

PATINA

DISCLOSURE STATEMENT

REAL ESTATE DEVELOPMENT MARKETING ACT OF BRITISH COLUMBIA

July 25, 2007

This disclosure statement (the "Disclosure Statement") relates to an offering by CONCERT REAL ESTATE CORPORATION (the "Developer") for the sale of certain residential strata lots (collectively, the "Strata Lots") located in one forty-one storey building comprising the development known as Patina ("Patina") to be constructed on a parcel of land located at 1028 Barclay Street, Vancouver, British Columbia.

DEVELOPER

Name: CONCERT REAL ESTATE CORPORATION
Business Address and Address for Service: 9th Floor, 1190 Hornby Street
Vancouver, B.C. V6Z 2K5

AGENT OF DEVELOPER

Name: CONCERT REALTY SERVICES LTD.
Business Address: 9th Floor, 1190 Hornby Street
Vancouver, B.C. V6Z 2K5

Any employees of the Developer who market the Strata Lots on behalf of the Developer are not licensed under the *Real Estate Services Act* (British Columbia) and are not acting on behalf of the purchasers.

DISCLAIMER

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

RIGHT OF RESCISSION

UNDER SECTION 21 OF THE *REAL ESTATE DEVELOPMENT MARKETING ACT* (BRITISH COLUMBIA), THE PURCHASER OR LESSEE OF A DEVELOPMENT UNIT MAY RESCIND (CANCEL) THE CONTRACT OF PURCHASE AND SALE OR 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 THE DISCLOSURE STATEMENT.

A PURCHASER MAY SERVE A NOTICE OF RESCISSION BY DELIVERING A SIGNED COPY OF THE NOTICE IN PERSON OR BY REGISTERED MAIL TO:

- (A) THE DEVELOPER AT THE ADDRESS SHOWN IN THE DISCLOSURE STATEMENT RECEIVED BY THE PURCHASER;**
- (B) THE DEVELOPER AT THE ADDRESS SHOWN IN THE PURCHASER'S PURCHASE AGREEMENT;**
- (C) THE DEVELOPER'S BROKERAGE, IF ANY, AT THE ADDRESS SHOWN IN THE DISCLOSURE STATEMENT RECEIVED BY THE PURCHASER; OR**
- (D) THE DEVELOPER'S BROKERAGE, IF ANY, AT THE ADDRESS SHOWN IN THE PURCHASER'S PURCHASE AGREEMENT.**

THE DEVELOPER MUST PROMPTLY PLACE 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.

REAL ESTATE DEVELOPMENT MARKETING ACT
(BRITISH COLUMBIA) REQUIREMENTS

POLICY STATEMENT 5 ISSUED BY THE SUPERINTENDENT OF REAL ESTATE PURSUANT TO THE *REAL ESTATE DEVELOPMENT MARKETING ACT* (BRITISH COLUMBIA) REQUIRE THAT IN ORDER FOR A DEVELOPER TO MARKET A DEVELOPMENT UNIT BEFORE OBTAINING A BUILDING PERMIT:

1. THE ESTIMATED DATE, AS DISCLOSED IN THE DISCLOSURE STATEMENT, FOR THE ISSUANCE OF A BUILDING PERMIT IS 9 MONTHS OR LESS FROM THE DATE THE DEVELOPER FILED THE DISCLOSURE STATEMENT WITH THE SUPERINTENDENT;

2. THE DEVELOPER MARKETS THE PROPOSED DEVELOPMENT UNITS UNDER THE DISCLOSURE STATEMENT FOR A PERIOD OF NO MORE THAN 9 MONTHS FROM THE DATE THE DISCLOSURE STATEMENT WAS FILED WITH THE SUPERINTENDENT, UNLESS AN AMENDMENT TO THE DISCLOSURE STATEMENT THAT SETS OUT PARTICULARS OF THE ISSUED BUILDING PERMIT IS FILED WITH THE SUPERINTENDENT DURING THAT PERIOD;

3. ANY PURCHASE AGREEMENT USED BY THE DEVELOPER WITH RESPECT TO ANY DEVELOPMENT UNIT OFFERED FOR SALE OR LEASE BEFORE THE PURCHASER'S RECEIPT OF AN AMENDMENT TO THE DISCLOSURE STATEMENT THAT SETS OUT PARTICULARS OF THE ISSUED BUILDING PERMIT MUST CONTAIN THE FOLLOWING PROVISIONS:

(A) THE PURCHASER MAY CANCEL THE PURCHASE AGREEMENT FOR A PERIOD OF SEVEN DAYS AFTER RECEIPT OF AN AMENDMENT TO THE DISCLOSURE STATEMENT THAT SETS OUT PARTICULARS OF THE ISSUED BUILDING PERMIT IF THE LAYOUT OR SIZE OF THE APPLICABLE DEVELOPMENT UNIT, THE CONSTRUCTION OF A MAJOR COMMON FACILITY, INCLUDING A RECREATION CENTRE OR CLUBHOUSE, OR THE GENERAL LAYOUT OF THE DEVELOPMENT, IS MATERIALLY CHANGED BY THE ISSUANCE OF THE BUILDING PERMIT;

(B) IF AN AMENDMENT TO THE DISCLOSURE STATEMENT THAT SETS OUT PARTICULARS OF AN ISSUED BUILDING PERMIT IS NOT RECEIVED BY THE PURCHASER WITHIN 12 MONTHS AFTER THE INITIAL DISCLOSURE STATEMENT WAS FILED, THE PURCHASER MAY AT HIS OR HER OPTION CANCEL THE PURCHASE AGREEMENT AT ANY TIME AFTER THE END OF THAT 12 MONTH PERIOD UNTIL THE REQUIRED AMENDMENT IS RECEIVED BY THE PURCHASER, AT WHICH TIME THE PURCHASER MAY CANCEL THE PURCHASE AGREEMENT FOR A PERIOD OF SEVEN DAYS AFTER RECEIPT OF THAT AMENDMENT ONLY IF THE

