in the Land Title Office, as amended by the Form Y (*Strata Property Act*) Owner Developer’s Notice of Different Bylaws attached as Exhibit D. The Notice of Different Bylaws was filed in the Land Title Office concurrently with the deposit of the Strata Plan.

Subject to the provisions of the Notice of Different Bylaws attached as Exhibit D, the owners of the Strata Lots may amend the bylaws of the Strata Corporation in accordance with the *Strata Property Act*.

3.6 **Parking**

The owner of each Strata Lot will construct parking areas within the owner’s Strata Lot as required by the Strata Lot owner and in conformance with the requirements of the Section 219 Development Covenant and any applicable bylaws, regulations, rules and other requirements of the City. There are no common or guest parking areas in the Development.

3.7 **Budget**

(a) **Budget / Monthly Assessments**

The approved budget of operating expenses for the Strata Corporation for the 12 month period commencing on May 1, 2009 is attached as Exhibit E. Exhibit E also sets out the monthly assessments for each of the Strata Lots during this 12 month period based on the approved budget. At each annual general meeting, the Strata Corporation will approve a new annual budget of the Strata Corporation for the following 12 month period.

Prospective purchasers should note that in accordance with section 35 of the Notice of Different Bylaws attached as Exhibit D, the Strata Corporation has the ability to collect from the Strata Lot owners the charges payable under the Amenities Rent Charge described in subsection 3.8(d) and if the Strata Corporation does so, the owners’ monthly assessments will be increased accordingly.

(b) **Contingency Reserve Fund**

In accordance with the *Strata Property Act*, the Developer has seeded the contingency reserve fund by making a one-time contribution to the fund at the time of the first conveyance of a Strata Lot to a purchaser. Because the first conveyance of a Strata Lot occurred within one year after the deposit of the Strata Plan in the Land Title Office, the minimum contribution by the Developer to the fund was 5% of the estimated operating expenses set out in the interim budget that was previously prepared for the Development.

The *Strata Property Act* requires that if the amount of the contingency reserve fund at the end of any fiscal year after the first annual general meeting is less than 25% of the total budgeted operating expenses for the fiscal year just ended, then the annual contribution to the contingency reserve fund must be at least 10% of the budgeted operating expenses for the current fiscal year.
(c) **Strata Lots Expenses**

Each Strata Lot owner will be responsible for real property taxes payable in respect of his or her Strata Lot. At this time, property taxes are levied by and payable to the City. The City’s residential mil rate for the year 2009 is 6.1479. Property taxes are calculated by the City in accordance with the following formula:

\[
\frac{\text{assessed value} \times \text{mill rate}}{1,000} = \text{annual property taxes}
\]

The assessed value of a property includes the value of any buildings or other improvements and is based on the market value of the property.

Each Strata Lot owner will be responsible for the payment of all utility charges payable for utilities supplied and billed directly to his or her Strata Lot. The Strata Corporation will be responsible for the payment of utility charges payable for utilities supplied and billed to the Strata Corporation.

3.8 **Utilities and Services**

(a) **General - Ski Area Master Plan Approval** – The Ski Area Master Plan prepared by the Developer and approved by the Province contains detailed studies and information as to the planning and development of the entire base area, of which the Development will form a part. The Ski Area Master Plan includes detailed studies and information with respect to the provision of utilities and services to the Development, all of which have been approved by the Province. The Developer will ensure that the provision of utilities and services by the Developer and any related entities complies with all laws and bylaws, the requirements of the Ski Area Master Plan, as amended from time to time, and the requirements of any applicable governmental authorities.

(b) **Water** – The City will provide water service to the Development. Water Service has been installed to the lot lines of the Strata Lots. Each Strata Lot owner will be responsible for arranging for connection to the water service line, arranging for service with the City and paying any connection costs in respect thereof, and will also be required to install a water meter on his or her Strata Lot. The Developer anticipates that water for the Strata Lots will be separately metered to each Strata Lot.

(c) **Sewer** – The City will provide sewer service to the Development. Sewer service has been installed to the lot lines of the Strata Lots. Each Strata Lot owner will be responsible for arranging for connection to the sewer service line, arranging for service with the City and paying any connection costs in respect thereof.

(d) **Amenities Rent Charge** – The Developer presently anticipates that RMRI will provide some or all of the following services to the Revelstoke Mountain Resort base area:

(i) snow removal services in respect of public access trails and, when the service provided by the City is insufficient, public roads;

(ii) landscaping services for resort areas which are not on private land;

(iii) erection of resort banners and signage;
(iv) operation and maintenance services for future public amenities such as, for example, a skating rink or resort tennis courts, if RMRI, in its absolute discretion, provides any of such amenities; and

(v) such other amenities as RMRI may from time to time provide to or for the use of Revelstoke Mountain Resort.

RMRI will charge the owners of the Strata Lots and other owners in the resort base area in connection with the provision of such services. RMRI has registered against title to the Strata Lots a rent charge (the “Amenities Rent Charge”) in favour of RMRI, describing the provision of such services by RMRI and securing payment to RMRI of amounts owed to it in connection with the provision of such services. The Developer anticipates that the initial costs to the owner of each Strata Lot will be approximately $250 per year for the services described in paragraphs (i) to (iii) above. This fee will vary based on the services provided and the number of owners paying for the services. The Amenities Rent Charge will provide that the charges must be reasonable, based on the services provided, and that each Strata Lot owner’s annual charge will not exceed 0.3% of the fair market value of his or her Strata Lot (including any improvements constructed thereon).

(e) Electricity – The Developer has arranged for a third party utility company to provide electrical service to the Development. Electrical service has been installed to junction boxes in the Common Property. Each Strata Lot owner will be responsible for arranging for connection to the junction boxes, arranging for service with the utility provider and paying any connection costs in respect thereof. The Developer anticipates that electricity for the Strata Lots will be separately metered to each Strata Lot other than in respect of any electricity used by the Strata Corporation for Common Property lighting.

(f) Propane Service – The Developer has arranged for a third party utility company to provide propane service to the Development. Propane service has been installed to the lot lines of the Strata Lots. Each Strata Lot owner will be responsible for arranging for connection to the propane service line, arranging for service with the utility provider and paying any connection costs in respect thereof. It is anticipated that the main propane lines within the Common Property will be owned by the service provider or the Developer. The Strata Lot owners will be charged based on a metered rate approved by the British Columbia Utilities Commission.

(g) Telephone – The Developer has arranged for a third party utility company to provide telephone service to the Development. Telephone service has been installed to junction boxes in the Common Property. Each Strata Lot owner will be responsible for arranging for connection to the junction boxes, arranging for service with the utility provider and paying any connection costs in respect thereof.

(h) Satellite or Cable Vision – The Developer is considering arranging for the provision of satellite or cable television services to the Development. However, at this time the Developer is not committing to the provision of satellite or cable television services.

(i) Police, Ambulance and Fire – The Developer anticipates that police services will be provided by the Royal Canadian Mounted Police, ambulance services will be provided by the Provincial Ambulance Service and fire services will be provided by the City.
(j)  *Garbage Removal* – The Development will include a common garbage building within the Common Property, substantially as shown on the Strata Plan attached as Exhibit A. The Developer caused the Strata Corporation to enter into a garbage removal contract. The cost of such a contract is included in the budget of the Strata Corporation attached as Exhibit E.

(k)  *Access* – Access to Revelstoke Mountain Resort is by way of a public road known as “Mackenzie Mountain Road”. Access to the Development will be from Mackenzie Mountain Road over another public road known as “Camozzi Road”. Both Mackenzie Mountain Road and Camozzi Road are dedicated public roads owned, operated and maintained by the Province.

Each of the Strata Lots is accessed via a private roadway (the “**Common Property Roadway**”) within the Development. The Common Property Roadway is sufficiently completed to permit access to the Strata Lots. The first lift of asphalt has been completed, and the final lift of asphalt is expected to be completed by April 15, 2010. The portion of the Common Property Roadway passing between Strata Lots 18 and 19 and continuing along the east side of Strata Lots 19 and 20 will connect to a road situated on Crown land east of the Lands, which road will be dedicated as a public road in the future. The Developer will obtain a licence or other permission from the Province to permit the owners of the Strata Lots to make use of the road until such time as it is dedicated as a public road.

### 3.9 Strata Management Contracts

The Developer caused the Strata Corporation to enter into a management agreement with Gateway Property Management Corporation (the “**Property Manager**”) with respect to the control, management and administration of the Common Property. The Property Manager is not related to the Developer.

Under the *Strata Property Act*, the management agreement with the Property Manager will terminate automatically on the date that is four weeks after the date of the second annual general meeting of the Strata Corporation unless the Strata Corporation, by majority vote at the second annual general meeting, resolves to continue the agreement. Under the *Strata Property Act*, the management agreement may also be terminated at any time on two months notice: (i) by the Strata Corporation, if the cancellation is approved by a ¾ vote at a meeting of the Strata Corporation, and (ii) by the Property Manager.

The management fee payable to the Property Manager under the management agreement is included in the budget for the Strata Corporation attached as part of Exhibit E.

### 3.10 Insurance

The Developer has arranged for the Strata Corporation to take out the following insurance (the cost of which is contemplated in the budget of the Strata Corporation attached as part of Exhibit E):

(i)  as required under the *Strata Property Act*, property insurance on the Common Property, common assets, buildings (only buildings comprising Common Property – not buildings within the Strata Lots) shown on the Strata Plan and “fixtures” (defined in the *Strata Property Act* Regulations to mean items attached to a building, including floor and wall coverings and electrical and plumbing fixtures, but excluding, if they can be removed without damaging the building, refrigerators,
stoves, dishwashers, microwaves, washers, dryers or other similar items), which property insurance must be on the basis of full replacement value and insure against “major perils” (defined in the Strata Property Act Regulations to be fire, lightning, smoke, windstorm, hail, explosion, water escape, strikes, riots or civil commotion, impact by aircraft and vehicles, vandalism and malicious acts) and any other perils set out in the bylaws of the Strata Corporation;

(ii) as required under the Strata Property Act, liability insurance to insure the Strata Corporation against liability for property damage and bodily injury, in the minimum amount of $2,000,000 or such other amount as may be required under the Strata Property Act Regulations;

(iii) as permitted under the Strata Property Act and if available at a reasonable cost, errors and omissions insurance for the strata council members; and

(iv) any other insurance required under the Strata Property Act or the Regulations under the Act.

Each Strata Lot owner will be responsible for taking out insurance in respect of his or her own Strata Lot when the transfer from the Developer is completed, including insurance in respect of liability and property damage, insurance in respect of the owner’s home and any other improvements and insurance in respect of any personal property.

