

CAPITOL

NEW WESTMINSTER

FIRST AMENDMENT TO THE DISCLOSURE STATEMENT DATED MAY 31, 2017

DATE: FEBRUARY 16, 2018.

Disclosure Statement with respect to an offering by Porte Homes (Capitol) Ltd. and 1069542 B.C. Ltd. for the sale of eighty-eight (88) residential strata titled condominiums and townhomes to be constructed in a single building on property located at 1002-1020 Auckland Street, New Westminster, British Columbia, (the "Development").

DEVELOPER

Name of Developer: Porte Homes (Capitol) Ltd. and 1069542 B.C. Ltd.
Address for Service: 300 – 1681 Chestnut Street, Vancouver, B.C. V6J 4M6
Business Address: 100 – 33 East 8th Avenue, Vancouver, B.C., V5T 1R5

This Disclosure Statement Amendment relates to a development property that is not yet completed. Please refer to Section 7.2 of the Disclosure Statement, as amended hereby, for information on the purchase agreement(s).

That information has been drawn to the attention of:

_____ (Insert Purchaser's name)

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

MARKETING AGENTS

At the time of making this Disclosure Statement Amendment the Developer is utilizing a related entity, Porte Realty Ltd. of 100 – 33 East 8th Avenue, Vancouver, B.C., V5T 1R5 to market the strata lots. The agents of Porte Realty Ltd. who are involved in the marketing of the strata lots are all licensed pursuant to the *Real Estate Services Act* (British Columbia). The Developer also utilizes its own employees to market the strata lots. Employees of the Developer are not required to be licensed under the *Real Estate Services Act* (British Columbia) and shall not act on behalf of the purchasers. The Developer also reserves the right to appoint additional and replacement agents and subagents from time to time.

DISCLAIMERS

THIS DISCLOSURE STATEMENT AMENDMENT 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 THIS AMENDMENT, OR WHETHER THIS AMENDMENT OR 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.

The following amendments be made to the Disclosure Statement:

1. Real Estate Development Marketing Act Disclosure Statement (page 1) (see Section 2.1).

Paragraph one of page 1 be deleted and replaced with the following:

“Disclosure Statement with respect to an offering by Porte Homes (Capitol) Ltd. and 1069542 B.C. Ltd. for the sale of seventy-five (75) residential strata titled condominiums, located at 1012 Auckland Street, New Westminster, British Columbia and thirteen (13) townhomes located at 1018 and 1020 Auckland Street, New Westminster, B.C. and 1001, 1003, 1005, 1007, 1009, 1011, 1013, 1015, 1017, 1019 and 1021 Quebec Street, New Westminster, B.C. to be constructed in a single building (the “Development”).”

2. Real Estate Development Marketing Act Requirements:

Development Approval (pages 3-4)

Pages 3 and 4 of the Disclosure Statement be deleted as a Development Permit and the first stage of the staged Building Permit for the Development have been issued by the City of New Westminster (See Section 6.1).

3. Financing Commitment (page 5)

Page 5 of the Disclosure Statement be deleted and the rescission rights contained therein shall cease to be applicable to the Development as a satisfactory financing commitment has been obtained from the Vancouver City Savings Credit Union (see Section 6.2).

4. Section 2.1 General Description of the Development

Existing paragraph 1 of Section 2.1 be deleted and replaced with the following:

“The Development will consist of 88 residential strata titled condominiums and town homes (together the “Strata Lots”). The Strata Lots will be constructed within a single building comprised of seventy-five wood frame condominiums over thirteen concrete townhomes and a concrete parking facility. The civic address of the strata tiled condominiums is 1012 Auckland Street, New Westminster, British Columbia. The civic addresses of the townhomes are 1018 and 1020 Auckland Street, New Westminster, B.C. and 1001, 1003, 1005, 1007, 1009, 1011, 1013, 1015, 1017, 1019, 1021 Quebec Street, New Westminster, B.C. The Developer is marketing all of the Strata Lots for sale. The Developer reserves the right to change the civic address of the building and any of the Strata Lots in the Development.”

5. Section 4.1 Legal Description

The parcels comprising the Property have been subdivided and consolidated and accordingly the legal description set out in section 4.1 is deleted and replaced with the following:

“The Property is situate in the City of New Westminster and is legally described as follows:

PID: 030-275-784 LOT 1 BLOCK 36 NEW WESTMINSTER DISTRICT PLAN EPP72584”

6. Section 4.3 Existing Encumbrances and Legal Notations

The following item be added to section 4.3 as a legal notation registered against the Property:

“THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 14 OF THE LOCAL GOVERNMENT ACT, SEE CA6581675”

The following item be deleted from Section 4.3:

“Mortgage CA5117880 and Assignment of Rents CA5117881 (together the “Security”), both in favour of Vancouver City Savings Credit Union (the “Lender”), secure conventional financing which is expected to be replaced with construction financing. The Developer’s own resources are sufficient to cover the cost of the installation and provision of utilities and other services relating to the Development.”

The following items be added to existing Section 4.3 as encumbrances registered against title to the Property:

Section 219 Covenant registered under No. CA6074774 in favour of The Corporation of the City of New Westminster (the “City”) requires the construction and maintenance of eighteen (18) off-street parking stalls for the exclusive use of visitors to the Development.

Section 219 Covenant registered under No. CA6074776 in favour of the City prohibits subdivision or development of the Property until such time as a Works and Services Agreement has been entered into with the City. This covenant is expected to be released by the City.

Statutory Right of Way registered under No. CA6364715 in favour of the City permits the City to carry out the removal, maintenance, repair, alteration, replacement and use of the public sidewalk areas shown on Explanatory Plan EPP73611.

