

**DISCLOSURE STATEMENT**  
**WESTERN ROCKIES ESTATES LTD.**

**January 21 2009**

This Disclosure Statement is presented by the Developer, Western Rockies Estates Ltd.

Address for Service:                   c/o Ewan & McKenzie  
  PO Box 429  
  515 - 9th Avenue North  
  Golden, British Columbia VOA 1H0

Business Address:                   1297 Campbell Road  
  Golden, British Columbia VOA 1H7

Real estate brokerages acting on behalf of the Developer:

Remax of Golden	Century 21 Golden Realty Ltd.
PO Box 883	PO Box 109
420D - 9th Avenue N.	512 - 9 <sup>th</sup> Avenue N.
Golden, BC VOA 1H0	Golden BC VOA 1H0

The Developer also intends to market the subdivision lots. Its employees are not licensed under the *Real Estate Services Act* and are not acting on behalf of the purchaser.

**This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether the Disclosure Statement contains a misrepresentation or otherwise fails to comply with the requirements of the *Real Estate Development Marketing Act*. It is the responsibility of the developer to disclose plainly all material facts, without misrepresentation.**

**This Disclosure Statement relates to a development property that is not yet completed. Please refer to section 7.2 for information on the purchase agreement. That information has been drawn to the attention of:**

\_\_\_\_\_

**(insert purchaser's name on this line)**

**who has confirmed that fact by initialing in the space provided here:**

\_\_\_\_\_

### **RIGHT OF RESCISSION**

**Under section 21 of the *Real Estate Development Marketing Act*, the purchaser or lessee of a development unit may rescind (cancel) the contract of purchase and sale or contract to lease by serving written notice on the developer or the developer's brokerage, within 7 days after the later of the date the contract was entered into or the date the purchaser or lessee received a copy of this Disclosure Statement.**

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

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

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

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**EXHIBITS TO DISCLOSURE STATEMENT**

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**1. THE DEVELOPER**

- 1.1 The Developer, Western Rockies Estates Ltd., was incorporated under the laws of the Province of Alberta on July 11 2006 under number 2012545360 and extraprovincially registered in British Columbia on 2006/07/11 under number A0068875.
- 1.2 The Developer was incorporated specifically for the purpose of developing these subdivision lots in the Province of British Columbia and has no assets other than the development property itself.
- 1.3 The Developer's registered and records office: 1000-840 Howe Street, Vancouver  
BC V6Z 2M1
- 1.4 Directors of the Developer: Roswitha Ferstl and Wilhem Ferstl
- 1.4.1 Both the Directors have been personally involved in this development and have limited experience in real estate management. This is the Developer's only development.
- 1.4.2 Neither the Developer, nor any principal holder of the Developer, nor any Director or Officer of the Developer or principal holder have ever been subject to any penalties or sanctions imposed by a court or regulatory authority, relating to the sale, lease, promotion or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud.
- 1.4.3 Neither the Developer, nor any principal holder of the Developer, nor any Director or Officer of the Developer or any principal holder have ever been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or have been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.
- 1.4.4. None of the Directors, officers, or principal holders of the Developer, and none of the directors or officers of the principal holder, have ever been a director, officer of principal holder of any other developer that, while that person was acting in that capacity, that other developer
- (a) was subject to any penalties or sanctions imposed by a court or regulatory authority, relating to the sale, lease, promotion or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud, or
  - (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

1.5 Conflicts of Interest

The Developer and its Directors, from time to time act as contractor in the development.

**2. GENERAL DESCRIPTION OF THE DEVELOPMENT**

2.1 Property Description

Western Rockies Estates is a high-end rural estate setting at the base of Kapristro Mountain consisting of 19 Family residential lots on 47 acres ranging from less than one acre to three acres in size. Approximately two acres of Private Parkland will be shares by the lot owners, and will offer recreational and family oriented opportunities. The development is located twelve kilometers south of Golden between the Purcell mountain range and the Canadian Rockies. A copy of the proposed plan showing the layout of the development and the dimensions or area of the lots and Private Park is attached as Exhibit No.1 to this Disclosure Statement.

