

**COMPTON
DISCLOSURE STATEMENT**

January 19, 2001

DEVELOPER

Name:	POLYGON COMPTON HOMES LTD.
Registered Office:	15th Floor – 1040 West Georgia Street Vancouver, British Columbia V6E 4H8
Mailing Address and Address for Service:	1800 Spyglass Place Vancouver, British Columbia V5Z 4K8

DISCLAIMER

NEITHER THE SUPERINTENDENT OF REAL ESTATE NOR ANY OTHER AUTHORITY OF THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA HAS IN ANY WAY PASSED ON THE MERITS OF THE MATTERS DEALT WITH IN THIS DISCLOSURE STATEMENT. THIS DISCLOSURE STATEMENT HAS BEEN FILED WITH THE SUPERINTENDENT OF REAL ESTATE, BUT HE HAS NOT DETERMINED WHETHER OR NOT IT COMPLIES WITH PART 2 OF THE REAL ESTATE ACT.

1. LEGAL DESCRIPTION

1.01. Legal Description and Location of Development

The strata lots (the "Strata Lots") offered for sale by Polygon Compton Homes Ltd. (the "Developer") pursuant to this Disclosure Statement constitute the 58 units at the following civic address: 1316 West 11th Avenue, Vancouver, British Columbia. The proposed legal description is to be Strata Lots 1 to 58 inclusive of the property legally described as PID 024-060-721, Parcel D, Block 392, District Lot 526, Plan LMP36970 (the "Lands").

2. GENERAL DESCRIPTION

2.01 Nature of Development

The Compton (the "Development") is a 58 strata lot condominium project with the area and location of the Strata Lots being generally as set out in the preliminary strata plan drawings (the "Strata Plan") attached as Exhibit "A".

2.02 Permitted Uses

The Strata Lots are intended for residential use and are permitted for this use under the Bylaws of the City of Vancouver.

2.03 Dangers to the Lands

There are no further requirements imposed by the municipality or other governmental authorities relating to flooding or condition of soil and subsoil. Based on a physical examination of the land after conferring with the City of Vancouver, the Developer is not aware of any dangers to the Lands.

2.04 Services

All services and utilities including sanitary sewer, storm sewer, domestic water, street access, street lighting, electrical power, telephone and natural gas are either now available to the Development or will be installed by the Developer at the Developer's cost and to each Strata Lot where applicable. Each purchaser will be responsible for individual Strata Lot hookup with communications and utilities suppliers.

Other Services:

(a) Cable - Shaw Cablesystems GP will supply cable television services to the development in accordance with and as required by the C.R.T.C. regulations. Shaw Cablesystems GP will promote and market the Communication Services to the residents of the development for a term that ends the earlier of:

- (i) two years; or
- (ii) the date of appointment or election of the Strata Council for the Strata Corporation at the first annual general meeting.

- (b) Enterphone and Security - The enterphone system and security camera system will be leased from Telecom Leasing Canada on a 65 month lease of which the first 12 months have been pre-paid by the Developer. The Strata Corporation will be responsible for the monthly fees thereafter. Telecom Leasing Canada's standard terms and conditions for a lease to purchase the system will apply. The elevator cab security telephone is monitored through a dedicated telephone line to Chubb Security Systems.

2.05 Adjacent Lots

The following land uses are adjacent to the project and are shown on Exhibit "K":

- Lot 7, block 392, District Lot 526, Plan 1276 is located West of the Development, zoned CD-1 and is occupied by a three storey wood frame multi-family dwelling.
- Lots 11-15, block 392, District Lot 526, Plan 1276 is located across the land and south of the Development, zoned CD-1 and is occupied by a 13 storey multi-family dwelling.

The foregoing is provided for information only. The Developer makes no representation as to the future uses of adjacent lands. Further information on land use and zoning may be obtained from the City of Vancouver.

3. LEGAL AND FINANCIAL MATTERS

3.01 Registered Owner

The Developer is the registered owner of the Lands.

3.02 Existing Encumbrances:

- (a) Registered Mortgage BM96415 in favour of the Bank of Nova Scotia;
- (b) Registered Assignment of Rents BM96416 in favour of the Bank of Nova Scotia;
- (c) Registered Easement BN146055 in favour of adjacent property, Lot 7, Plan 1276;
- (d) Registered Statutory Right of Way Agreement BP109161 in favour of British Columbia Hydro And Power Authority for the operation and maintenance of the undertakings of B.C. Hydro.