3.11 Rental Disclosure

Under section 139 of the Strata Property Act, the Developer must disclose to any purchaser the intention to lease the Strata Lots in order to preserve the right of the Developer and the first purchaser from the Developer of each Strata Lot to lease the Strata Lots in the future. A rental disclosure statement in respect of the Strata Lots in Form J of the Strata Property Act is attached as Exhibit F and was filed by the Developer with the Superintendent.

3.12 Distribution of Strata Corporation Assets on Winding-Up

The voluntary winding-up of the Strata Corporation in the case of the destruction of the Development, in whole or in part, or for any other reason, requires a unanimous resolution of the Strata Corporation and the approval of the Registrar of the Land Title Office. Upon the winding-up of the Strata Corporation and cancellation of the Strata Plan, each Strata Lot owner would become a tenant-in-common with each other owner in respect of all of the lands within the Strata Plan, land owned by the Strata Corporation but not shown on the Strata Plan and all personal property held by or on behalf of the Strata Corporation. Each Strata Lot owner’s proportionate share would be calculated on the basis of the most recent assessed value of all Strata Lots (other than any Strata Lots owned by the Strata Corporation). If there is no assessed value for any Strata Lot, then the value for the purpose of the foregoing calculation would be determined by an independent appraiser and approved by a ¾ vote of the Strata Corporation.

3.13 First Annual General Meeting

The Developer must hold the first annual general meeting of the Strata Corporation within six weeks after the earlier of (i) the date on which 50% plus one of the Strata Lots have been
conveyed to purchasers, and (ii) the date which is nine months after the first conveyance of a Strata Lot to a purchaser.

In accordance with the foregoing, the first annual general meeting was held on May 14, 2008.

3.14 Documents to be Delivered to Strata Corporation

The Developer provided copies of the following documents to the Strata Corporation at the first annual general meeting:

(i) all plans required to obtain a building permit and any amendments to the building permit plans (not applicable because the Developer is selling bare land strata lots);

(ii) any document in the Developer’s possession that indicates the location of pipes, wires, cables, chutes, ducts or other service facilities that are not shown on a plan (not applicable except in respect of the Developer’s servicing plans);

(iii) all contracts entered into by the Strata Corporation;

(iv) any Disclosure Statement filed under the Real Estate Development Marketing Act (British Columbia) and any Rental Disclosure Statement;

(v) the registered Strata Plan from the Land Title Office;

(vi) the names and addresses of contractors, subcontractors and persons primarily responsible for supplying labour or materials to the project (not applicable except in respect of the servicing of the Development);

(vii) the names and addresses of any technical consultants, including building envelope specialists, if any (building envelope specialists are not applicable because the Developer is selling bare land strata lots);

(viii) the name and address of any project manager;

(ix) all warranties, manuals, schematic drawings, operating instructions, service guides, manufacturers’ documentation and other similar information relating to the Common Property or common assets (not applicable except in respect of the Developer’s servicing plans);

(x) minutes of special general meetings, including the results of any votes;

(xi) a list of owners, with their strata lot addresses, mailing addresses if different, strata lot numbers as shown on the strata plan, parking stall numbers, if any, and unit entitlements;

(xii) names and addresses of mortgagees who have filed a “Mortgagee’s Request for Notification” (Strata Property Act Form C);

(xiii) names of tenants;

(xiv) assignments of voting or other rights by landlords to tenants;
books of account showing money received and spent and the reason for the receipt or expenditure;

the Strata Property Act and Regulations;

the Strata Corporation’s bylaws and rules;

resolutions that deal with changes to Common Property, including the designation of Limited Common Property;

any waivers of special general meetings;

any decision of an arbitrator or judge in a proceeding in which the Strata Corporation was a party, and any legal opinions obtained by the Strata Corporation;

income tax returns, if any;

correspondence sent or received by the Strata Corporation and strata council;

bank statements, cancelled cheques and certificates of deposit; and

any “Information Certificates” (Strata Property Act Form B) issued by the Strata Corporation.

In addition, the Developer presented an annual budget, prepared in accordance with the Strata Property Act, for approval by the Strata Lot owners.

4. TITLE AND LEGAL MATTERS

4.1 Legal Description

(a) The Offered Strata Lots are currently legally described as:

City of Revelstoke
Strata Lots 1, 13, 18 and 23
all of Section 13, Township 23
Range 2, West of the 6th Meridian
Kootenay District
Strata Plan NES3389

together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V

4.2 Ownership

(a) Revelstoke Alpine Village Inc. ("RAVI") is the registered owner of the Offered Strata Lots.

(b) RAVI holds title to the Offered Strata Lots as nominee, agent and bare trustee for the Developer as sole beneficial owner.
4.3 Existing Encumbrances and Legal Notations

The following legal notations and encumbrances are registered against title to all of the Offered Strata Lots and Common Property, as described below, except where indicated:

(a) Legal Notations:

(i) **Hereto is Annexed Easement LB164417 Over That Part Strata Lot 15 Strata Plan NES3389 Shown on Plan NEP85935**

This legal notation indicates that the registered owners of Strata Lots 1 to 14 and 16 to 25 have the benefit of an easement over a portion of Strata Lot 15 for the purpose of providing an area to deposit snow collected through road clearing activities at the Development.

(ii) **Hereto is Annexed Easement LB164419 Over Those Parts of Strata Lots 5, 6, & 15 Strata Plan NES3389 and Legal Subdivision 5 Section 13 Township 23 Range 2 W6M Kootenay District, Except Plans 12547, 15044, NEP79103, NEP85319 and NEP85929 Shown on Plan NEP85937**

This legal notation indicates that the registered owners of Strata Lots 1 to 4, 7 to 14 and 16 to 25 have the benefit of an easement over a portion of Strata Lots 5, 6 and 15 and certain other lands to permit the owners of Strata Lots 1 to 4, 7 to 14 and 16 to 25 to access utilities located within those areas.

(iii) **Miscellaneous Notes SRW Plan NEP62634, SRW Plan NEP85930, SRW Plan NEP85931, SRW Plan NEP85932, SRW Plan NEP85934, Easement Plan NEP85935, SRW Plan NEP85936, Easement Plan NEP85937 (Common Property only)**

These are miscellaneous notes on title referring to various plans accompanying the statutory rights of way and easements registered on title to certain Strata Lots and the Common Property.

(b) Charges, Liens and Interests:

(i) **Mortgage LB35786 (as modified by LB148660) and Assignment of Rents LB35787, Mortgage LB115076 and Assignment of Rents LB115077 (Strata Lots 13, 18 and 23 only)**

These are mortgages and assignments of rents in favour of RIC New Brunswick Inc. and Northland Properties Corporation. These are the encumbrances described in section 6.2, and will be discharged from title to each Strata Lot within a reasonable time of the completion of the sale of such Strata Lot to a purchaser thereof.

(ii) **Priority Agreement LB148661 (Strata Lots 13, 18 and 23 only)**

This is a priority agreement granting LB35786 modified by LB148660 priority over LB115076.
(iii) Covenant LB164365

This is a section 219 covenant in favour of the City providing that the City will not issue an occupancy permit for a building on any Strata Lot until such time as sewer and water services have been installed and a pavement ready road system is in place.

(iv) Priority Agreement LB164366 (Common Property and Strata Lots 13, 18 and 23 only)

This is a priority agreement granting LB164365 priority over LB35786 (modified by LB148660) and LB35787.

(v) Priority Agreement LB164367 (Common Property and Strata Lots 13, 18 and 23 only)

This is a priority agreement granting LB164365 priority over LB115076 and LB115077.

(vi) Statutory Right of Way LB164368

This is a statutory right of way over the Lands in favour of RMRI for construction and surface water flow redirection purposes.

(vii) Rent Charge LB164369

This is the Amenities Rent Charge described in subsection 3.8(d).

(viii) Covenant LB164370

This is the Section 219 Development Covenant described in subsection 2.3(b).

(ix) Covenant LB164371

This is a covenant in favour of the City which lists the works and services to be installed on the Lands and describes the security which the Developer is required to post in respect thereof.

(x) Priority Agreement LB164372 (Common Property and Strata Lots 13, 18 and 23 only)

This is a priority agreement granting LB164371 priority over LB35786 (modified by LB148660) and LB35787.

(xi) Priority Agreement LB164373 (Common Property and Strata Lots 13, 18 and 23 only)

This is a priority agreement granting LB164371 priority over LB115076 and LB115077.
(xii) **Statutory Right of Way LB164374**

This is a Statutory Right of Way in favour of British Columbia Hydro and Power Authority ("B.C. Hydro") permitting B.C. Hydro to operate and maintain its works located in the Development.

(xiii) **Statutory Right of Way LB164375**

This is a Statutory Right of Way in favour of Telus Communications Inc. ("Telus") permitting Telus to operate and maintain its works located in the Development.

(xiv) **Priority Agreement LB164376 (Common Property and Strata Lots 13, 18 and 23 only)**

This is a priority agreement granting LB164374 priority over LB35786 (modified by LB148660), LB115076, LB35787 and LB115077.

(xv) **Priority Agreement LB164377 (Common Property and Strata Lots 13, 18 and 23 only)**

This is a priority agreement granting LB164375 priority over LB35786 (modified by LB1487660), LB115076, LB35787 and LB115077.

(xvi) **Statutory Right of Way LB164378**

This is a Statutory Right of Way in favour of Terasen Gas Inc. ("Terasen") permitting Terasen to operate and maintain its works located in the Development.

(xvii) **Covenant LB164407 (Strata Lot 18 only)**

This is a section 219 covenant in favour of the Province and the City over a portion of Strata Lots 14, 15, 17 and 18 to ensure an 11 metre set back from Locke’s Creek.

(xviii) **Priority Agreement LB164408 (Strata Lot 18 only)**

This is a priority agreement granting LB164407 priority over LB35786 (modified by LB148660) and LB35787.

(xix) **Priority Agreement LB164409 (Strata Lot 18 only)**

This is a priority agreement granting LB164407 priority over LB115076 and LB115077.

(xx) **Claim of Builders Lien LB258541 (Strata Lots 13, 18 and 23 only)**

This is a claim of builders lien registered against certain lands, including Strata Lots 13, 18 and 23, by BC Groundwater Consulting Services Ltd. The Developer will arrange for the discharge of this encumbrance from title to any of Strata Lots 13, 18 or 23 prior to or upon the completion of the sale of such Strata Lot to a purchaser.
(xxi) **Easement KX139254 (Strata Lots 1 and 23 and Common Property only)**

This is an easement in favour of the registered owner of certain adjacent lands. This easement permits the installation, repair and maintenance of an underground water pipe and related works for the purpose of conveying, draining, metering and disposing of water from Toinette Spring.