Section 219 Covenant registered under No. CA6364717 in favour of the City of New Westminster requires the Grantor to keep, maintain and repair the public sidewalk in good condition and repair in accordance with the agreement.

Mortgage and Assignment of Rents registered under Nos. CA6410834 and CA6410835 in favour of Vancouver City Savings Credit Union secures conventional financing which is expected to be replaced with security for construction financing.

Statutory Right of Way registered under No. CA6469884 in favour of Shaw Cablesystems Limited (“Shaw”) permits Shaw access to the Property to provide and maintain telecommunication services.

7. Section 4.4 Proposed Encumbrances

The following items noted as proposed encumbrances in section 4.4 of the Disclosure Statement have been registered as existing encumbrances, are now enumerated and described in section 4.3 of the Disclosure Statement and accordingly no longer constitute “Proposed Encumbrances” and shall be deleted:

Covenant in favour of The Corporation of the City of New Westminster requiring the construction and maintenance of eighteen (18) off-street parking stalls for the exclusive use of visitors to the Development; and

Covenant in favour of The Corporation of the City of New Westminster prohibits subdivision or development of the Property until such time as a Works and Services Agreement has been entered into with the City.

The following items be added to existing Section 4.4 as proposed encumbrances registered against title to the Property:

Mortgage and Assignment of Rents in favour of Vancouver City Savings Credit Union which will secure construction financing.

8. Section 5.1 Construction Dates

Change the estimated time for completion of construction from between August 1, 2019 and October 31, 2019 to between December 1, 2019 and February 28, 2020.

9. Section 6.1 Development Approval

Existing section 6.1 be deleted and replaced with the following:

“Creation of the Development has been approved by the City of New Westminster (the “City”). Development Permit Number DPT00021 was issued by the City December 4, 2017 and Building Permit BP011676 has been issued by the City for excavation for the building. The Building Permit is one of multiple or staged building permits to be issued by the City for construction of a single building comprised of seventy-five wood frame condominiums over thirteen concrete town homes and a concrete parking facility. The Developer intends to promptly apply for and promptly pay for each of the further building permits required to complete the Development. None of the layout or size of any strata lots, the construction of a major common facility or the general layout of the Development was changed by the issuance of the Building Permit.”

10. 6.2 Construction Financing

Existing section 6.2 be deleted and replaced with the following:

“The Developer has obtained a satisfactory financing commitment from Vancouver City Savings Credit Union (the “Lender”) for construction financing which, when combined with the Developer’s own resources, will be sufficient to complete construction of the Development including the installation of all utilities and other services associated with the Development. The Lender will provide partial discharges of the Security, insofar as it pertains to any particular Strata Lot, within a reasonable time after the completion of the sale of such Strata Lot, on payment of 100% of the proceeds of each approved sale less approved normal closing adjustments for such items as legal costs, realty commissions, property taxes and GST where applicable. Any Personal Property Security Act Notice or charge against the common property may remain until the construction financing has been repaid in full.”

DEEMED RELIANCE

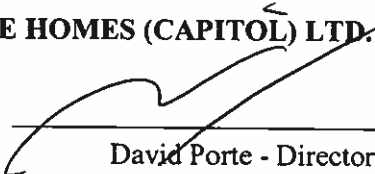
Section 22 of the Real Estate Development Marketing Act provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement, if any and any omission to state a material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

DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the Real Estate Development Marketing Act of the Province of British Columbia as of the 16th day of February, 2018.

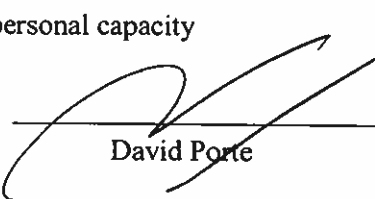
PORTE HOMES (CAPITOL) LTD.

Per:



David Porte - Director

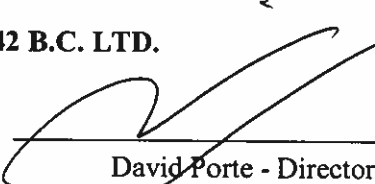
Signed by the sole Director of ~~Porte Homes~~ (Capitol) Ltd.
in his personal capacity



David Porte

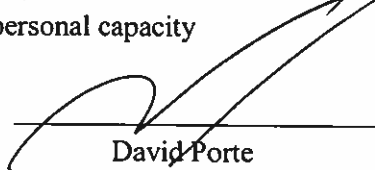
1069542 B.C. LTD.

Per:



David Porte - Director

Signed by the sole Director of ~~1069542 B.C.~~ Ltd.
in his personal capacity



David Porte

SOLICITOR'S CERTIFICATE

IN THE MATTER OF THE *REAL ESTATE DEVELOPMENT MARKETING ACT*
AND THE PROVINCE OF BRITISH COLUMBIA AND THE DISCLOSURE STATEMENT OF:

PORTE HOMES (CAPITOL) LTD. and 1069542 B.C. LTD.

FOR PROPERTY DESCRIBED AS: 1012, 1018, 1020 Auckland Street, New Westminster, B.C. and
1001, 1003, 1005, 1007, 1009, 1011, 1013, 1015, 1017, 1019, 1021
Quebec Street, New Westminster, B.C.

LEGAL DESCRIPTION:

PID: 030-275-784 LOT 1 BLOCK 36 NEW WESTMINSTER DISTRICT PLAN EPP72584

I, Thomas J. Beechinor, Solicitor, a member of the Law Society of British Columbia, HEREBY
CERTIFY that I have read over the above-described Disclosure Statement dated the 31st day of May,
2017 and amendments thereto dated 16th day of February, 2018 and that the facts contained in sections
4.1, 4.2 and 4.3 of the Disclosure Statement are correct.

DATED at Vancouver, British Columbia, this 16th day of February, 2018.


Thomas J. Beechinor