LAYOUT OR SIZE OF THE APPLICABLE DEVELOPMENT UNIT, THE CONSTRUCTION OF A MAJOR COMMON FACILITY, INCLUDING A RECREATION CENTRE OR CLUBHOUSE, OR THE GENERAL LAYOUT OF THE DEVELOPMENT, IS MATERIALLY CHANGED BY THE ISSUANCE OF THE BUILDING PERMIT;

- (C) THE AMOUNT OF THE DEPOSIT TO BE PAID BY A PURCHASER WHO HAS NOT YET RECEIVED AN AMENDMENT TO THE DISCLOSURE STATEMENT THAT SETS OUT PARTICULARS OF AN ISSUED BUILDING PERMIT IS NO MORE THAN 10% OF THE PURCHASE PRICE; AND**
- (D) ALL DEPOSITS PAID BY A PURCHASER, INCLUDING INTEREST EARNED IF APPLICABLE, WILL BE RETURNED PROMPTLY TO THE PURCHASER UPON NOTICE OF CANCELLATION FROM THE PURCHASER.**

PLEASE SEE SECTION 6.1 BELOW IN RESPECT OF THE ABOVE REQUIREMENTS.

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1. THE DEVELOPER

1.1 Particulars of Incorporation

The Developer is a corporation continued under the laws of British Columbia on April 22, 1992 under incorporation number C424436.

1.2 Purpose of Incorporation

The Developer is a real estate development company and is involved in various real estate activities, including, without limitation, the development of residential strata lots. The Developer owns assets other than the lands upon which Patina (the "Development") is to be constructed.

1.3 Registered and Records Office

The registered and records office of the Developer is located at 900 – 1190 Hornby Street, Vancouver, British Columbia.

1.4 Directors

Sherryl Anderson	Robert Gardner	David R. Podmore
Robert Beynon	Leif Hansen	Jack W. Poole
John Davies	Rodney D. Hiebert	David Schaub
George Doubt	Robert Matters	Brooke Sundin
Kent Elliott	Don L. McGill	Anthony A. Tennessy
Gerry J. Forcier	Charles R. Peck	Bryan Wall

2. GENERAL DESCRIPTION

2.1 General Description of the Development

The Strata Lots offered for sale by the Developer pursuant to this Disclosure Statement will be located in one forty-one storey concrete tower, with parking and common elements, that will be constructed within an airspace parcel (the "Lands") that will be created by the subdivision of a parcel of land (the "Original Parcel") currently legally described as:

City of Vancouver
Parcel Identifier: 026-448-491
Parcel A, Block 7
District Lot 185
Group 1, New Westminster District
Plan BCP20086

A copy of the draft airspace subdivision plan showing the intended location and boundaries of the Lands is attached hereto as Exhibit I. The 41 Floors of the Development will be numbered 1 through 12 and 14 through 42. There will not be a floor numbered "13" in the Development.

The final subdivision plan (the "Airspace Plan") which will have the effect of creating title to the Lands will be deposited for registration at the Lower Mainland Land Title Office (the "Land Title Office"). Upon its full registration, it is expected that the legal description of the Lands will be as follows:

Airspace Parcel 1
Block 7, District Lot 185
Group 1
New Westminster District
Airspace Plan BCP _____

The Lands will be volumetric, with its height, length and width defined on the Airspace Plan. The remainder of the Original Parcel (the "Remainder") not included in the Lands will be a separate legal parcel described as follows:

Parcel A
Block 7
District Lot 185
Group 1, New Westminster District
Plan BCP20086 (except part in Airspace Plan BCP _____)

The Development will have a civic address of 1028 Barclay Street, Vancouver, British Columbia. This civic address is subject to approval by the City of Vancouver (the "City") and the Developer reserves the right to change this civic address from time to time.

The Development will consist of 256 residential Strata Lots, which are expected to be owned individually.

It is expected that the Strata Lots will be configured as follows:

<u>Type of Strata Lot</u>	<u>Number</u>
Studio & den	24
One bedroom	31
One bedroom & den	26
One bedroom & den & office	19
Two bedrooms	67
Two bedrooms & den	63
Two bedrooms & den & office	22
Three bedrooms & den & office	4
Total	<u>256</u>

The Original Parcel was occupied by the downtown Vancouver YMCA facility. In conjunction with construction of the Development, the Developer will also construct a new facility (the “New YMCA Facility”) for the YMCA on the Remainder. The New YMCA Facility and the Development have been designed and will be constructed as a single building (the “Building”). Although the Building is being constructed as a single building, the Building has been designed so that the Development and New YMCA Facility will be operated separately, excepting only some shared main connections to City and third party utilities and some integrated base building services. The New YMCA Facility and the Development will have a common parking structure, within which the parking areas for the Development and the New YMCA Facility will be separate, but will share an access ramp and drive aisles (see section 3.6, below for more details).

The New YMCA Facility will be 6 storeys and will have its main entrance on Burrard Street and a second entrance on Barclay Street. It is expected that the civic address will be 955 Burrard Street. The New YMCA Facility will house YMCA’s new recreation and pool facilities and classrooms and offices. The Developer is advised by YMCA that the New YMCA Facility is also intended to include a childcare and family development centre on the top two levels of the New YMCA Facility. The roof area adjoining both the 5th and 6th floors of the New YMCA Facility has been designed, and will be constructed, to accommodate an outdoor play area for this centre.

The Strata Lots in the Development will be created by the deposit of a strata plan (the “Strata Plan”) for the Development in the Lower Mainland Land Title Office (the “Land Title Office”). A draft of the proposed strata plan (the “Draft Strata Plan”) is attached as Exhibit A to this Disclosure Statement. Following the registration of the Strata Plan, it is expected that the Strata Lots will be legally described as follows:

Strata Lots 1 to 256
Block 7
District Lot 185

Group 1
New Westminster District
Strata Plan BCS _____

together with an interest in the common property in proportion to the unit entitlement of the Strata Lots as shown on Form V.

The plan number for the Strata Plan will be assigned upon the deposit of the Strata Plan in the Land Title Office.