( xxii) **Statutory Right of Way LB164418 (Common Property only)**

This is a right of way in favour of RMRI over a portion of the Common Property and Strata Lots 5, 6, 11, 12, 20 and 21 for the purpose of, *inter alia*, ensuring a utility service corridor for lands adjacent to or in the vicinity of the Development.

( xxiii) **Covenant LB164420 (Strata Lots 1, 13 and 23 only)**

This is a tree preservation covenant over portions of Strata Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 19, 20, 21, 22, 23, 24 and 25 in favour of RMRI regulating the cutting of trees on those areas.

( xxiv) **Statutory Right of Way LB164411 (Strata Lot 23 and Common Property only)**

This is a trail access right of way in favour of RMRI over a portion of the Common Property and Strata Lots 8, 9, 22 and 23 for access by RMRI and its invitees, including members of the public, as part of the main Revelstoke Mountain Resort trail system.

( xxv) **Statutory Right of Way KM83367 (Common Property only)**

This is a statutory right of way in favour of the City. This statutory right of way permits the construction, maintenance and servicing of certain roadworks, and is to generally facilitate vehicular and pedestrian access for the City and the public.

( xxvi) **Statutory Right of Way LB164410 (Common Property only)**

This is a statutory right of way in favour of the City for the purposes of emergency vehicle access and incidental uses.

( xxvii) **Statutory Right of Way LB164412 (Common Property only)**

This is a statutory right of way in favour of the City for emergency vehicle access to and from a portion of a trail.

( xxviii) **Statutory Right of Way LB164413 (Common Property only)**

This is a statutory right of way in favour of RMRI to permit the Developer to, *inter alia*, cross over the Common Property to complete and maintain the servicing of the Development and adjacent lands.

( xxix) **Statutory Right of Way LB164414 (Common Property only)**

This is a statutory right of way in favour of the Province for the construction, operation and maintenance of a future ski lift.
(xxx) **Priority Agreement LB164415 (Common Property only)**

This is a priority agreement granting LB164414 priority over LB35786 (modified by LB148660) and LB35787.

(xxxi) **Priority Agreement LB164416 (Common Property only)**

This is a priority agreement granting LB164414 priority over LB115076 and LB115077.

(xxxii) **Mortgage LB315868, Assignment of Rents LB315869, Mortgage LB315870 and Assignment of Rents LB315871 (Strata Lot 1 only)**

These are extensions of Mortgage LB35786, Assignment of Rents LB35787, Mortgage LB115076 and Assignment of Rents LB115077, respectively, in favour of RIC New Brunswick Inc. and Northland Properties Corporation. These are the encumbrances described in section 6.2, and will be discharged from title to each Strata Lot within a reasonable time of the completion of the sale of such Strata Lot to a purchaser thereof.

(xxxiii) **Modification LB318706 (Offered Strata Lots only)**

This is a modification of Mortgage LB115076 and LB315870.

(xxxiv) **Claim of Builders Lien LB344119 (Offered Strata Lots only)**

This is a Claim of Builders Lien registered against the Offered Strata Lots by Brendwood Enterprises Limited Partnership. The Developer will arrange for the discharge of this encumbrance from title to any Offered Strata Lot prior to or upon the completion of the sale of such Offered Strata Lot to a purchaser.

(xxxv) **Certificate of Pending Litigation LB338858 (Strata Lots 13, 18 and 23 only)**

This is a Certificate of Pending Litigation filed by BC Groundwater Consulting Services Ltd. with regards to the supply of services to Strata Lots 13, 18 and 23. The Developer will arrange for the discharge of this encumbrance from title to any of Strata Lots 13, 18 and 23 prior to or upon the completion of the sale of such Strata Lot to a purchaser.

4.4 **Proposed Encumbrances**

(a) **General**

The Developer anticipates that the following encumbrances may be registered against title to the Offered Strata Lots or the Common Property and unless otherwise indicated will remain registered against title to the Offered Strata Lots or the Common Property and bind purchasers following completion:

(i) any rights of way, easements, restrictive covenants, rent charges and other rights or restrictions required by the Developer, the Resort Association, the Province, the City, the Approving Officer for the City or any other applicable government authority or public or private utility in connection with the approval of the
development of the Lands, the use of the Lands, the provision of utilities and services as described in section 3.8, the construction of the Development or the construction or operation of the mountain ski resort by the Developer.

4.5 Outstanding or Contingent Litigation or Liabilities

(a) Jake-Jay Holdings (2006) Ltd. has commenced an action against RMRI and Revelstoke Alpine Village Inc. ("RAVI") for the payment of invoices related to the supply of materials and labour to certain developments in Revelstoke Mountain Resort, including the Development.

(b) Nick Faldo Design (Overseas) Limited has commenced an action against the Developer and RMRI for the payment of invoices related to the provision of services to the golf course at Revelstoke Mountain Resort.

(c) BC Groundwater Consulting Services Ltd. has commenced an action against the Developer, RMRI and RAVI with respect to the payment of invoices related to the provision of services to Strata Lots 13, 18 and 23 and certain other lands.

The Developer will obtain a discharge of Claim of Builders Lien LB258541 and Certificate of Pending Litigation LB38858 registered by BC Groundwater Consulting Services Ltd. from title to any of Strata Lots 13, 18 and 23 prior to or upon completion of the sale of such Strata Lot to a purchaser by making an application to the Supreme Court of British Columbia to cancel such lien and certificate of pending litigation and by paying monies into court.

The Developer, RAVI and RMRI, as applicable, are aware of the above actions and are currently working to resolve these matters. A purchaser of an Offered Strata Lot will receive title to such Offered Strata Lot free and clear of any litigation claims described in this section 4.5.

4.6 Environmental Matters

(a) Flooding

The Developer is not aware of any flooding dangers in respect of the Offered Strata Lots or any restrictions or requirements of the Province, the City or any other applicable governmental authority relating to flood protection in respect of the Development.

(b) Soil / Subsoil

The Developer is not aware of any dangers or any restrictions or requirements of the Province, the City or any other applicable authority in respect of the condition of the soil or subsoil in connection with the Development.

(c) Other Environmental Matters

The Developer is not aware of any other environmental matters relating to the Development.

5. CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

The services and utilities have been completed.
5.2 Warranties
Not applicable.

6. APPROVAL AND FINANCES

6.1 Development Approval
On August 30, 2007, the City issued preliminary layout approval in respect of the Development.

6.2 Construction Financing
The Developer will self-finance a portion of the cost of subdividing and servicing the Strata Lots, and will use a portion of the loan proceeds advanced by Northland Properties Corporation and RIC New Brunswick Inc. (together, the “Lenders”). The Lenders have registered security on title to the Offered Strata Lots as described in sections 4.3(b)(i) and 4.3(b)(xxxii).

7. MISCELLANEOUS

7.1 Deposits
Subject to the remedies in respect of defaults under the contract of purchase and sale, all deposits and other money received from a purchaser of a Strata Lot shall be held in trust by Sotheby’s International Realty Canada in the manner required by the Real Estate Development Marketing Act (British Columbia) until such time as:

(i) the Strata Plan is deposited in the Land Title Office;
(ii) the Strata Lot purchased is capable of being occupied; and
(iii) an instrument evidencing the interest of the purchaser in the Strata Lot has been filed for registration in the Land Title Office.

Pursuant to the provisions of the Real Estate Development Marketing Act, the Developer will either cause the deposits to be held in a trust account of a licensee in British Columbia until completion of the transaction or earlier termination or, in the Developer’s discretion, it may enter into a deposit protection contract with an approved insurer or another form of security agreement pursuant to which deposits will be released to the Developer for use in connection with the Development.

7.2 Purchase Agreement
Attached as Exhibit G is the form of contract of purchase and sale which the Developer intends to use in connection with the sale of the Offered Strata Lots. The Developer may elect to use another form or forms of contract of purchase and sale upon satisfying any requirements of the Superintendent.

The purchase agreement attached as Exhibit G also provides, among other things, as follows:
(a) if the purchaser defaults on any of the purchaser’s obligations, the Developer may terminate the purchase agreement and retain the deposit and all accrued interest thereon as liquidated damages (being a genuine pre-estimate of the minimum amount of damages the parties agree the Developer is expected to suffer as a result of termination), without prejudice to the Developer’s other remedies (section 1);

(b) a purchaser may not assign its interest in the purchase agreement without the consent of the Developer, which consent may be withheld in the Developer’s sole discretion (section 7);

(c) if by any event beyond the control of the Developer, any condition discovered within the Development or any action taken by a governmental or regulatory authority renders it impossible or not reasonably feasible or economical for the Developer to perform its obligations under the contract, then the Developer can terminate the contract upon written notice to the purchaser and return to the purchaser its deposit and any interest earned thereon (section 14);

(d) the Developer can, in its sole discretion, terminate the contract if the purchaser does not provide to the Developer the Required Information (as defined in the purchase agreement) necessary to ensure the Developer can comply with its legal obligations and company policies or the Developer has reasonable grounds to suspect the transaction of purchase and sale is related to the commission or attempted commission of a “money laundering offence” or a “terrorist activity financing offence” as defined in the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and any regulations under that Act. In the event of such termination, the deposit will be forfeited to the Developer as liquidated damages (being a genuine pre-estimate of the minimum amount of damages the parties agree the Developer is expected to suffer as a result of termination), without prejudice to the Developer’s other remedies (section 16); and

(e) unless interest on the deposit is forfeited to the Developer as described above, or if the deposit is released to the Developer upon the Developer entering into a deposit protection contract, interest on the deposit will accrue for the benefit of the purchaser (less an administration fee, not to exceed $100.00, charged by the deposit holder) (section 1).

The above clauses are only summaries of the relevant provisions from the purchase agreement relating to termination, extending the time for completing, assignment and payment of interest on the deposit. Please review Exhibit G for the full text of such provisions.

7.3 Developer’s Commitments
Not applicable.

7.4 Other Material Facts

(a) Alpine Climate

Purchasers of Strata Lots should note that the Development is located in an alpine climate in which severe cold and other extreme weather conditions are normal. Therefore, the Development may require extra or special maintenance by the Strata Corporation or the Strata Lot owners which would not be required under less severe conditions.
(b) Mountain Resort Association

The Developer may, in the future, establish a mountain resort association (the “Resort Association”) for Revelstoke Mountain Resort, in accordance with the Mountain Resort Associations Act (British Columbia). Such legislation permits the establishment of a mountain resort association for the purpose of the promotion of a mountain resort community in the Province and enables a mountain resort association to levy assessments to owners of real estate within the mountain resort area for the purpose of furthering the objectives of the mountain resort association.