Legal Notations:

- (a) Personal Property Security Act Notice, see BM96417 expires 2003/04/01; and
- (b) Hereto is annexed easement BN146054 over the adjacent property, Lot 7, Plan 1276.

3.03 Proposed Encumbrances:

- (a) Any Statutory Right of Way, Easements, Section 219 Land Title Act Covenants or other agreements required by governmental authorities or others to facilitate the Development;
- (b) The Lease of the portion of the Lands and the Development comprising the Parking Stalls and Bicycle Storage Lockers in favour of Polygon Parking Limited as more particularly set out in Section 4.14 of this Disclosure Statement.

3.04 Management Agreement

The Developer intends to cause the Strata Corporation to enter into a Management Agreement generally in the form attached as Exhibit "J" to appoint Crosby Property Management Ltd. as the property management firm. The management firm is not affiliated with the Developer. The Management Agreement may be cancelled on 2 months notice if the cancellation is first approved by a resolution passed by a $\frac{3}{4}$ vote at an annual or special general meeting. The Management Agreement will terminate on the date which is 4 weeks following the date of the second annual general meeting of the Strata Corporation.

3.05 Litigation

There is no outstanding or contingent litigation.

3.06 Liabilities

Other than the above encumbrances, there are no outstanding liabilities. The Strata Lots will be transferred to the Purchasers free and clear of all financial encumbrances as set out in the Contract of Purchase and Sale. The terms of the Bank of Nova Scotia Mortgage, Assignment of Rents and Personal Property Security Act Notice, provide for partial releases in respect of each Strata Lot upon the sale of each Strata Lot.

3.07 Financing

The Developer has secured adequate financing to complete the Development.

4. STRATA CORPORATION DETAIL

4.01 Unit Entitlement

The Unit Entitlement indicates each Strata Lot's share in the common property, common facilities, and other assets of the Development, and by which the proportionate contribution of expenses of the common property is determined. The proposed Form V of the Strata Property Act is attached as Exhibit "B". The calculation of the Unit Entitlement figure, as determined by a British Columbia Land Surveyor, is based on the "habitable" area of the strata lot, expressed in square meters, rounded to the nearest whole number. The "habitable" area means the area of a residential strata lot, which can be lived in, but does not include patios, open balconies, garages or parking stalls. The actual Unit Entitlement may vary slightly from the figures shown when final strata survey plans are completed after construction.

4.02 Interest Upon Wind Up

The interest of each strata Lot in the Development on the wind up of the Strata Corporation is determined in accordance with Section 278 of the Strata Property Act and, for an individual Strata Lot is the same proportion of the total proceeds of distribution on wind up calculated on the proportion that the most recent assessed value of the Strata Lot is to the most recent assessed value of all the Strata Lots encompassing the entire Strata Corporation excluding any Strata Lots held by or on behalf of the Strata Corporation. In the event there are no assessed values for any Strata Lot, the value is determined by appraisal, prepared by an independent appraiser and approved by a resolution passed by a $\frac{3}{4}$ vote of the Strata Corporation.

4.03 Voting Rights

Voting Rights refers to the number of votes allotted to each Strata Lot. Each Strata Lot shall have one vote in the Strata Corporation.

4.04 Bylaws

The bylaws proposed by the Strata Corporation are those Standard Bylaws set out in the Strata Property Act as amended by the changes set out in the proposed Form Y of the Strata Property Act attached as Exhibit "I" to this Disclosure Statement.

4.05 Equipment in Lot

(a) The following equipment will be included in the purchase of each Strata Lot:

- Gas Fireplace
- Combined microwave with hoodfan
- Dishwasher
- Garbage Disposal
- Refrigerator
- Gas Range
- Window Blinds

The above items will not be encumbered except to the extent of any mortgage registered in the Land Title Office.

4.06 Common Facilities

(a) Common facilities exclusive to the Strata Corporation will include the following:

- (i) 63 Underbuilding Bike Storage Spaces in 28 Bike Storage Lockers located on Parking Level 2.
- (ii) 10 Bike Storage Spaces in 1 Bike Storage Room located on the Main Floor
- (iii) 66 Underbuilding Parking Spaces.

(b) Exhibit "C" further describes equipment, furnishings, and other assets to be provided or leased to the Strata Corporation.