The proposed layout of the Development and the intended approximate dimensions and location of the Strata Lots are set out in the Draft Strata Plan. The actual Strata Lots, as constructed, may vary somewhat from what is depicted in the Draft Strata Plan. The Developer reserves the right to change the suite numbers assigned to the Strata Lots.

As generally described above, the Building has been designed and is being constructed as a single building with some integrated utility and base building services. In order to facilitate operation of such utilities and services on an efficient basis, the Developer intends to cause the strata corporation for the Lands (the "Strata Corporation") to enter into a shared facilities agreement (the "SFA") with YMCA, as owner of the Remainder. The SFA will allocate responsibility for operation, maintenance and repair of such integrated utility and base building services, and common elements such as the access ramp and common drive aisles in the Common Parking Structure (as defined in section 3.6), and provide for sharing of the resultant costs between YMCA and the Strata Corporation.

As most of the shared main utility connections and base Building systems are located on the portion of the Building to be constructed on the Remainder, the SFA is intended to provide that YMCA will be responsible for the operation, inspection, maintenance, repair and replacement, as necessary, of most shared utility connections and base Building systems and common elements. However, some shared utility connections and/or Building systems will be the responsibility of the Strata Corporation under the SFA. The SFA is intended to provide for the Strata Corporation to contribute to the costs incurred by YMCA, and for YMCA to contribute to the costs incurred by the Strata Corporation, in performing such work on a reasonable basis to be specified in the final SFA. The estimated costs that will be incurred by the Strata Corporation under the SFA are included in the Strata Corporation budget attached hereto as Exhibit D and will be prorated to owners of the Strata Lots in proportion to the respective Unit Entitlements of the Strata Lots.

Without limiting the scope and terms of the SFA, which remains to be finalized, it is generally intended that the SFA will include provisions that:

- (a) the cost of cleaning, repair, maintenance and replacement of the Common Parking Structure, including access doors, gates, lighting, ramps, security devices, exhaust fans and CO² detectors, will be shared between the Strata Corporation and YMCA on the basis of the respective number of parking stalls in the portion of the

Common Parking Structure located on the Lands relative to the number of parking stalls in the Patina Parking Facility (as defined in section 3.6). Based on the foregoing and current parking estimates, the Strata Corporation's share of such costs is expected to be 81.5% (317/394);

- (b) the cost of cleaning, repair, maintenance and replacement of the shared or common utility connections and Building services, including shared fire alarm system control panel, master television and telephone room, emergency generator, main mechanical room) will be shared between the Strata Corporation and YMCA on a reasonable basis, which is currently expected to be the area of the improvements on the Remainder relative to the area of the improvements on the Lands;
- (c) any costs that may be incurred pursuant to an encroachment agreement to be entered into with City of Vancouver for lane upgrades adjacent to the Building will be shared between YMCA and the Strata Corporation on a reasonable basis, which is currently expected to be the area of the improvements on the Remainder relative to the area of the improvements on the Lands;
- (d) each party to the SFA will be required to keep adequate records of all work performed under the SFA and all costs incurred with respect thereto, which records may be inspected by representatives of the other party from time to time;
- (e) a budget of proposed expenses to be shared under the SFA will be prepared on an annual basis. It is intended that the SFA will include provisions allowing each party to review and audit the other party's record with respect to such shared expenses incurred by it and a procedure for resolving any disputes that may arise with respect to shared expenses and/or other issues under the SFA;
- (f) cost overruns and unanticipated expenses will be shared between the Strata Corporation and YMCA on the same basis as the type of cost in question is prorated in the ordinary course under the SFA.

2.2 Permitted Uses

The zoning applicable to the Lands is CD-1.

2.3 Phasing

The Development is not part of a phased development.

3. STRATA INFORMATION

3.1 Unit Entitlement

The unit entitlement ("Unit Entitlement") of each Strata Lot is a figure indicating its share in the common property (the "Common Property") and other assets of the Development and is used to determine each Strata Lot's contribution to common

expenses of the strata corporation (the “Strata Corporation”) formed upon the deposit of the Strata Plan in the Land Title Office. The Unit Entitlement is the habitable area of each Strata Lot in square metres, rounded to the nearest whole number, excluding any non-living area such as a patio, deck or balcony. A schedule of the estimated Unit Entitlement for the Strata Lots is attached as Exhibit B to this Disclosure Statement. The calculation of Unit Entitlement for the Strata Lots set out in Exhibit B is based on architectural drawings and will vary somewhat when calculated on the basis of the final surveyed Strata Plan. The appropriate Form V under the *Strata Property Act* (British Columbia) setting out the final Unit Entitlement will be filed in the Land Title Office concurrently with the deposit of the Strata Plan.

3.2 Voting Rights

There is one Strata Corporation in respect of the Strata Lots. Each Strata Lot within the Development will carry with it one vote in the Strata Corporation.

3.3 Common Property and Facilities

(a) *Common Property*

Each owner of a Strata Lot will also own an undivided proportionate share of the Common Property and the common facilities and other assets of the Strata Corporation. The owners of the Strata Lots will own the Common Property as tenants in common in proportion to the Unit Entitlement of their respective Strata Lots: see subsection 3.1 above.

(b) *Common Facilities*

The Developer intends to include an amenity lounge and a fitness facility on the 8th floor of the Development. The roof of the New YMCA Facility, immediately adjacent to the 8th floor amenity lounge, has been designed, and will be constructed, to accommodate an outdoor landscaped terrace area. Users of the 8th floor amenity lounge will have access, under an agreement with the YMCA, as owner of the Remainder, to this exterior terrace area. Such agreement is expected to provide that the Strata Corporation will be obligated to maintain the terrace and landscaping thereon at the Strata Corporation’s expense. The estimated costs of such maintenance are included in the estimated Strata Corporation budget attached hereto as Exhibit E. The agreement will allow the YMCA to interrupt use of the terrace area from time to time in order to repair and maintain the roof of the New YMCA Facility at the YMCA’s expense.