The establishment of a mountain resort association is subject to the approval of the Province. As a first step of this process, the Developer would apply for the Province to designate Revelstoke Mountain Resort as a “mountain resort area”. Once the Resort Association is established, each owner of a Strata Lot would automatically become a member of the Resort Association, be bound by the Resort Association’s bylaws and be obligated to pay assessments levied by the Resort Association in accordance with such bylaws. Assessments levied by the Resort Association would vary substantially depending upon the use of the property.

The Developer has not yet established the assessments which would be payable to the Resort Association. For comparative purposes, the year 2008 annual assessments payable for Tourism Sun Peaks (formerly the Sun Peaks Mountain Resort Association) near Kamloops, British Columbia can be summarized as follows (each rate listed below is subject to applicable taxes):

<table>
<thead>
<tr>
<th>Number of Beds</th>
<th>Non-commercial Rate</th>
<th>Commercial Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>$81.68</td>
<td>$403.48</td>
</tr>
<tr>
<td>Two</td>
<td>$163.32</td>
<td>$806.96</td>
</tr>
<tr>
<td>Three</td>
<td>$245.00</td>
<td>$1,210.44</td>
</tr>
<tr>
<td>Four</td>
<td>$326.64</td>
<td>$1,613.92</td>
</tr>
</tbody>
</table>

Tourism Sun Peaks applies the commercial rate to owners who make their units available for rental more than 28 days per year. The assessments for the Resort Association would be dependant on its activities and budget, and could vary materially from those set out above.

(c) Condominium Contracts

The Property Manager has caused the Strata Corporation to enter into contracts with third parties for the provision of services such as landscaping, snow removal, garbage removal and similar services required in connection with the maintenance of the Common Property. The cost of each of such services is contemplated in the budget for the Strata Corporation attached as Exhibit E.

(d) Continuing Sales and Marketing Program

Following the deposit of the Strata Plan, 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. 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.

(e) Helicopters

Prospective purchasers should be aware that owners of certain Strata Lots in the Development will be permitted to construct and make use of helicopter landing pads on their Strata Lots, as described in this Disclosure Statement. Additionally, the Development is adjacent to certain lands on which the Developer intends to construct a separate helicopter landing facility. As a result, owners and occupants of the Strata Lots can expect to experience noises and vibrations associated with this use and activity.

(f) Future Developments in the Vicinity of the Development

The Development is one part of the overall development of Revelstoke Mountain Resort, which will involve other developments adjacent to or in the vicinity of the Development. Such other developments may be carried out by the Developer and its successors and assigns, including purchasers from the Developer. Prospective purchasers should be aware that (i) the construction of these other developments will involve noise, dirt, dust, vibrations and activities normally associated with construction projects, and (ii) lands in the vicinity of the Development that are currently timbered and undeveloped may be the subject of future development, which might involve the removal of trees and the obstruction of current view corridors.
DEEMED RELIANCE

Section 22 of the Real Estate Development Marketing Act provides that every purchaser who is entitled to receive the Original Disclosure Statement, as amended by the Amendments, is deemed to have relied on any false or misleading statement of a material fact contained in the Original Disclosure Statement, as amended by the Amendments, 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 the Original Disclosure Statement, as amended by the Amendments, and any amendments thereto are liable to compensate the purchaser for any misrepresentation, subject to any defences available under section 22 of the Act.

DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the Real Estate Development Marketing Act of British Columbia, as of December 1, 2009.

REVELSTOKE MOUNTAIN RESORT LIMITED PARTNERSHIP, by its General Partner, REVELSTOKE MOUNTAIN RESORT INC.

Per: [Signature]

Title: Director

DIRECTOR OF REVELSTOKE MOUNTAIN RESORT INC.

Andrea Gaglardi

Robert John Gaglardi

Devonna Gaglardi

Robert Thomas Gaglardi
EXHIBIT B
SECTION 219 DEVELOPMENT COVENANT

14 FEB 2008

KAMLOOPS, B.C.

Please receive herewith the following document for filing.

NAME OF APPLICANT: Mccarthy Tetradl
ADDRESS: 1300 - 777 Dunsmuir Street
          Vancouver, BC V7Y 1K2
TELEPHONE: (604) 684-7100

C/O
KERSHAW KUROYAMA REGISTRY SERVICES LTD.
18 - 219 VICTORIA STREET
KAMLOOPS, B.C.
V2C 2A1
372-0485

Signature of Applicant or Agent
STANDARD CHARGE TERMS

FILED BY: REVELSTOEK MOUNTAIN RESORT INC.

SECTION 219 DEVELOPMENT COVENANT TERMS

The following set of Standard Charge Terms charges will be deemed to be included in every Section 219 Covenant General Instrument which incorporates this set of Standard Charge Terms by referring to the filing number hereof, as provided by Section 235 of the Land Title Act.

WHEREAS:

A. The Grantor (as defined herein) is the registered owner of the Lands (as defined herein);

B. In accordance with section 219 of the Land Title Act, a covenant of a negative or positive nature may be registered against title to the land subject to the covenant in favour of any person designated in accordance with such provision, on terms and conditions he or she thinks proper, as covenantee, and, subject to the Land Title Act, is enforceable against the covenanator and the successors in title of the covenanator even if the covenant is not annexed to land owned by the covenantee;

C. The Grantee (as defined herein) has been designated under section 219(3)(c) of the Land Title Act, evidence of which designation has been filed in the Kamloops / Nelson Land Title Office under instrument number LB090393;

D. The Grantee requires that the Grantor enter into this Covenant with the Grantee in accordance with section 219 of the Land Title Act and the Grantor has agreed to do so;

E. The Grantee hereby attests that the Lands encumbered by this Covenant do not lie within an Agricultural Land Reserve.

THEREFORE, in consideration of the amount of $1.00 now paid by the Grantee to the Grantor, the covenants and agreements set out herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby covenant and agree as follows:

1. Definitions. In this Covenant, the following terms have the following meanings:

   (a) “Building Site Plans” means the plan(s) designated as the “Building Site Plans” in the General Instrument.

   (b) “Business Day” means a day that is not a Saturday, Sunday, a statutory holiday, Easter Monday or Boxing Day.

   (c) “City” means the City of Revelstoke.
(d) "Covenant" and "this Covenant" means the General Instrument, together with these Standard Charge Terms, as modified and supplemented in the General Instrument.

(e) "Develop" means to change the use of any land or Improvement, or to carry out any development, construction, engineering or other operations or undertakings whatsoever on, in, over or under land, including, without limitation, any removal or deposit of soil, gravel, rocks, minerals or other fill, any clearing, grading or excavating, any cutting or other removal of trees, landscaping or other vegetation or ground cover or any planting, installing or placing of trees, landscaping or other vegetation or ground cover and "Development" has a corresponding meaning.

(f) "General Instrument" means any Land Title Act General Instrument (including any Form C, Form D or Form E included therein) which incorporates this set of Standard Charge Terms by referring to the filing number hereof, as provided by Section 235 of the Land Title Act.

(g) "Grantee" means Revelstoke Mountain Resort Inc., the party described as the "Transferee" in the General Instrument, being the grantee under this Covenant, and the successors and assigns thereof.

(h) "Grantor" means the party described as the "Transferor" in the General Instrument, being the grantor of this Covenant, and the successors in title thereof, including the owner or owners of each Lot into which the Lands are divided.

(i) "Gross Floor Area" means the total area of all floors of the Single Family Home, measured to the outside surface of exterior walls of the Single Family Home, including all stair wells, basements and cellars but excluding crawl spaces, garages and other parking areas.

(j) "Helicopter Pad" means an Improvement situated on a Lot that is used, designed, prepared, equipped or set apart for use either in whole or in part for the arrival, departure, movement or servicing of helicopters, and includes any installations and equipment situated thereon or associated therewith.

(k) "Improvement" means any building, structure, work, service, utility, soil, gravel, rocks, minerals, other fill, trees, landscaping, vegetation or other ground cover or other improvements of any kind or nature whatsoever, including, without limitation, any Services and Facilities.

(l) "Lands" means the lands legally described in item 2 of the Land Title Act Form C (including any Form E attached thereto) which incorporates these Standard Charge Terms, including any Lot, common property, limited common property or other parcel into which such lands may be subdivided and including the surface, under-surface and ground water on, in or under such lands.
(m)  “Land Title Act” means the Land Title Act (British Columbia), as amended from
time to time.

(n)  “Lot” means any lot or parcel into which the Lands are divided, whether by
subdivision plan, strata plan, bare land strata plan or otherwise however and
includes the common property of any strata plan or bare land strata plan, and the
terms “Lot 1”, “Lot 2”, “Lot 3” and so on refer to the specific lots or strata lots
within the Lands, as shown on the strata plan or bare land strata plan in respect of
the Lands.

(o)  “Plans and Specifications” has the meaning the plans and specifications for any
Improvement or Development, as described in section 5.

(p)  “Services and Facilities” means all services, utilities, amenities and facilities in
respect of or for the use of any of the Lots or any Improvements thereon,
including any roads, curbs, walkways, sidewalks, trails, street lighting, parks,
common areas, community facilities, recreation facilities, water, sanitary sewer,
garbage or solid waste removal or disposal, storm drainage or other drainage
facilities, natural gas, propane, fuel, telephone, electricity, lighting, cablevision,
communication, heating, energy, geothermal energy, ventilation or air
conditioning services and facilities.

(q)  “Single Family Home” means a single family home constructed or to be
constructed on a Lot in accordance with this Covenant.

(r)  “Ski Area Master Plan” means the ski area master plan approved by Her
Majesty the Queen in Right of the Province of British Columbia for Revelstoke
Mountain Resort in accordance with the master development agreement for
Revelstoke Mountain Resort, as amended and replaced from time to time.

(s)  “Standard Charge Terms” means this set of Standard Charge Terms.

2. Interpretation.

(a)  Lot by Lot Basis. If and when the Lands are subdivided into Lots:

(i)  the obligations of the owner of any Lot will only be those obligations
which are applicable in respect of that owner’s Lot or any other Lot owned
by that owner and, without limiting the generality of the foregoing, the
owner of any Lot will only be liable for the payment to the Grantee of any
amount payable under this Covenant in respect of that owner’s Lot or any
other Lot owned by that owner;

(ii) the owner of any Lot will not be affected by any default under this
Covenant other than a default by that owner or a default in respect of that
owner’s Lot or the Improvements thereon; and
(iii) the rights and remedies of the Grantee under this Covenant may only be exercised by the Grantee in respect of any Lot for which there has been a default under this Covenant.