2.2 Permitted Use

There is no local government zoning applicable to the development property. The lots may be used only for single family residential. The lots may not be used for commercial purposes, other than a Bed and Breakfast or Home Based Business, nor for other purposes not ancillary to residential purposes. Restrictions on the use of the lots will be set out in a Building Scheme filed against the titles to the lots. A copy of the proposed Building Scheme is attached as Exhibit No. 2 to this Disclosure Statement.

2.3 Building Construction

Individual lot owners are responsible for construction of any improvements on the lots within the parameters of the Building Scheme attached as Exhibit No. 2 to this Disclosure Statement. A local government building permit is not required.

**3. SERVICING INFORMATION**

3.1. Utilities and Services

The services and utilities that are the responsibility of the Developer are estimated to be completed by July 31 2009.

3.1.1. Water. Water will be supplied by a drilled well on each lot with the exception of lots 4 and 5 that have access via easement to wells drilled on lots 3 and 4. The cost of usage and maintenance of those wells, and waterlines, and the cost of the onsite water system are those of the individual lot owners.

3.1.2. Electricity. Electricity will be brought in above ground or underground to the property line of each lot.

- 3.1.3. Sewerage. Each lot is provided with an BC Interior Health approved septic field location. The installation and maintenance of the onsite septic system will be at the owner's expense.
- 3.1.4. Natural gas. Natural gas is not available in the area, but propane, oil and electricity are available.
- 3.1.5. Fire protection. Fire protection is provided by the Nicholson Volunteer Fire Department.
- 3.1.6. Telephone. Telephone will be brought in above ground or underground to the property line of each lot.
- 3.1.7. Access. Access to each of the subdivision lots will be by a new paved extension of Hough Road that the Ministry of Transportation and Infrastructure will service and maintain.

#### **4. TITLE AND LEGAL MATTERS**

4.1. PID: 026-579-880: Lot 1 Section 9 Township 26 Range 21 West of the 5th Meridian Kootenay District Plan NEP80319.

4.2. Ownership: the Developer, Western Rockies Estates Ltd.

4.3. Existing Encumbrances and Legal Notations

4.3.1. Ministry of Transportation and Infrastructure and the Columbia Shuswap Regional District Covenant LA18170. There is a potential for flood or erosion danger within the portion of Lands shown within the area outlined in bold on Reference Plan NEP80320 of Covenant LA18170. The Reference Plan and the Covenant Document are attached as Exhibit 3.

4.3.2. A mortgage and assignment of rents in favour of Tekamar Mortgage Fund Ltd. which will be released from each of the lots as they are transferred to purchasers.

4.4. Proposed Encumbrances

The Developer proposes to place on the title of the property or may be required to place on the title of the property:

4.4.1. A Building Scheme described in Paragraph 2.3 of this Disclosure Statement and attached as Exhibit No. 2;

4.4.2. An Easement for access to Lot 15 over Lot 16;

4.4.3. An Easement for waterlines over Lots 3 and 4 to provide water to Lots 4 and 5;

4.4.4. A Covenant on septic fields for each Lot as required by the Interior Health;

- 4.4.5. Covenants on seasonal drainage over Lots 1, 2 and 5 and over Lots 2, 4 and 6;
- 4.4.6. A Covenant restricting development in certain steep sloped areas of some of the Lots as set out in the attached preliminary report and draft plan from Mountain Engineering Ltd., which is attached as Exhibit 10; and
- 4.4.6. if required by the BC Hydro or the Developer, an Easement or Right-of-Way for the electrical power and telecommunications lines and poles over part of the development property.

#### 4.5 Outstanding or contingent Litigation or Liabilities

There are no outstanding or contingent litigation or liabilities with respect to the development property or against the Developer that may affect the Development.

The Developer is carrying \$2,000,000 public insurance coverage.