In addition, the Development is intended to include a passive lounge area on the second level of the Development, overlooking the main lobby entrance and adjacent to the rear entrance to the Development. The Developer intends to provide light exercise equipment in the fitness facility and light furnishings in the amenity lounge and passive lounge areas, all of which are to be maintained at the

cost of the Strata Corporation. The Strata Corporation will administer the fitness facility, amenity lounge and passive lounge areas.

(c) *Storage*

The Development will include approximately 6 storage lockers (the “Lockers”) on level 7 of the Patina Parking Facility (described in section 3.6 below) approximately as shown on Sheet 2 of the Draft Strata Plan. The Strata Corporation will be responsible for the administration of the Lockers for Strata Lots without insuite storage (currently anticipated to be Strata Lots 6, 14, 22, 30, 38 and 46). No owner or occupant of a Strata Lot shall have the right to use any Locker unless one is allocated to the Strata Lot by the Strata Corporation.

(d) *Bicycle Storage*

The Development is intended to include for use by owners of the Strata Lots secured storage areas which will accommodate up to approximately 327 bicycles. The bicycle storage areas will be on levels 3 to 7 of the Patina Parking Facility approximately as shown on Sheets 2 to 6 of the Draft Strata Plan. The Bylaws provide that each owner of a Strata Lot is entitled to the use of one bicycle storage space. The Strata Corporation will be responsible for the administration of the use of the bicycle storage areas, including the allocation of the use of the bicycle storage spaces to the owners of the Strata Lots and the management of the balance, if any of the bicycle storage spaces.

3.4 Limited Common Property

(a) *Limited Common Property*

Limited Common Property is an area within the Common Property that is designated for the exclusive use of one or more Strata Lot owners. The Developer will designate the areas shown as patios, balconies and decks on the Draft Strata Plan as Limited Common Property for the adjacent Strata Lots on the Strata Plan.

The Developer reserves the right to expand any areas designated as Limited Common Property for the exclusive use of one or more of the Strata Lots or change any designation from Limited Common Property to Common Property, and *vice versa*. A designation of Limited Common Property made on the Strata Plan may only be removed or altered by unanimous resolution of the members of the Strata Corporation.

The Strata Corporation may, by bylaw, make owners responsible for the repair and maintenance of Limited Common Property which they use. The initial bylaws of the Strata Corporation (the “Bylaws”), which will consist of the bylaws attached as Exhibit C to this Disclosure Statement, provide that owners are responsible for maintaining and repairing Limited Common Property which they

use, other than the following items which are to be maintained and repaired by the Strata Corporation:

- (i) repair and maintenance that in the ordinary course of events occurs less than once a year;
- (ii) the structure of a building;
- (iii) the exterior of a building;
- (iv) chimneys, stairs, balconies and other things attached to the exterior of a building;
- (v) doors, windows or skylights, on the exterior of a building or that front on the Common Property; and
- (vi) fences, railings and similar structures that enclose patios, balconies and yards.

3.5 Bylaws

The Developer intends to cause the Strata Corporation to adopt the Bylaws set out in Form Y under the *Strata Property Act* (British Columbia) attached as Exhibit C to this Disclosure Statement.

3.6 Parking

The Building is intended to include a seven level below grade parking structure (the “Common Parking Structure”). The access ramp from Barclay Street and the top two levels of the Common Parking Structure will be located on the Remainder (the portion of the Common Parking Structure located on the Remainder is referred to herein as the “YMCA Parking Area”). The remaining 5 levels of the Common Parking Structure (the “Patina Parking Facility”) will be located on the Lands, substantially as shown on Sheets 2 through 8 of the Draft Strata Plan. An easement to be granted by YMCA will provide access to the Patina Parking Facility on the Lands over the shared access ramp and drive aisles on the first two levels of the Common Parking Structure. A security gate will be installed at the Barclay Street entrance to the Common Parking Structure. It is expected that this gate will be open during the times the New YMCA Facility is open. A second security gate will be installed at the boundary between the YMCA Parking Area and the Patina Parking Facility. The YMCA Parking Area is expected to be operated by or on behalf of the YMCA as a public pay parking lot.

The Common Parking Structure is expected to include approximately 394 parking stalls. It is anticipated that approximately 77 of those parking stalls will be located in the YMCA Parking Area.

The Patina Parking Facility is expected to include approximately 317 parking stalls (the “Patina Parking Stalls”). Prior to executing this Disclosure Statement, the Developer

leased all of the Patina Parking Stalls to 0796200 B.C. Ltd. (the "Parking Tenant") pursuant to a lease (the "Parking Facility Lease") dated July 5, 2007. A copy of the Parking Facility Lease is attached as Exhibit D to this Disclosure Statement. Upon the deposit for registration of the Strata Plan, that portion of the Lands comprising the Patina Parking Facility will be designated as Common Property. The Common Property comprising the leased portion of the Patina Parking Facility will be subject to the Parking Facility Lease.

The Developer will cause the Parking Tenant to grant a partial assignment of the Parking Facility Lease pertaining to at least one single car Patina Parking Stall within the gated portion of the Patina Parking Facility to each purchaser of a Strata Lot, excepting only studio plus den Strata Lots, which will not be allocated a Parking Stall, for a total of 232 Patina Parking Stalls. Purchasers of studio plus den Strata Lots may enter into an agreement with the Developer and Parking Tenant to be allocated, subject to availability and agreement on terms, one of the additional Patina Parking Stalls described below.

7 of the Patina Parking Stalls in the Patina Parking Facility are expected to be designated as handicapped stalls. 11 of the Patina Parking Stalls (one of which will also be a handicapped stall) are expected to be designated as visitor parking stalls for use by visitors of the Strata Lots.

The Patina Parking Facility is expected to include approximately 74 additional Patina Parking Stalls which may be allocated by the Developer at its discretion for the exclusive use of owners of Strata Lots in the Development by the Developer causing the Parking Tenant to grant a partial assignment of the Parking Facility Lease to such purchasers. Such assignments will be on terms established by the Developer from time to time at its discretion.

3.7 Furnishings and Equipment

The following equipment will be included in the purchase price of each Strata Lot:

- built in oven
- electric cooktop
- free standing microwave oven
- in-sink disposal
- refrigerator
- dishwasher
- roller shades on exterior windows
- stacking washer and dryer

Any social services tax payable in respect of such equipment will be for the account of each purchaser of a Strata Lot.