(b) **Scope of Obligations.** All obligations to be observed or performed by the Grantor in favour of the Grantee under this Covenant will be deemed to be the covenants of the Grantor and any tenant or other occupant of the Grantor’s Lot, and all the obligations in favour of the Grantee in this Covenant are made on behalf of the Grantor, any tenant or other occupant of the Grantor’s Lot and those parties’ respective successors and assigns.

3. **General Restriction.** Notwithstanding any of the provisions contained in this Covenant, the Grantor will not Develop the Lands or any portion thereof, including without limitation any Lot, without obtaining the prior written approval of the Grantee, which approval the Grantee may provide in its absolute discretion and which may include conditions which the owner of the Lot must satisfy prior to commencing any Development on the Lot.

4. **Restriction on Improvements.** No Lot may be Developed and the Grantor will not carry out any Improvement or Development in respect of any Lot unless:

   (a) prior thereto:

   (i) the Grantor submits to the Grantee the Plans and Specifications in respect of the proposed Improvement or Development in accordance with this Covenant;

   (ii) the Grantee has issued a written approval of the Plans and Specifications in accordance with this Covenant; and

   (iii) the City has issued any building permit or other required approval in connection therewith;

   (b) such Improvement or Development is carried out in accordance with Plans and Specifications approved by the Grantee in accordance with this Covenant and the Grantor complies with all provisions of this Covenant; and

   (c) such Improvement or Development is carried out in compliance with all applicable laws, ordinances, rules, regulations and orders of the City and any other applicable governmental or regulatory authority.

5. **Plans and Specifications.** The Plans and Specifications will describe the proposed Improvement or Development in reasonable detail, will be prepared in accordance with any applicable provisions of the Building Site Plans and will include the following:

   (a) an accurate site plan to a scale of 1:200 showing all Lot dimensions, building envelopes, contours (existing and proposed), underground Services and Facilities,
driveway locations and grades, building locations and trees and vegetation to be retained;

(b) full architectural drawings, including floor plans, all elevations, sections and site sections and a rendered elevation or sketch showing exterior colours, materials and textures to be used;

(c) a detailed landscape plan for the entire Lot, prepared by a professional landscape architect, showing trees and vegetation proposed to be introduced, existing trees and vegetation to be protected and details of all hard landscaped surfaces; and

(d) such further and other documents, plans, specifications, samples or other materials as the Grantee may require in connection with its consideration of the proposed Improvements or Development.

All Plans and Specifications submitted to the Grantee must be prepared in accordance with, and comply in all respects with, the Building Site Plans. The Grantor will engage the services of a registered professional architect to assist the Grantee in its review of any Plans and Specifications, at the cost of the Grantor.

6 Specific Restrictions

(a) No Improvement, other than any landscaping or other ground cover, driveway, pathway, underground Services and Facilities or a detached garage in compliance with any zoning and other City requirements and approved by the Grantee in accordance with this Covenant will be Developed on any Lot except:

(i) within the building envelope for such Lot shown in dashed lines on the appropriate Building Site Plan for such Lot attached hereto; and

(ii) within any building envelope for such Lot established by the City.

(b) No temporary structure, trailer or residence will be permitted within any Lot except as is reasonably required during any period of construction which is being carried out in accordance with the requirements of this Covenant.

(c) No Development will be commenced unless the Grantor has obtained from the City approval of the Grantor’s plans for fencing or hoarding of any tree preservation areas within the Grantor’s Lot and such fencing or hoarding has been erected to the satisfaction of the City.

(d) No house trailer, travel trailer, mobile home, camper, recreational vehicle, similar or other vehicle or structure designed for or capable of providing overnight accommodation, unlicenced vehicle, commercial truck or other commercial vehicle, boat, trailer, machinery or equipment will be permitted within any Lot for long-term storage (exceeding 14 days), except within wholly-enclosed buildings
or garages or within an area with adequate screening approved in writing by the Grantee.

(e) No Grantor will cause or permit any Improvement on his or her Lot to deteriorate or become unsightly or incompatible with the general character of the neighbourhood in which the Lots are situated, whether as a result of lack of regular and reasonable upkeep, maintenance and repair, or for any other reason whatsoever.

(f) No visible billboard, placard, advertising or signage of any kind will be permitted within any Lot, except for a standard “For Sale” sign when the Lot is for sale, a small and unobtrusive sign identifying a home occupation or business, political signs during any political campaign, or any other sign approved in writing by the Grantee in its discretion.

(g) No Helicopter Pad may be constructed on any Lot other than Lots 12 to 17 inclusive, and any Grantor who wishes to construct a Helicopter Pad on any such Lot must concurrently with its submission of Plans and Specifications to the Grantee as contemplated in section 5 satisfy the Grantee that the Grantor has:

(i) with respect to the construction of the Helicopter Pad, complied with all applicable laws, ordinances, rules, regulations and orders of any applicable governmental or regulatory authority including, without limitation, those of Transport Canada as set out in the Canadian Aviation Regulations with respect to “aerodromes” and, if applicable, “heliports”; and

(ii) with respect to the operation of the Helicopter Pad, either obtained a “heliport certificate” as required under the Canadian Aviation Regulations or determined in conjunction with Transport Canada that such a certificate is not required.

(h) No Single Family Home on any Lot will utilize more Gross Floor Area than is shown as “Buildable sq. ft.” on the Building Site Plan applicable to such Lot.


(a) The Grantee will review and consider any Plans and Specifications submitted to the Grantee in a reasonably timely manner and either approve of or reject such Plans and Specifications and provide the Grantor with written notice thereof. If the Grantee rejects any Plans and Specifications, the Grantee will provide the Grantor with written reasons for such rejection.

(b) The Grantee will be deemed to have approved of Plans and Specifications if the Grantee does not, within 60 days after receipt by the Grantee thereof, either request additional documents, plans, specifications, samples or other materials in writing or give written notice of the rejection thereof, and if the Grantee requests any such additional items, the Grantee will be deemed to have approved of the
subject Plans and Specifications if the Grantee does not, within 45 days after receipt by the Grantee of the all of the additional requested items.

(c) In considering whether or not to approve of any Plans and Specifications, the Grantee may consider such factors as it considers relevant, including, without limitation, the following:

(i) compliance with encumbrances registered against title to the Lots;
(ii) compliance with applicable zoning bylaws;
(iii) compliance with the Ski Area Master Plan, as contemplated in subsection (f);
(iv) screening;
(v) general architectural aesthetics;
(vi) landscaping;
(vii) exterior layout;
(viii) roof slopes and snow dump; and
(ix) exterior materials and colours relative to adjacent or nearby Lots.

(d) If the Grantee rejects any Plans and Specifications, the Grantee may, in its discretion, as part of such rejection, make recommendations for modifications to such Plans and Specifications. The Grantor may modify the Plans and Specifications and re-submit them to the Grantee for approval in accordance with section 3 of this Covenant, in which case, this section 7 will apply to such re-submitted Plans and Specifications as if they were new Plans and Specifications.

(e) The Grantee will have the full authority to determine, in the absolute discretion of the Grantee, whether or not to approve any Plans and Specifications, and in connection therewith the Grantee may waive or relax any of the requirements set out in this Covenant, including those set out in any Appendix hereto, provided always that the Grantee will act in good faith and will not act arbitrarily or with manifest unreasonableness.

(f) In reviewing any Plans and Specifications, the Grantee will take into account any requirements under the Ski Area Master Plan and the approval of Plans and Specifications by the Grantee will mean that the approved Plans and Specifications have been prepared in accordance with any applicable requirements set out in the Ski Area Master Plan.

8. **Completion of Improvements.** The Grantor agrees that for each Lot:
(a) the Grantor must commence the Single Family Home within 36 months after the registration of the first transfer of the Lot from Revelstoke Alpine Village Inc. to the first purchaser in respect of that Lot, as evidenced by the issuance of a building permit by the City;

(b) the Grantor must complete the Single Family Home within the earlier of:

(i) 24 months after the issuance of a building permit by the City; and

(ii) 60 months after the registration of the first transfer of the Lot from Revelstoke Alpine Village Inc. to the first purchaser in respect of that Lot, as evidenced by the issuance of an occupancy permit by the City;

(c) the Grantor will not unduly delay or discontinue the carrying out of any Improvement or Development once it is commenced; and

(d) Upon the substantial completion of any Improvement or Development, the Grantor will deliver to the Grantee a written certificate from a duly licenced architect or engineer responsible for construction, in a form reasonably satisfactory to the Grantee, certifying that the Improvement or Development (including all landscaping and driveway surfacing) has been substantially completed in accordance with the approved Plans and Specifications and this Covenant, and the Grantee will thereafter return any security deposit held by the Grantee in respect of the Lot.

9. **Damaged Improvements.** No Grantor will permit any damaged Improvement to remain in its damaged state unless the Grantor is pursuing with all due diligence reasonable steps to either repair the damaged Improvement or its pre-damaged condition or to completely remove the damaged Improvement and restore and clean up the Lot in a good and workmanlike manner forthwith after such removal.

10. **Alterations, Maintenance and Repairs.** No material alteration to or modification, maintenance or repair of any Improvement will be carried out unless Plans and Specifications are submitted to and approved by the Grantee in accordance with this Covenant and unless the Grantor complies with all other provisions of this Covenant in respect thereof as if it was a new Improvement.

11. **Approval by Grantee.** Wherever and whenever the approval or consent of the Grantee is required to be obtained pursuant to this Covenant, such approval or consent may be given by such officer, agent, committee, person or persons as may from time to time be nominated or appointed in writing by the Grantee for such purpose, and such power of appointment or right of nomination may be delegated by the Grantee.

12. **Default.** If the Grantor is in default of any material obligation under this Covenant, the Grantee may, upon notification to the Grantor, assess the Grantor $2,000 for the occurrence of such default for any Lot ($2,000 per Lot per occurrence) and $150 per day for any Lot for each day such default continues ($150 per Lot per day), from and
including the day of such default, and the Grantor will pay any such assessments within
10 days after receipt by the Grantor of written notice thereof. Notwithstanding the
foregoing, the amounts specified in this section are the amounts payable in respect of any
default occurring in the 2008 calendar year. For any default occurring after that year, any
amount payable under this section will be calculated to be the product of (A) the amount
specified in this section and (B) a fraction having as its numerator the CPI on the date of
default and as its denominator the CPI on the date of registration of this Covenant. The
Grantor hereby agrees that all amounts set out or calculated in accordance with this
section constitute fair and reasonable damages for the harm caused as a result of a default
of any material obligation of the Grantor under this Covenant. The Grantee may apply
any security deposit collected from the Grantor toward the payment of any such amount,
without prejudice to any other right or remedy of the Grantee, including, without
limitation, the right to claim any amount in excess of any security deposit.