#### 4.6 Environmental Matters

The Developer has deposited with the Land Title Office Reference Plan NEP80320 of Covenant LA18170 described in Paragraph 4.3. The potential for flood or erosion danger is within that portion of Lands shown outlined in bold on Reference Plan NEP80320 of Covenant LA18170 and is attached as Exhibit 3.

### 5. CONSTRUCTION AND WARRANTIES

#### 5.1 Construction Dates

The construction of the subdivision has begun and the estimated date of completion is August 31, 2009. Servicing and utilities estimated date of completion as described in Paragraph 3.1 is July 31 2009.

#### 5.2 Warranties

The Developer will provide the roadway and utilities in compliance with the Preliminary Layout Approval, a copy of which is attached as Exhibit No. 4.

### 6. APPROVALS AND FINANCES

#### 6.1 Development Approval

A copy of the Preliminary Layout Approval Infrastructure is attached as Exhibit No. 4.

#### 6.2 Construction Financing

The Developer has financed the development from its own or borrowed resources.

## **7. MISCELLANEOUS**

### **7.1. Deposits**

All deposits received by the Developer will be held in trust at the Law Firm of Ewan & McKenzie, PO Box 429, 515 - 9th Avenue North, Golden, British Columbia, VOA 1H0.

All deposits received from a purchaser by the Real Estate companies acting on behalf of the Developer will be held in trust by that Real Estate company.

### **7.2 Purchase Agreement.**

7.2.1 The Developer intends to use the forms of Contract of Purchase and Sale and the Multiple Listing Agreement attached as Exhibits No. 5, 6, 7 and 8 to this Disclosure Statement.

7.2.2 The Purchaser may terminate the Contract of Purchase and Sale if the Purchaser does not satisfy the subject to's set out in paragraph 3 of the Contract of Purchase and Sale or if the Developer does not meet its contractual obligations under the Contract of Purchase and Sale. The Developer may terminate the Contract of Purchase and Sale if the Purchaser does not meet its obligations under the Contract of Purchase and Sale.

7.2.3 There are no provisions in the Contract of Purchase and Sale for an extension of time for completing the Contract of Purchase and Sale. The Developer may refuse to extend the time for completing the Contract of Purchase and Sale. The Purchaser cannot require the Developer to extend the time for completing the Contract of Purchase and Sale.

7.2.4 There are no provisions in the Contract of Purchase and Sale for assigning that Contract of Purchase and Sale to a new purchaser. The Developer may refuse to allow an assignment.

7.2.5 The Purchaser will not receive interest on the deposit monies under the Contract of Purchase and Sale.

### **7.3. Rural Property Disclosure Statement**

The Developer has completed the Property Disclosure Statement for Rural Property - Land Only and has attached it as Exhibit 9.

### **7.4. Developer's Commitments**

The Developer has not made any commitments that will have to be met after the completion of the sale of the subdivision lots.

### **7.5. Other Material Facts**

There are no other material facts that affect, or could reasonably be expected to affect the market price, value or use of the subdivision lots or the Development Property.

**DEEMED RELIANCE**

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

**DECLARATION**

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of January 21 2009.

**WESTERN ROCKIES ESTATES LTD.**

by its authorized signatories:

\_\_\_\_\_  
Roswitha Ferstl

\_\_\_\_\_  
Wilhem Ferstl

\_\_\_\_\_  
Roswitha Ferstl, director of Western Rockies Estates Ltd.

\_\_\_\_\_  
Wilhem Ferstl, director of Western Rockies Estates Ltd.

**SOLICITORS CERTIFICATE**

In the matter of the Disclosure Statement of Western Rockies Estates Ltd. dated January 21 2009 for the development of Lot 1, Section 9 Township 26, Range 21 West of the 5th Meridian Kootenay District, Plan NEP80319, I, Glen Ewan Q.C., of the law firm of Ewan & McKenzie, Box 429, Golden, British Columbia, V0A 1H0, hereby certify that the contents of Items 4.1, 4.2 and 4.3 of that Disclosure Statement are correct.



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**GLEN EWAN, Q.C.**