As the estimated completion date for the Development is January, 2011, the actual materials and finishes of the completed Strata Lots, and the brands, models and features of the foregoing equipment installed in the finished Strata Lots, may differ from those

featured in the display suites, brochures or other promotional materials viewed by the purchasers of the Strata Lots. To the extent reasonably possible, the Developer will endeavour to provide similar materials, finishes and equipment of comparable brand and quality to those displayed or featured.

3.8 Budget

(a) *Strata Lot Expenses*

- (i) Each Strata Lot owner will be responsible for real property taxes for his or her Strata Lot. Property taxes are levied by and payable to the City.
- (ii) The aggregate cost of the following utilities and expenses will be paid by the Strata Corporation and the cost will be pro-rated to the owners of the Strata Lots in accordance with the Unit Entitlement of the Strata Lots and included in the monthly assessments: garbage and recycling removal, utilities servicing the Common Property, water, sewage and natural gas and electricity consumed in the central heating, air conditioning and domestic hot water systems servicing the common areas and Strata Lots within the Development; costs payable by the Strata Corporation under the Shared Facilities Agreement (see section 2.1, above); and costs payable by the Strata Corporation to repair and maintain the amenity facilities in the Development (see section 3.3(b), above).
- (iii) With the exception of those utilities listed in subsection 3.8(a)(ii) above, all utilities, including telephone and cable television services, will be separately metered or assessed to each Strata Lot and will be the responsibility of each Strata Lot owner.

(b) *Interim Budget*

The interim budget of estimated operating expenses for the Strata Corporation for the 12-month period beginning on the first day of the first month after substantial completion of the Development is attached as Exhibit E to this Disclosure Statement. Exhibit E also sets out the estimated monthly assessment for each of the Strata Lots within the Development during the initial operating year based on the interim budget.

(c) *Interim Budget Shortfalls*

The Developer must pay the Strata Corporation's expenses up to the end of the month in which the first conveyance of a Strata Lot to a purchaser occurs. After that month and before the first annual budget takes effect, if the Strata Corporation's actual expenses exceed the estimated expenses as set out in the interim budget, the Developer must pay the excess to the Strata Corporation within eight weeks after the first annual general meeting. The Developer is obligated under subsection 14(5) of the *Strata Property Act* (British Columbia) to

pay a penalty, in addition to the shortfall amount, if the actual expenses are greater than the estimated expenses for that period by 10% or more.

(d) *Contingency Reserve Fund*

Under section 12 of the *Strata Property Act* (British Columbia), at the time of the first conveyance of a Strata Lot to a purchaser, the Developer is required to, and will, contribute to the contingency reserve fund the lesser of 5% of the estimated operating expenses as set out in the interim budget attached as Exhibit E to this Disclosure Statement, multiplied by the number of years and partial years since the deposit of the Strata Plan in the Land Title Office, and 25% of the interim budget.

3.9 Utilities and Services

The Development will be serviced by a water system, electricity, sewerage, natural gas, fire protection, telephone, cable television and road access. Natural gas will be used in the Development for the common domestic hot water system and the common heating and air conditioning system for the Development. The cost of natural gas and electricity used for such purposes in the Development will be pro-rated to the owners of the Strata Lots (including the penthouse Strata Lots, being Strata Lots 253, 254, 255 and 256) in accordance with the Unit Entitlement of their Strata Lots and included in their monthly assessments. The heating and/or air conditioning system heat pump(s) unit(s) in each Strata Lot will be powered by electricity, the cost of which will be part of each Strata Lot's individually metered electricity utility cost.

The penthouse Strata Lots may use natural gas for a gas cooktop, an indoor gas fireplace, outdoor patio heaters and/or a barbeque and may also use natural gas for an outdoor gas fireplace. The penthouse Strata Lots are declared in the bylaws to be a separate type of Strata Lot. Check meters will be installed to determine the natural gas used for this extra equipment, if any, in the penthouse Strata Lots and on the limited common property allocated to them, and the cost of such natural gas will be allocated to the penthouse Strata Lots as a separate type of Strata Lot and pro-rated to the owners of the penthouse Strata Lots in accordance with the Unit Entitlement of their Strata Lots and included in their monthly assessments. This separate allocation is included in the interim budget of estimated operating expenses attached as Exhibit E.

3.10 Strata Management Contracts

The Developer intends to cause the Strata Corporation to enter into a management agreement (the "Management Agreement") with a third party property manager (the "Manager") with respect to the control, management and administration of the Common Property, including enforcing third party warranties in respect of the Development. The Manager will not be related to the Developer. The Management Agreement will be for a term which will expire automatically on the date that is four weeks after the date of the second annual general meeting of the Strata Corporation. The management fee will be payable monthly in advance and the owner of each Strata Lot will pay its share of the

management fee, based upon the proportion of the Unit Entitlement of the owner's Strata Lot to the Unit Entitlement of all of the Strata Lots, through its payment of common expenses to the Strata Corporation. A copy of the proposed form of Management Agreement is attached as Exhibit F to this Disclosure Statement.

3.11 Insurance

- (a) Upon commencement of construction, the Developer will place construction risk insurance of not less than full replacement cost and general liability insurance of not less than \$10,000,000 in respect of the Development.
- (b) The Developer will cause the Manager to obtain the following insurance coverage in the name of the Strata Corporation:
 - (i) full replacement insurance on the Common Property, common assets, buildings and fixtures, built or installed on the Strata Lots by the Developer as part of the original construction, including floor and wall coverings and electrical and plumbing fixtures, but excluding, if they can be removed without damage to the building, refrigerators, stoves, dishwashers, microwaves, washers, dryers or other similar items;
 - (ii) liability insurance for property damage and bodily injury in an amount not less than \$5,000,000; and
 - (iii) errors and omissions insurance for the strata council members.

The items described in (i) above will be insured against major perils, including fire, lightning, smoke, windstorm, hail, explosion, water escape, strikes, riots or civil commotion, impact by aircraft and vehicles, vandalism and malicious acts.