13. Force Majeure. In the event of the interruption of the carrying out of any Improvement
or Development by reason of strike, lockout, labour dispute, act of God, inability to
obtain labour or materials, enemy or hostile action, civil commotion, or fire or other
casualty, then the dates for the performance of any act or thing under this Covenant will
be extended by the period of such interruption.

14. Notices. Any notice, demand or other communication to the Grantee in respect of this
Covenant will be in writing and may be given to the Grantee at 204-19 Street West,
Revelstoke, British Columbia, V0E 2S0 or such other address as the Grantee may notify
the Grantor in accordance with this section. Any notice, demand or other communication
to any Grantor in respect of this Covenant will be in writing and may be given to the
Grantor at the Grantor’s address shown on title to the Lot according to Land Title Office
records. A written notice, demand or other communication will be deemed to be received
(i) when delivered, if delivered by hand, or (ii) five Business Days after the mailing
thereof, if mailed by postage prepaid mail in a post office box in the Province of British
Columbia.

15. Nature of Provisions. The provisions of this Covenant are in addition to, and not in
substitution for, any other applicable laws, bylaws, rules, regulations or orders of any
applicable authority and any other contractual requirements or requirement under any
encumbrance registered against title to any of the Lots.

16. No Liability for Subsequent Breach. No Grantor will be liable for any breach of this
Covenant in respect of any Lot to the extent that such breach arises after such person has
ceased to be the owner of the Lot.

17. Discretion to Grant Exemption. The Grantee reserves the right to exempt any Lot or Lots
which have not been disposed of by Revelstoke Alpine Village Inc. at the time the
exemption takes effect from all or any of the restrictions and benefits herein.

18. Runs With the Lots. This Covenant will run with and bind each of the Lots and each and
every portion thereof and will render each and every owner or occupier of the Lots at any
time and from time to time subject to the restrictions hereof.
19. **Role of Grantee.** Nothing contained in this Covenant and no action or failure to act on the part of the Grantee will render either the Grantee liable for any loss, cost, damage, claim, action, cause of action or liability whatsoever.

20. **Severability.** If any provision of this Covenant is found by a court of competent jurisdiction to be void or unenforceable, such provision will be severed from this Covenant and the remaining provisions of this Covenant will remain in full force and effect.

IN WITNESS WHEREOF the parties have executed and delivered this Covenant by signing the General Instrument.
LAND TITLE ACT
FORM C
Province of British Columbia

GENERAL INSTRUMENT – PART 1
(This area for Land Title Office use)

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant’s solicitor or agent)
   Russell Benson, McCarthy Tétrault LLP
   1300-777 Dunsmuir Street, Vancouver, B.C. V7Y 1K2
   Phone: (604) 643-7100  Client No. 010452

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:* (LEGAL DESCRIPTION)
   PID: No PID
   Lot 1, Section 13, Township 23, Range 2, West of the 6th Meridian,
   Kootenay District, Plan NEP 85929

3. NATURE OF INTEREST:* DESCRIPTION DOCUMENT REFERENCE (PAGE AND PARAGRAPH)
   PERSON ENTITLED TO INTEREST
   Section 219 Covenant
   Entire Instrument
   Transferee

4. TERMS: Part 2 of this instrument consists of (select one only):
   (a) Filed Standard Charge Terms □  D.F. Number: ST080089
   (b) Express Charge Terms □  Annexed as Part 2
   (c) Release □  There is no Part 2 of this instrument.
   A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

TRANSFEROR(S):*

REVELSTOKE ALPINE VILLAGE INC. (Incorporation Number BC0770402)

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

REVELSTOKE MOUNTAIN RESORT INC. (Incorporation Number BC0781736), of 204B 1st Street West, Revelstoke, B.C. V0E 2S0, a company designated under section 219(3)(c) of the Land Title Act (see instrument number LB090393)
7. ADDITIONAL or MODIFIED TERMS:* See Schedule

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

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

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

** If space insufficient, continue executions on additional page(s) in Form D.
7. ADDITIONAL OR MODIFIED TERMS:

The parties acknowledge and agree that Standard Charge Terms ST080090 are hereby modified and supplemented as follows:

(1) For the purposes of the Standard Charge Terms and this General Instrument:

   (a) “Standard Charge Terms” means the standard charge terms filed under number ST080090; and

   (b) “this General Instrument” means this Form C General Instrument, together with any Form D and Form E attached hereto.

   Capitalized terms used in these Additional or Modified Terms and not defined herein have the meanings assigned to such terms in the Standard Charge Terms.

(2) For the purposes of the Standard Charge Terms and this General Instrument, the “Building Site Plan(s)” are the plan(s) attached as Schedule A to this General Instrument.

(4) By executing this General Instrument, the Transferor acknowledges that it has received from the Transferee a true copy of the Standard Charge Terms filed under number ST080090.
**EXHIBIT C**

**FORM V (STRATA PROPERTY ACT) – SCHEDULE OF UNIT ENTITLEMENT**

**EXHIBIT C**

---

**Strata Property Act**

**FORM V**

**SCHEDULE OF UNIT ENTITLEMENT**

(Sections 245(a), 246, 264)

Re: Strata Plan NES, being a strata plan of Lot 1, Section 13, Township 23, Range 2, West of the 6th Meridian, Kootenay District, Plan NEP 85929

---

**Bare Land Strata Plan**

The unit entitlement for each bare land strata lot is one of the following, as set out in the following table:

- ☑ (a) a whole number that is the same for all of the strata lots in the strata plan as set out in section 246(6)(a) of the Strata Property Act.
- ☐ (b) a number that is approved by the Superintendent of Real Estate in accordance with section 246(6)(b) of the Strata Property Act.

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Signature of Superintendent of Real Estate

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* expression of percentage is for informational purposes only and has no legal effect

** not required for a phase of a phased strata plan

Date: January 30, 2008

Signature of Owner Developer
EXHIBIT D
FORM Y (STRATA PROPERTY ACT) – NOTICE OF DIFFERENT BYLAWS AND COPY OF STANDARD STRATA PROPERTY ACT BYLAWS

EXHIBIT D

Strata Property Act
Form Y

OWNER DEVELOPERS' NOTICE OF DIFFERENT BYLAWS
(Section 245 (d); Regulations section 14.6 (2))

Re: Strata Plan NES 063889, being a strata plan of:

No PID

City of Revelstoke
Lot 1
Section 13, Township 23
Range 2, West of the 6th Meridian
Kootenay District
Plan NEP 8592

The following bylaws differ from the Standard Bylaws to the Strata Property Act, as permitted by section 120 of the Act:

1. **Late Payment of Strata Fees.** Bylaw 1 of the Standard Bylaws is hereby amended by adding the following to the end thereof:

   "If an owner is late in paying his or her strata fees, the owner must pay to the strata corporation interest on the late payment in the amount of 10% per annum, calculated and compounded annually, from and including the date the payment was due to the date on which payment is made."

2. **No Undue Traffic or Noise.** Bylaw 3(1) of the Standard Bylaws is hereby amended by adding the following to the end thereof:

   "(f) creates undue traffic or noise in or about the strata lot or common property between the hours of 11:00 p.m. and 7:00 a.m."

   and, as a consequence thereof, Bylaw 3(1) is amended by deleting the word "or" from the end of Bylaw 3(1)(d) and replacing the "." at the end of Bylaw 3(1)(e) with ", or".

3. **Council Member in Default.** The following new Bylaw 10(3) is hereby added to the Standard Bylaws:

   "(3) No person may be elected to council or continue to be on council if the strata corporation is entitled to register a lien under the Act against a strata lot in which that person has an interest."
4. **Quorum for Strata Corporation Meetings.** The following new Bylaw 25.1 is hereby added to the Standard Bylaws immediately after Bylaw 25:

"Quorum for Annual or Special General Meetings

25.1 If within ½ hour from the time appointed for any annual or special general meeting a quorum is not present, the eligible voters then present in person or by proxy constitute a quorum."

5. **Defaulting Owner.** The following new Bylaw 27(8) is hereby added to the Standard Bylaws:

"(8) An owner may not exercise the owner’s vote in respect of the owner’s strata lot if the strata corporation has registered or is entitled to register a lien under the Act against that owner’s strata lot, except on matters requiring a unanimous vote."

6. **Miscellaneous New Bylaws.** The following provisions are hereby added to the end of the Standard Bylaws:

"Division 8 -- Miscellaneous Matters

**Strata Lots Include Improvements**

31. In these bylaws, the term “strata lot” includes all improvements within the strata lot.

**Small Claims Actions**

32. Notwithstanding any provision in the Act, the strata corporation may proceed under the Small Claims Act (British Columbia) against an owner or other person to collect money owed to the strata corporation, including, without limitation, money owed as a monthly assessment, special assessment or fine, without requiring authorization by a resolution passed by a ¾ vote.

**Parking on Common Property**

33. No owner will park or permit any person to park any car, truck, camper, trailer, motorcycle, snowmobile or other vehicle of any kind whatsoever on any portion of the common property."
Signage

34. No visible billboard, placard, advertising or signage of any kind will be permitted within any strata lot or the common property, except for a standard “For Sale” sign when a strata lot is for sale, political signs during any political campaign, or any other sign approved in writing by the strata council in its discretion.

Collection of Amenities Rent Charges

35. The strata corporation will be entitled to collect from the owners as part of their regular monthly assessments or by special levy all amounts payable to Revelstoke Mountain Resort Inc. (“RMRI”) or its successor pursuant to the Rent Charge registered under number (A.4.163) in favour of RMRI, as amended, superseded and replaced at any time and from time to time, such amounts to be allocated to each strata lot based on the allocation made by RMRI in the calculation of the amounts that are payable (or, if there is no allocation to each strata lot or if the allocation to the strata lots is not known, based on unit entitlement) and payable monthly as part of regular monthly assessments or concurrently with the payment of regular monthly assessments, and the strata corporation will remit all amounts collected to RMRI or its successor.

Use of Helicopter Pads

36. Without limiting the generality of bylaw 3(1), no owner, tenant, occupant or visitor will use or permit to be used a helicopter pad situated on a strata lot for the arrival, departure, movement or servicing of helicopters:

(a) between the hours of 7:00 p.m. and 8:00 a.m.; and

(b) other than by a commercial helicopter operator then facilitating a recreational purpose such as, without limitation, helicopter skiing, helicopter hiking or helicopter bicycling.”

Date: January 30, 2008

REVELSTOKE ALPINE VILLAGE INC.