4.07 Limited Common Property

Limited Common Property includes areas within the Common Property, which are intended to be used exclusively by one or more Strata Lot owners. Generally, the owner(s) of a Strata Lot is responsible for the cost of maintaining and repairing Limited Common Property designated for their exclusive use. The Strata Corporation's duty to repair and maintain Limited Common Property is restricted to:

- (a) repair and maintenance that in the ordinary course of events occurs less often than once a year;
- (b) the following, no matter how often the repair or maintenance ordinarily occurs:
 - (i) the structure of a building;
 - (ii) the exterior of a building;
 - (iii) chimneys, stairs, balconies and other components attached to the exterior of a building;
 - (iv) doors, windows and skylights on the exterior of a building or that front the common property; and
 - (v) fences, railings and similar structures that enclose patios, balconies and yards.

The developer will designate Limited Common Property upon deposit of the Strata Plan. These areas are as shown on Exhibit "A" but generally include all patios and balconies appurtenant to each Strata Lot. Such designations may only be removed by unanimous vote of the members of the Strata Corporation.

4.08 Commencement and Completion of Construction

Construction commenced on February 14, 2000 and is anticipated to be completed on or before May 31, 2001.

4.09 Rental Disclosure Statement

A rental disclosure statement in Form J will be filed with the Superintendent of Real Estate. A copy of the proposed Strata Property Act Form J is attached as Exhibit "D".

4.10 Strata Lots

The configuration of the proposed Strata Plan is shown by Exhibit "A". The dimensions and locations of each Strata Lot will be generally as shown by the attached Exhibits "A-1" to "A-8" inclusive.

4.11 Approvals

The creation of the Strata Lots has been approved in the following manner:

- (a) The Council of the City of Vancouver enacted on June 15, 1999 By-Law No. 8034. This allowed a Rezoning from RM-3 Multi-Family Dwelling District to CD-1 Comprehensive Development District to permit retention of the existing Rose Court building located at 1336 West 11th Avenue, Vancouver.
- (b) Development Permit DE402493 was issued by the City of Vancouver on July 15, 1998 and permitted the construction of a 58 unit apartment project.
- (c) Minor Amendment to the Development Permit DE404149 was issued by the City of Vancouver on June 23, 1999
- (d) Minor Amendment to the Development Permit DE405029 was issued by the City of Vancouver on May 15, 2000.
- (e) Building Permit BU407995 was issued by the City of Vancouver on July 16, 1998, and permitted the construction of a 58 unit apartment project.

4.12 Insurance Coverage

- (a) The Developer has placed the following insurance coverage in respect of the Development:
 - (i) \$8,575,000.00 - Course of Construction; and
 - (ii) \$15,000,000.00 - General Liability.
- (b) The Developer will replace the insurance coverage (a)(i) above with full replacement insurance coverage for major perils including fire, lightening, smoke, windstorm, hail, explosion, water escape, strikes, riots or civil commotion, impact by aircraft and vehicles, vandalism and malicious acts on completion of the Development in the amount of \$9,432,500.00 on:
 - (i) common property;
 - (ii) common assets;
 - (iii) buildings shown on the strata plan, and

- (iv) fixtures (which includes floor and wall coverings and electrical and plumbing fixtures, but does not include refrigerators, stoves, dishwashers, microwaves, washers, dryers or other items) built or installed on the Strata Lot as part of the original construction by the Developer.
- (c) The Developer will replace the insurance coverage in (a)(ii) above on completion of the Development with liability insurance to insure the Strata Corporation against liability for property damage and bodily injury in a Comprehensive General Liability Policy in the amount of \$2,000,000.00.
- (d) The Strata Corporation is responsible for insuring the Common Property and Limited Common Property.
- (e) The Purchaser is responsible for insuring the contents of his/her Strata Lot.

4.13 Construction and Equipment Warranty

(a) Construction

- (i) The Development including individual strata lots will be covered under home warranties provided by London Guarantee Insurance Company. The coverage provided will include:

- 2 Year Materials and Labour
- 5 Year Building Envelope
- 10 Year Structural Defects

as set out under the terms in London Guarantee Insurance Company's standard warranty documents.

- (ii) On July 1, 1999, new builder licensing and home warranty regulations were legislated in British Columbia under the provisions of the Homeowner Protection Act. As Municipal Building Permit applications for the Development were granted prior to the effective date of the legislation, the Development is not governed by the Home Owner Protection Act. Notwithstanding this, the Development is covered by the level of warranty coverage required under the Home Owner Protection Act.