- (c) Each purchaser will be responsible for insuring personal property and strata lot improvements or betterments which are carried out by such purchaser on his or her Strata Lot when the purchaser acquires title to it, as well as liability insurance for acts or omissions occurring within his or her own Strata Lot.

3.12 Rental Disclosure Statement

Under Section 139 of the *Strata Property Act* (British Columbia), the Developer must disclose to any purchaser the intention to lease the Strata Lots in order to preserve the Developer's right to lease any unsold Strata Lots in the future. Attached as Exhibit G to this Disclosure Statement is a copy of the rental disclosure statement in respect of all of the Strata Lots, which was filed with the Superintendent by the Developer concurrently with the filing of this Disclosure Statement.

3.13 Distribution of Strata Corporation Assets on Winding Up

Each Strata Lot owner's share of the property and assets of the Strata Corporation in the event of a winding up of the Strata Corporation will be determined on the basis of

municipally assessed values, or appraised values, if there are no municipal assessments at the time of such winding up.

3.14 Fines for Not Holding First AGM within Required Time

The Developer must hold the first annual general meeting of the Strata Corporation within six weeks of the earlier of:

- (a) the date on which 50% plus one of the Strata Lots have been conveyed to purchasers; and
- (b) the date which is nine months after the first conveyance of a Strata Lot to a purchaser.

If the first annual general meeting is not held within the required time, the Developer must pay to the Strata Corporation \$1,000 for a delay of up to 30 days, and a further \$1,000 for each additional delay of seven days.

3.15 Documents to be Delivered to the Strata Corporation

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

- (a) all plans required to obtain a building permit and any amendments to the building permit plans;
- (b) 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;
- (c) all contracts entered into by the Strata Corporation;
- (d) any Disclosure Statement filed under the *Real Estate Development Marketing Act* (British Columbia) and any Rental Disclosure Statement;
- (e) the registered Strata Plan from the Land Title Office;
- (f) the names and addresses of contractors, subcontractors and persons primarily responsible for supplying labour or materials to the project;
- (g) the names and addresses of any technical consultants, including building envelope specialists, if any;
- (h) the name and address of any project manager; and
- (i) all warranties, manuals, schematic drawings, operating instructions, service guides, manufacturers' documentation and other similar information relating to the Common Property or common assets.

4. TITLE AND LEGAL MATTERS

4.1 Legal Description

The Development will be constructed on the Lands. As described in section 2.1, above, the Lands will be an airspace parcel created by the subdivision of the Original Parcel which is currently legally described as follows:

City of Vancouver
Parcel Identifier: 026-448-491
Parcel A, Block 7
District Lot 185
Group 1, New Westminster District
Plan BCP20086

4.2 Ownership

Young Men's Christian Association of Greater Vancouver ("YMCA") is the registered owner of the Original Parcel. The Developer has entered into an agreement with YMCA which provides for YMCA to transfer title to the Lands to the Developer upon final registration of the Airspace Plan and separate title being issued for the Lands.

4.3 Existing Encumbrances and Legal Notations

(a) *Legal Notations*

The following legal notations are registered on title to the Original Parcel. These notations relate to the heritage façade of the existing YMCA facility which is expected to be incorporated in the New YMCA Facility. As these notations deal only with the Remainder, neither notation is expected to be registered after filing the Airspace Plan in the Land Title Office:

- (i) Heritage Designation Bylaw, Vancouver Charter, Section 601, See BX294673; and
- (ii) Heritage Designation By-Law – Pursuant to Section 593 of The Vancouver Charter, see BX580917.

(b) *Registered Encumbrances*

The following encumbrances are registered against title to the Original Parcel. These charges relate to the Remainder and none are expected to be registered on title to the Lands after filing the Airspace Plan in the Land Title Office:

- (i) Easement and Indemnity Agreement B76844 in favour of the City of Vancouver;

- (ii) Mortgage GB58990 in favour of The Endowment Fund of the Young Men's Christian Association;
- (iii) Option to Lease BX288741 in favour of the City of Vancouver;
- (iv) Priority Agreement BX288742 granting BX287741 priority over GB58990;
- (v) Covenant BX288743 in favour of the City of Vancouver;
- (vi) Priority Agreement BX288744 granting BX288743 priority over GB58990;
- (vii) Covenant BX288751 in favour of the City of Vancouver;
- (viii) Priority Agreement BX288752 granting BX287751 priority over GB58990;
- (ix) Covenant BX294674 in favour of City of Vancouver;
- (x) Priority Agreement BX294675 granting BX294674 priority over GB58990;
- (xi) Statutory Right of Way BX294676 in favour of City of Vancouver;
- (xii) Priority Agreement BX294677 granting BX294676 priority over GB58990;
- (xiii) Equitable Charge BX294678 in favour of City of Vancouver; and
- (xiv) Priority Agreement BX294679 granting BX294678 priority over GB58990.

4.4 Proposed Encumbrances

The following additional encumbrances may be registered by the Developer in favour of or against title to the Lands, which will remain as legal notations or encumbrances, respectively, against title to the Strata Lots or the Common Property after filing the Strata Plan in the Land Title Office (unless otherwise indicated):

- (a) the Parking Facility Lease;
- (b) an agreement or agreements with the owner of the Remainder, including the following:
 - (i) an easement in favour of the Lands over the portion of the Remainder upon which the ramp and common drive aisles on the first 2 levels of the Common Parking Structure are located, permitting access to and egress from the Patina Parking Facility;