Per: [Signature of Owner Developer]
EXHIBIT E
STRATA CORPORATION BUDGET AND MONTHLY ASSESSMENTS

<table>
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<th>Mackenzie Landing NES3389</th>
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<td>Approved Operating Budget</td>
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<td>May 1, 2009 - April 30, 2010</td>
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<td>Snow Clearing &amp; Removal</td>
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| **Total Operating Expenses** | **$ 52,200** |
| Net Income (Deficit) |

| Reserve Fund Contribution | $ 5,190 |
Mackenzie Landing
Monthly Fees

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EXHIBIT F
FORM J (STRATA PROPERTY ACT) - RENTAL DISCLOSURE STATEMENT

Re: Proposed Strata Plan NES ____________ to be located on a portion of lands legally described as:

Parcel Identifier: 012 182-613
Legal Subdivision 5
Section 13, Township 23
Range 2, West of the 6th Meridian
Kootenay District
Except Plans 12547, 15044 and NEP79103

and

Parcel Identifier: 012-586-285
The West Half of the Northwest Quarter of
Section 13, Township 23
Range 2, West of the 6th Meridian
Kootenay District
Except Plan 15044

1. The development described above will include 25 residential strata lots.

2. The residential strata lots described below are rented out by the owner developer as of the date of this statement and the owner developer intends to rent out each strata lot until the date set out opposite its description.
   NIL.

3. In addition to the number of residential strata lots rented out by the owner developer as of the date of this statement, the owner developer reserves the right to rent out all of the proposed strata lots until September 26, 2107.

4. There is no bylaw of the strata corporation that restricts the rental of strata lots.

Date: September 26, 2007

REVELSTOKE ALPINE VILLAGE INC.

[Signature]

200619-392594
VDO_DOCS #1653690 v. 2
EXHIBIT G
CONTRACT OF PURCHASE AND SALE

REVELSTOKE MOUNTAIN RESORT LIMITED PARTNERSHIP

MACKENZIE LANDING

CONTRACT OF PURCHASE AND SALE

DATE OF OFFER: ______________________

“Seller”
Revelstoke Mountain Resort Limited Partnership
204B 1st Street West
P.O. Box 2460
Revelstoke, British Columbia
V0E 2B0
Telephone: (888) 837-2188
Fax: (250) 837-6860

“Buyer”

Name
Address

City Province Postal Code
City Province Postal Code

Occupation
Tel (Home):
Tel (Work):
Fax:

This Buyer is / is not a resident of Canada for income tax purposes.
If this Buyer is an individual:
ID# ______________________
If this Buyer is a corporation:
Names of Corporate Directors:

[Photocopy of the corporate record that refers to the power to bind the corporation must be attached to this Contract.]
“Lot”: The “Lot” is the bare land strata lot in the Mackenzie Landing bare land strata lot development (the “Development”), as set out in the Disclosure Statement dated September 26, 2007 in respect of the Development, as amended from time to time.

“Purchase Price”: $____________
The Purchase Price is exclusive of applicable taxes, including goods and services tax (“GST”), harmonized sales tax (“HST”) (including the provincial component of the HST) or any other federal or provincial sales, service, value added or other tax (“Tax”). The Buyer acknowledges that GST and HST (including the provincial component of the HST) are, without duplication, applicable to the sale and purchase of the Lot and payable by the Buyer, and that the Buyer will be solely responsible for applying to the appropriate governmental authorities in order to obtain any applicable new housing rebate.

“Deposit”: $__________

“Completion Date”: ____________
The Buyer hereby offers to purchase the Lot from the Seller for the Purchase Price and on the following terms and conditions:

1. Deposit. The Deposit will be paid to Sotheby’s International Realty Canada, “in trust”, and held in accordance with the Real Estate Development Marketing Act (British Columbia). All interest earned on the Deposit (less a reasonable administration fee of up to $100.00 per strata lot) will be for the benefit of the Buyer unless the Deposit is forfeited to the Seller. The Buyer will pay the Deposit upon the execution and delivery of this Contract by the Buyer. The Deposit will be non-refundable except as otherwise set out herein. If the Buyer defaults in any of the Buyer’s obligations hereunder, then the Seller may, at its election, terminate this Contract and retain the Deposit and all interest earned thereon as liquidated damages (being a genuine pre-estimate of the minimum amount of damages the parties agree the Seller is expected to suffer as a result of termination), without prejudice to the Seller’s other remedies, including a right to recover additional damages. The Seller will not be obligated to accept payment of any portion of the Deposit by credit card.

2. Completion Date. The Buyer will pay the balance of the Purchase Price by certified cheque on the Completion Date.

3. Possession and Adjustments. The Buyer will have vacant possession of the Lot on the day following the Completion Date after payment of the Purchase Price, free from all encumbrances except those registered on title to the Lot, those described in the Disclosure Statement for the Development, as amended from time to time, encumbrances pursuant to the original Crown grant or any applicable statutory provision and financial encumbrances to be discharged as set out in section 5 below. The Buyer will assume all taxes, rates, assessments and other charges from and including the Completion Date and all adjustments will be made as of the Completion Date. If the amount of any such taxes, rates or assessments have been levied in respect of a parcel larger than the Lot, the portion thereof which shall be allocated to the Lot will be determined by prorating the total amount among all lots in that part of the Development for which the same have been levied on the basis of the respective values of the lots, as determined by the Seller, acting reasonably.

4. Liens / Lien Holdback. The portion, if any, of the Purchase Price required by law to be held back by the Buyer in respect of potential builders’ lien claims (the “Lien Holdback”) will be paid to the Seller’s lawyer on the Completion Date. The Lien Holdback will be held by the Seller’s lawyer in trust pursuant to the Strata Property Act (British Columbia) and the Builders Lien Act (British Columbia), with interest for the benefit of the Seller, solely in respect of builders’ lien claims registered in the Land Title Office in connection with work done at the behest of the Seller. The Seller’s lawyer is authorized to invest the Lien Holdback in an interest bearing trust account and to pay to the Seller on the earlier of (i) the 30th day after the Completion Date and (ii) the 40th day after the date of issuance of a certificate of completion under the
 Builders Lien Act (British Columbia) for the general construction contract for the Development, the Lien Holdback plus interest earned, less the amount representing builders’ lien claims filed against the Lot of which the Buyer or the Buyer’s lawyer/notary notify the Seller’s lawyer in writing by 1:00 p.m. that day. The Buyer hereby authorizes the Seller and the Seller’s lawyer to do all things necessary to discharge any builders’ liens, including bringing court proceedings in the name of the Buyer, provided that any such proceedings will be solely at the expense of the Seller.

5. Completion / Risk / Time. The Buyer’s lawyer/notary will prepare and deliver the required Transfer and Statement of Adjustments to the Seller’s lawyer at least five days prior to the Completion Date. The Seller will not be required to execute or deliver any other agreements, transfer documents, certificates, statutory declarations or assurances whatsoever. Following the delivery of such documents to the Seller, the Seller will execute (and, in the case of the Transfer, cause the holder of legal title to execute) and deliver to the Buyer’s lawyer/notary the Transfer and Statement of Adjustments on the condition that the Buyer’s lawyer/notary pay to the Seller’s lawyer the balance of the adjusted Purchase Price on the Completion Date by way of a certified cheque forthwith upon receipt of a satisfactory post-registration computer title search in accordance with this Contract, or to return such documents unregistered. The Buyer acknowledges and agrees that the transfer of title may be subject to the Seller’s financing for the Development provided that the Seller’s lawyer undertakes to clear title to the Lot of encumbrances relating to such financing within a reasonable time after receiving the balance of the adjusted Purchase Price payable to the Seller on closing. The Lot will be at the Seller’s risk until 12:01 a.m. on the Completion Date and thereafter at the Buyer’s risk. Time will be of the essence of this Contract and will remain of the essence notwithstanding the extension of any of the dates herein. The Buyer acknowledges that the Lot is or will be held by Revelstoke Alpine Village Inc. on behalf of the Seller and agrees to take a transfer of title from Revelstoke Alpine Village Inc. or its successor in title and the parties agree that such transfer will be deemed to effect a transfer of the Seller’s beneficial interest in the Lot to the Buyer. The Seller will provide the Buyer with an executed transfer of beneficial interest in favour of the Buyer if requested by the Buyer or the Buyer’s lawyer or notary.

6. Costs / Tax. The Buyer will pay all Tax, costs and expenses in connection with the completion of the sale and purchase of the Lot other than the costs of the Seller incurred in clearing title to the Lot of financial encumbrances. The Buyer will pay the Tax to the Seller concurrently with the payment of the Purchase Price payable on closing and the Seller will remit the GST or HST (as applicable) collected to Canada Revenue Agency and the Buyer will be solely responsible to collect any applicable rebate of the Tax.

7. No Assignment. The Buyer may not directly or indirectly assign the Buyer’s interest in this Contract or direct the Seller to transfer title to the Lot to any third party without the prior written consent of the Seller, which consent may be withheld in the Seller’s sole discretion. No assignment or consent thereto will release or discharge the Buyer from any of the Buyer’s duties or obligations under this Contract.

8. Financial and Identification Information. The Buyer hereby:

(a) consents to and authorizes the Seller and its agents to obtain an information report on the Buyer from a consumer reporting agency, or to give information about the Buyer or receive such information from any credit reporting agency or any financial institution;

(b) agrees to provide to the Seller within three (3) days of receipt of a written request from the Seller such financial information in respect of the Buyer as the Seller may reasonably require in order to satisfy itself, in its sole discretion, with the Buyer’s ability to fulfill its obligations under this Contract;

(c) agrees that if the Buyer is a corporate entity, it will cause each of its directors, officers and shareholders to complete, execute and provide to the Seller within three (3) days of the execution of this Contract by the Seller, the Information Consent and Authorization form attached as Schedule B,
(d) agrees that if funds pursuant to this Contract are provided by a third party, it will cause such third party to complete, execute and provide to the Seller within three (3) days of delivery of the funds to the Seller, the Information Consent and Authorization form attached as Schedule B, together with such personal identification information as may be required by the Seller to comply with its legal obligations and its company policies; and

(e) agrees to provide to the Seller, within three (3) days of the execution of this Contract by the Seller, any additional personal information not contained herein that is required in order for the Seller to comply with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and regulations, rules, policies thereunder or related thereto.

All of the information contemplated in this section 8 is collectively referred to as the “Required Information”.