(b) Equipment:

Manufacturers' warranties on all appliances and common area equipment will be assigned to the Strata Lot owner or the Strata Corporation respectively providing such assignment is permitted by said warranty.

4.14 Parking and Bicycle Storage Lockers

Prior to submission of the Strata Plan for filing in the Land Title Office, the Developer will enter into a lease with Polygon Parking Limited in the form attached as Exhibit "L" (the "Parking/Bicycle Storage Locker Lease") giving Polygon Parking Limited a lease of that portion of the Lands and Development comprising the 66 underground parking stalls and the 28 bicycle storage lockers as more particularly set out on the sketch plan attached as Schedule "A" to Exhibit "L" (the "Parking Stalls" and the "Bicycle Storage Lockers" respectively) for a term ending on the earlier of the date the Strata Corporation is dissolved or upon wind up of the Strata Corporation. Following submission of the Strata Plan for filing in the Land Title Office, the Strata Corporation will assume full responsibility for the control, management and administration of the Parking Stalls and Bicycle Storage Lockers as common property in accordance with provisions of the Strata Property Act and the cost of the maintenance and repair of the Parking Stalls and Bicycle Storage Lockers is the responsibility of the Strata Corporation. The cost of such maintenance and repair is included in the projected operating budget of the Strata Corporation attached as Exhibit "G".

Polygon Parking Limited may partially assign its rights under the Parking/Bicycle Storage Locker Lease to purchasers of individual Strata Lots within the Development in the form of the parking stall/bicycle storage locker assignment (the "Assignment") attached as Schedule "B" to Exhibit "L". Polygon Parking Limited may charge a "one-time" fee for the Assignment of Polygon Parking Limited's rights under the Parking/Bicycle Storage Locker Lease. The Assignment may include one or more Parking Stalls or Bicycle Storage Lockers as Polygon Parking Limited may determine. Subsequent Assignments of parking stalls or bicycle storage lockers by purchasers of Strata Lots may only be permitted in accordance with the terms of the Parking/Bicycle Storage Locker Lease. Some of the Parking Stalls are small car stalls as permitted by the City of Vancouver Parking By-law.

4.15 Common Expenses

- (a) A copy of the interim budget of the Strata Corporation is attached as Exhibit "E",
- (b) Each Strata Lot's monthly allocation of the estimated operation expenses and contribution to the contingency reserve fund based on the interim budget (interim expenses monthly assessment) is shown by Exhibit "F",
- (c) A copy of the first annual budget of the Strata Corporation is as shown by Exhibit "G",
- (d) Each Strata Lot's monthly allocation of the estimated operating expenses and contribution to the contingency reserve fund based on the first annual budget is shown by Exhibit "H".
- (e) The Developer will contribute to the Contingency Reserve Fund an amount corresponding to the lesser of:
 - (i) 5% of the Strata Corporation's interim budget, multiplied by the number of years and partial years since the deposit of the strata plan; and
 - (ii) 25% of the Strata Corporations' interim budgetand pursuant to Exhibit "E", is anticipated to amount to the total of \$3,150.40.

- (f) Pursuant to the Strata Property Act the Developer will pay the Strata Corporation's expenses up to the end of the month in which there is the first conveyance of a Strata Lot to a purchaser. Commencing on the 1st of the month after the first conveyance of a Strata Lot to a purchaser, the owners of each Strata Lot will pay to the Strata Corporation, its monthly allocation of the interim expenses monthly assessment as set out in Exhibit "F", and the owner / developer will pay to the Strata Corporation its monthly allocations of interim expenses monthly assessment in respect of each lot that the developer owns until they are subsequently sold. If the Strata Corporation's expenses exceed the estimated expenses in the interim budget then the developer must pay the excess to the Strata Corporation.
- (i) If the accrued expenses are at least 10% greater but less than 20% greater than the estimated operating expenses, the additional amount is the amount payable multiplied by 2;
- (ii) If the accrued expenses are at least 20% greater than the estimated operating expenses, the additional amount is the amount payable multiplied by 3.

4.16 Deposit Monies

All monies received from a Purchaser shall be held in trust in the manner required by the Real Estate Act.

4.17 Directors

The directors of the Developer are M.J. Audain, P.R. Genest, and R. Schmidtke.

4.18 Marketing

The Developer will market the Strata Lots comprising the Development utilizing its own sales staff.