- (ii) an easement in favour of the Remainder over portions of the Patina Parking Facility, permitting authorized employees, contractors and/or representatives of the owner of the Remainder to obtain access to and egress from any mechanical or services areas on the Lands which service the Remainder or the Remainder and the Lands;
 - (iii) an easement in favour of the Lands over portions of the Remainder permitting authorized employees, contractors and/or representatives of the owner of the Lands to obtain access to and egress from any mechanical or services areas on the Remainder which service the Lands or the Remainder and the Lands;
 - (iv) an easement over the Lands in favour of the Remainder granting rights of access to the owners and occupants of the Remainder to provide ingress and egress to and from the elevator pit located on level P3 of the Patina Parking Facility and for maintenance of the waterproof membrane on the roof deck of the New YMCA Facility;
 - (v) reciprocal easements between the Lands and the Remainder to ensure access to and from all shared egress and exit routes, including exit stairwells, corridors, breezeways, mechanical shafts, fire alarm devices and refuge areas where applicable as located within each parcel but intended for the benefit of all occupants of and visitors to the Lands and the Remainder; and
 - (vi) such easements and covenants, reciprocal or otherwise, between the Remainder and the Lands, that the City may require in connection with the approval and registration of the Airspace Plan, including without limitation a single site covenant and easements for utilities and common systems, support, maintenance and repair of the improvements on each of the Lands and the Remainder;
- (c) an easement or easements in favour of adjoining properties, including without limitation the Remainder, permitting the placement of underpinning, anchor rods or other support structures below the surface of the Lands in order to facilitate construction on such adjoining properties, support for such properties during and after such construction and the ability to have the boom of any crane used in the construction of the development on such properties pass through the air space of the Lands;
 - (d) an easement and indemnity agreement or other similar encroachment agreement in favour of City permitting the construction, maintenance and use of improvements in the City's laneway adjacent to the south side of the Development and New YMCA Facility;
 - (e) any and all such rights of way, easements, encroachment agreements, restrictive covenants, dedications and other covenants, rights or restrictions, and any

required equitable charges relating thereto, required by the City, BC Hydro, Terasen Inc., Telus or any other applicable governmental authority or public utility or as may be deemed necessary or advisable by the Developer in connection with the Development; and

- (f) such other encumbrances and legal notations as the Developer may deem necessary, provided such encumbrances and legal notations are discharged prior to the conveyance of any Strata Lot, or in the case of security in favour of a lender to the Developer, such lender agrees to provide a partial discharge of its security insofar as it pertains to any particular Strata Lot within a reasonable period of time after completion of the sale of such Strata Lot.

4.5 Outstanding or Contingent Litigation or Liabilities

There is no outstanding or contingent litigation or liability in respect of the Development or against the Developer, which may affect the Strata Lots.

4.6 Environmental Matters

(a) *Flooding*

The Developer is not aware of any requirement imposed by the City or other governmental authority, or any danger, in respect of flooding or drainage hazards at the Development.

(b) *Condition of Soil and Subsoil*

The Developer's investigation of the Lands, and the previous uses thereof, indicates that there is no significant contamination in the soil and subsoil at the Development.

5. CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

The construction of the Strata Lots commenced on February 1, 2007. The construction of the Strata Lots is expected to be completed on February 1, 2011. Due to the height of the Development and the large number of Strata Lots in the Development, completion of purchases and sales of Strata Lots and move-in dates will be scheduled over several months following construction completion, in accordance with purchasers' purchase and sale agreements. It is anticipated that completion of purchases and sales of Strata Lots and move in dates will be scheduled starting with Strata Lots on the lower floors of the Development and progressing to higher floors. These estimated commencement and completion dates are estimates only and are not to be relied upon by purchasers of the Strata Lots for determining the completion date of their purchases. The Developer reserves the right to change estimated dates. The completion dates for the purchases and sales of Strata Lots will be determined pursuant to the purchase agreements.

5.2 Warranties

- (a) The Developer warrants each Strata Lot against defects in materials and labour for a period of two years from the "Commencement Date" (defined as the earlier of the date of actual occupancy of the Strata Lot and the transfer of legal title to the first purchaser of the Strata Lot), the Common Property against defects in materials and labour for 15 months and against defects in materials and labour for gas, electrical, plumbing, heating, ventilation and air conditioning systems and for exterior cladding, caulking, windows and doors for two years, defects in the building envelope (including defects resulting in unintended water penetration) for a period of six years and structural defects for a period of ten years, all commencing on the first Commencement Date for a Strata Lot.
- (b) The Developer is a licensed builder under the *Homeowner Protection Act* (British Columbia). In accordance with the *Homeowner Protection Act* (British Columbia), the Developer will, in addition to the Developer's warranty, provide a third party warranty by Financial Institutions Commission approved Travelers Guarantee with coverage matching the Developer's warranty to purchasers of the Strata Lots. Both the Developer's warranty and the Travelers warranty exceed the minimum requirements of the *Homeowner Protection Act* (British Columbia). A copy of the Travelers current warranty certificate which describes the terms of the coverage which will apply to the Development is attached as Exhibit H to this Disclosure Statement. The Developer's warranty will be subject to the same terms and conditions as the Travelers warranty.

5.3 Previously Occupied Building

Not applicable for this Development.

6. APPROVALS AND FINANCES

6.1 Development Approval

- (a) The City has issued Development Permit No. DE409971 dated December 15, 2006 for the Development.
- (b) The City has issued Building Permit BV435202 for the excavation and shoring of the Development and construction of foundations to grade. The Developer expects to receive authorization under such Building Permit for construction of the balance of the Development on or before the date which is nine months after this Disclosure Statement is filed with the Superintendent. The Developer will file an amendment to this Disclosure Statement setting out the particulars of the issued building permit approval for the Development and will deliver a copy of such amendment to each purchaser once the final building permit approval is issued.

- (c) The Development will comply with all building restrictions, zoning regulations and other restrictions governing the use and development of the Development and any Strata Lot therein.

6.2 Construction Financing

The Developer intends to finance construction of the Development itself. The Developer reserves the right to obtain financing for the construction of the Development from an outside lender. If the Developer obtains construction financing from an outside lender, it will require the lender, as part of its financing commitment, to agree to provide a partial discharge of its security insofar as it relates to any particular Strata Lot upon completion of the sale of such Strata Lot.