The Buyer hereby consents to the collection, use and disclosure of the Required Information contemplated by this Contract and otherwise collected by or on behalf of the Seller and its agents, affiliates and service providers, for the following purposes: (i) to complete the transaction contemplated in the Contract; (ii) to facilitate the completion of the Development; (iii) to facilitate the management of the Development, including transferring management of the Development to a property manager; (iv) to market, sell, provide and inform the Buyer of products and services of the Seller and its affiliates and partners, including information about future projects; (v) to facilitate the Seller’s due diligence in respect of the Buyer; (vi) to disclose to the Seller’s affiliates, business partners, bankers, lenders, lawyers, accountants and other advisors and consultants in furtherance of any of the foregoing purposes; and (vii) to comply with the Seller’s legal obligations.

9. Miscellaneous. This Contract is the entire agreement between the parties and there are no representations, warranties, conditions or collateral agreements, express or implied, whether made by the Seller, any agent, employee or representative of the Seller or any other person applicable hereto including, without limitation, arising out of any marketing material such as advertisements, sales brochures, representative view sets, model displays, show room displays, photographs, illustrations or renderings provided to the Buyer or made available to the Buyer for viewing, other than those contained herein or in the Disclosure Statement. This Contract may not be modified or amended except by an express agreement in writing duly executed and delivered by both of the parties. The Seller represents and warrants to the Buyer that the Seller is not a non-resident of Canada for the purposes of the Income Tax Act (Canada). The covenants, terms, conditions, representations and warranties contained herein will survive completion and the conveyance of the Lot to the Buyer. This Contract will be governed by and construed in accordance with the laws of British Columbia. If the Buyer is comprised of more than one person, the covenants and obligations of all parties comprising the Buyer are joint and several.

10. Notices / Buyer’s Lawyer/ Notary. Any notice to the Seller will be addressed to the Seller at its address set out above. Any notice to the Buyer may be made to the Buyer at the Buyer’s address set out above or to the Buyer’s lawyer/notary. The Buyer will notify the Seller of the name and address of the Buyer’s lawyer/notary as soon as reasonably possible and in any event will in advance of closing. Notices will be deemed to be received (i) on the date of receipt if delivered or sent by fax, or on the next business day if delivered or sent by tax on a day that is not a business day in British Columbia, or (ii) three business days after the mailing thereof, if sent by postage prepaid mail. Either party may change its address for notices by a written notice given in accordance with this provision.

11. Buyer’s Acknowledgements re: Other Developments. The Buyer acknowledges that the Development is one part of the overall development of Revelstoke Mountain Resort, which will involve other developments adjacent or in the vicinity of the Development, to be carried out by the Developer and its successors and assigns, including purchasers from the Developer, and the Buyer hereby acknowledges and accepts that (1) the construction of these other developments will involve noise, dirt, dust, vibrations and activities normally associated with construction projects, and (2) lands in the vicinity of the Development that are
currently timbered and undeveloped may be the subject of future development, which may result in the removal of trees and the obstruction of current view corridors.

12. **No Interest in Land.** This Contract creates contractual rights only and not any interest in land.

13. **Subdivision Approval Requirements.** If in connection with the approval of the subdivision of the Development any applicable authority or agency requires any material change to the lot lines of the Lot from the lot lines shown in the Disclosure Statement, then the Seller will give the Buyer written notice thereof and either party may terminate this Contract within 10 days of receipt by the Buyer of such written notice. In the event of such a termination, the Deposit and all interest earned thereon will be returned to the Buyer and the parties will have no further rights or obligations hereunder.

14. **Major Outside Event.** The parties agree that if (i) any act of God, accident or other event beyond the reasonable control of the Seller, (ii) any condition discovered within the Development or in the vicinity of the Development, including, without limitation, any soil or environmental condition, or (iii) any action or step taken by any applicable governmental or regulatory authority, renders it impossible or not reasonably feasible or economical for the Seller to perform its obligations under this Contract, then the Seller may terminate this Contract upon written notice to the Buyer, upon which the Seller will return to the Buyer the Deposit and any interest earned thereon.

15. **Deposit Insurance.** In accordance with the Real Estate Development Marketing Act (British Columbia), if the Seller enters into either an insurance contract with an approved insurer or another acceptable form of security agreement in accordance with such legislation with respect to the Deposit, the Deposit (or any portion thereof as has been paid by the Buyer) will be released to the Seller in accordance with such insurance contract or security agreement and the provisions of section 1 of this Contract shall be deemed to have been amended accordingly. The Buyer will execute and deliver any agreement, confirmation or other document and provide any other assurance as may be required by the Seller in connection with this section 15.

16. **Seller's Discretion to Terminate.** The Seller may in its sole discretion terminate this Contract if:

(a) The Buyer fails to provide to the Seller, within the time limited herein, the Required Information necessary to ensure the Seller's compliance with the Seller's legal obligations and its company policies; or

(b) The Seller has reasonable grounds to suspect that any part of the transaction contemplated by this Contract is related to the commission or attempted commission of a "money laundering offence" or a "terrorist activity financing offence", as defined in the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and Regulations under that Act, as amended from time to time.

In the event of such termination, the Deposit will be absolutely forfeited to the Seller as liquidated damages (being a genuine pre-estimate of the minimum amount of damages the parties agree the Seller is expected to suffer as a result of termination), without prejudice to the Seller's other remedies, including a right to recover additional damages.

17. **Schedules.** The parties acknowledge and agree that this Contract includes the following schedules:

(a) Schedule "A": Section 219 Development Covenant Provisions

(b) Schedule "B": Information Consent and Authorization
18. Offer. This offer or, if applicable, counter-offer, will be open for acceptance until ____ a.m./p.m. on ____ and upon written acceptance and notification to the offer party of such acceptance, this Contract shall form a binding contract between the parties on the terms and conditions set forth herein.

The Buyer acknowledges that the Buyer has received a copy of and has been given an opportunity to read the Disclosure Statement and any amendments to date, or a consolidation thereof, and that this Contract constitutes a receipt in respect thereof. The Buyer acknowledges that the information in section 7.2 of the Disclosure Statement regarding this Contract has been drawn to the Buyer’s attention.

THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE CONTRACT BEFORE YOU SIGN.

X
(Witness’s Signature) (Print Buyer’s Name) (Buyer’s Signature)

X
(Witness’s Signature) (Print Buyer’s Name) (Buyer’s Signature)

19. Acceptance. The Seller hereby accepts the Buyer’s above offer to purchase the Lot and agrees to complete the sale of the Lot on the terms and subject to the conditions set out above.

The Seller’s Acceptance is dated ____________________________

REVELSTOKE MOUNTAIN RESORT LIMITED
PARTNERSHIP, by its General Partner, REVELSTOKE MOUNTAIN RESORT INC.

Per: ____________________________________________
SCHEDULE “A” TO CONTRACT OF PURCHASE AND SALE
Mackenzie Landing, Revelstoke Mountain Resort

SECTION 219 DEVELOPMENT COVENANT PROVISIONS

BETWEEN: Revelstoke Mountain Resort Limited Partnership (the “Seller”)
AND: ___________________________ (the “Buyer”)

The following provisions are hereby incorporated into the contract of purchase and sale (the “Contract”) between the Seller and the Buyer to which this Schedule is attached:

1. Terms defined in the Contract or the Disclosure Statement have the same meaning in this Schedule.

2. The Buyer hereby acknowledges and agrees that the Buyer is bound by all of the provisions set out in the Section 219 Development Covenant in favour of Revelstoke Mountain Resort Inc., as described in the Disclosure Statement, as amended and as registered against title to the Lot (collectively, the “Development Covenant”), whether or not such provisions run with the Lot, and the Buyer hereby joins in with all of the covenants and agreements set out in the Development Covenant.

3. The Buyer acknowledges receipt of the current form of Development Covenant and that the Buyer has had an opportunity to read and understand the Development Covenant.

4. The Buyer will pay all the fees and charges payable in accordance with the Development Covenant.

5. The Buyer hereby fully releases and discharges and agrees to indemnify and hold harmless the Seller, Revelstoke Mountain Resort Inc. and all of their directors, officers, employees, agents, contractors, consultants and partners from and against any loss, cost, damage, claim, action, cause of action or liability whatsoever (including any legal costs and expenses on a solicitor and client basis) arising from, in respect of or in connection with the Development Covenant, the review, approval or rejection of any plans and specifications thereunder or any development of or construction on the Lot whatsoever.

6. Subject to section 7, to secure its obligations under the Development Covenant, the Buyer will post a $25,000 security deposit (the “Security Deposit”) at the time it submits its Plans and Specifications (as defined in the Development Covenant) to Revelstoke Mountain Resort Inc. for approval.

7. The Buyer will not sell, assign, transfer, convey or otherwise dispose of the Lot to any person prior to the completion of a single family home thereon, unless prior thereto:
   (a) the Buyer posts, or causes such person to post the Security Deposit; and
   (b) the Buyer causes such person to assume all of the Buyer’s covenants, duties and obligations under this Schedule, in a form and content satisfactory to the Seller.

8. The Buyer will execute and deliver any further agreement, document or instrument and do and perform any further act or thing as may be required by the Seller at any time and from time to time in order to evidence or give full force and effect to the terms, conditions and intent of this Schedule.
SCHEDULE “B” TO CONTRACT OF PURCHASE AND SALE

Mackenzie Landing, Revelstoke Mountain Resort

INFORMATION CONSENT AND AUTHORIZATION

TO: REVELSTOE MOUNTAIN RESORT LIMITED PARTNERSHIP (the “Seller”)  

RE: Contract of Purchase and Sale (the “Contract”) dated ____________, 20__ between the Seller and (the “Buyer”) in respect of sale and purchase of Strata Lot __ in Mackenzie Landing at Revelstoke Mountain Resort

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, I

(name) of ___________________ (address) confirm I am a ___________________ (director/officer/shareholder) of the ___________________.

Buyer and/or am providing funds required pursuant to the Contract, and hereby:

1. consent to and authorize the Seller and its agents to obtain an information report on me from a consumer reporting agency, or to give information about me or receive such information from any credit reporting agency or any financial institution;

2. agree to provide to the Seller within three (3) days of receipt of a written request from the Seller such financial information as the Seller may reasonably require in order to satisfy itself, in its sole discretion, with the Buyer’s ability to fulfill its obligations under the Contract, and

3. consent to the collection, use and disclosure of personal information collected by or received by or on behalf of the Seller and its agents pursuant to this Information Consent and Authorization for the following purposes: (a) to complete the transaction contemplated in the Contract; (b) to facilitate the Seller’s due diligence in respect of the Buyer; (c) to disclose such personal information to the Seller’s affiliates, business partners, bankers, lenders, lawyers, accountants and other advisors and consultants in furtherance of any of the foregoing purposes; and (d) to comply with the Seller’s legal obligations and its company policies.

DATED THIS ___________ DAY OF ____________________, 20__

Witness

Name:

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