7. MISCELLANEOUS

7.1 Deposits

Except as otherwise provided in this section 7.1 where required under the *Real Estate Development Marketing Act* (British Columbia), all deposits and other monies received from a purchaser of a Strata Lot will be held by the Developer's lawyers, McCarthy Tétrault LLP, in trust in the manner required by the *Real Estate Development Marketing Act* (British Columbia) until such time as:

- (a) the Strata Plan is deposited in the Land Title Office;
- (b) the Strata Lot is capable of being occupied; and
- (c) an instrument evidencing the interest of the purchaser in the Strata Lot has been filed for registration in the Land Title Office.

The interest, if any, accrued on the deposit will be for the account of and payable to the purchaser unless the purchaser defaults in his or her obligations under the Contract of Purchase and Sale entered into between such purchaser and the Developer, in which case such interest will be for the account of and paid to the Developer.

Notwithstanding the foregoing, the Developer may, in its discretion, enter into a deposit protection contract as contemplated by the *Real Estate Development Marketing Act* (British Columbia) and, if the Developer does so, the deposit may be released to the Developer and used by the Developer for purposes related to the Development, including the construction and marketing thereof, and the deposit protection contract will remain in effect until subsections 7.1(a), (b) and (c) have been satisfied. Interest on the deposit shall accrue to the benefit of the purchaser only until such time as the deposit is released to the Developer as contemplated herein, after which time the Purchaser shall not be entitled to the benefit of any further accrued interest.

7.2 Developer's Commitments

There are no commitments made by the Developer to be met after completion of the sale of the Strata Lots.

7.3 Other Material Facts

(a) Caretaker's Suite

One of the Strata Lots (the "Caretaker's Suite") will be designated for use by the caretaker of the Development, which is intended to be a one bedroom Strata Lot on the 3rd floor of the Development. The Developer will sell the Caretaker's Suite to the Strata Corporation for the sum of \$395,000.00, plus applicable goods and services tax, and will cause the Strata Corporation to acquire the Caretaker's Suite on these and the following terms. To finance the purchase of the Caretaker's Suite, the Strata Corporation will grant a first mortgage to an institutional lender securing the whole or a portion of the principal sum for a probable term of five years, with a per annum interest rate equivalent to the average of the respective rates for five year closed residential mortgages published by the five largest Canadian chartered banks (in assets) as at the date of completion of the purchase and sale of the Caretaker's Suite, amortized over 25 years, and, if only a portion of the principal sum is so secured, it is intended that the Strata Corporation will also grant a second mortgage to another institutional lender, or to the Developer or its nominee, securing the balance of the principal sum, plus all costs relating to the purchase of the Caretaker's Suite, including, without limitation property transfer tax and legal fees and disbursements, for a probable term of three years, with interest at the then current market rate per annum for second mortgages of residential property, amortized over 25 years. Such mortgage(s) will be registered against title to the Caretaker's Suite. Any such mortgage may also be secured by an assignment of the rents from the Caretaker's Suite.

(b) Other Contracts Affecting the Development

The Developer will cause the Strata Corporation to enter into ordinary course arrangements in connection with the maintenance, operation and security of the Common Property. The Developer will also enter into leasing contracts, on behalf of the Strata Corporation, or cause the Strata Corporation to enter into, leasing contracts with respect to a garbage compactor unit and the enterphone panels and access control systems servicing the Development. In addition, the Developer will enter into, and cause the Strata Corporation to assume, the Shared Facilities Agreement and the agreement with YMCA permitting the owners of the Strata Lots to use and maintain the landscaped terrace area adjacent to the amenity lounge on the 8th floor of the Development (see sections 2.1 and 3.3(b), above). The costs associated with all of the foregoing arrangements are included in the interim budget for the Strata Corporation attached as Exhibit E to this Disclosure Statement.

7.4 Purchase Agreement

Attached as Exhibit J to this Disclosure Statement is the form of offer to purchase and agreement of sale which the Developer intends to use in connection with the sale of the Strata Lots unless otherwise agreed between the Developer and a purchaser.

DEEMED RELIANCE

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DECLARATION

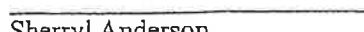


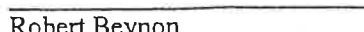



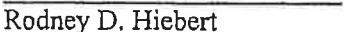
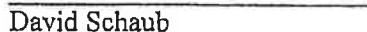

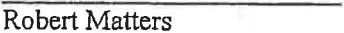


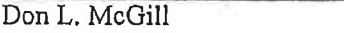
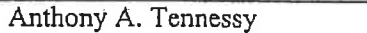

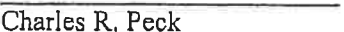

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DEVELOPER

CONCERT REAL ESTATE CORPORATION

Per: 
David R. Podmore, President

THE DIRECTORS OF THE DEVELOPER

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 Robert Beynon	 Leif Hansen	 Jack Poole
 John Davies	 Rodney D. Hiebert	 David Schaub
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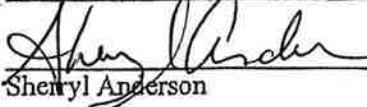

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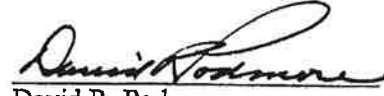
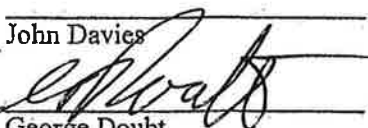
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DEVELOPER

CONCERT REAL ESTATE CORPORATION

Per: 
David R. Podmore, President

THE DIRECTORS OF THE DEVELOPER

Sherryl Anderson

Robert Gardner



David R. Podmore

Robert Beynon

Leif Hansen

Jack Poole

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Bryan Wall

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AUG 02 2007

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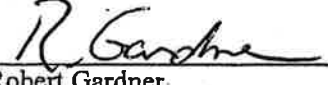
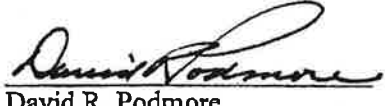
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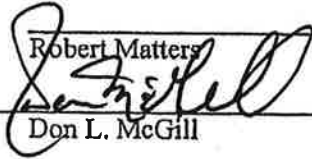
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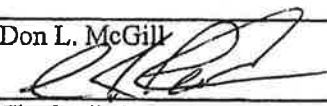
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