4.19 First Annual General Meeting

Under the Strata Property Act the Developer is obligated to hold a first Annual General Meeting 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 that is nine months after the date of the first conveyance of a Strata Lot to a purchaser

If that meeting is not held on time the Regulations to the Strata Property Act require that the Developer pay to the Strata Corporation \$1000.00 for a delay of up to 30 days, and a further \$1,000.00 for each additional delay of 7 days.

4.20 Delivery of Documents to the Strata Corporation.

As required by the Strata Property Act the following documents will be delivered 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 or on behalf of the Strata Corporation;
- (d) any disclosure statement filed under the Real Estate Act and any Rental Disclosure Statement;
- (e) the registered Strata Plan from the Land Title Office;
- (f) names and addresses of all 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, manufacturers' documentation, service guides, operating instructions and other similar information relating to common property or common assets.

CAUTION

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

- (a) in the case of a corporation, to a fine of not more than \$100,000, and
- (b) in the case of an individual, to either a fine of not more than \$100,000, or to imprisonment for not more than 5 years less one day.

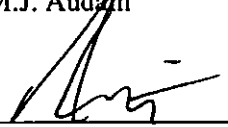
DECLARATION

The foregoing declarations constitute full, true and plain disclosure of all facts relative to the Development referred to above, proposed to be sold or leased, as required by the Real Estate Act of the Province of British Columbia as of the 19th day of January, 2001.

DEVELOPER:


POLYGON COMPTON HOMES LTD.
by its authorized signatories

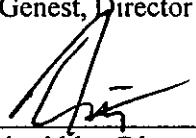
Per: 
M.J. Audain

Per: 
R. Schmidtke

DIRECTORS:


M.J. Audain, Director


P.R. Genest, Director


R. Schmidtke, Director

STATUTORY DECLARATION

DOMINION OF CANADA

PROVINCE OF BRITISH COLUMBIA

IN THE MATTER of the *Real Estate Act* and the Disclosure Statement of Polygon Compton Homes Ltd. for the property legally described as proposed Strata Lots 1 to 58 inclusive of the property legally described as PID 024-060-721, Parcel D, Block 392, District Lot 526, Plan LMP36970 (the "Lands").

TO WIT:

I, Michael Audain, of Vancouver in the Province of British Columbia, DO SOLEMNLY DECLARE:

1. **THAT** I am a Director and President of Polygon Compton Homes Ltd., the Developer referred to in the above-described Disclosure Statement, dated the 19th day of January 2001.
2. **THAT** every matter of fact stated in the said Disclosure Statement is correct.
3. **THAT** I am aware that Section 50(7) of the Real Estate Act requires that a true copy of the Disclosure Statement be delivered to the prospective purchaser or lessee and receipt for same be obtained.
4. **AND** I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at
Vancouver in the Province of
British Columbia, this 19th
day of January 2001



Michael Audain



A Commissioner for taking Affidavits

COLIN J. McIVER
Barrister & Solicitor
FRASER MILNER CASGRAIN
1500 - 1040 West Georgia St.
Vancouver, B.C. V6H 4Y8
Telephone (604) 681-4460

SOLICITOR'S CERTIFICATE

IN THE MATTER of the *Real Estate Act* and the Disclosure Statement of Polygon Compton Homes Ltd. for the property legally described as proposed Strata Lots 1 to 58 inclusive of the property legally described as PID 024-060-721, Parcel D, Block 392, District Lot 526, Plan LMP36970 (the "Lands").

I, COLIN J. McIVER, Solicitor, a member of the Law Society of British Columbia, having read over the above described Disclosure Statement dated January 19th, 2001 made any required investigations in public offices, and reviewed same with the Developer therein named, hereby certify that the facts contained in Paragraphs 1.01, 3.01 and 3.02 of the Disclosure Statement are correct.

DATED at Vancouver, in the Province of British Columbia, this 19th day of January 2001.



COLIN J. McIVER

COLIN J. McIVER
Barrister & Solicitor
FRASER MILNER CASGRAIN
1500 - 1040 West Georgia St.
Vancouver, B.C. V6E 4H8
Telephone (604) 687-4460

RIGHT OF RESCISSION

UNDER SECTION 63 OF THE REAL ESTATE ACT THE PURCHASER OR LESSEE OF SUBDIVIDED LAND SITUATED IN THE PROVINCE MAY, SO LONG AS HE REMAINS THE BENEFICIAL OWNER OF THE LAND, RESCIND THE PURCHASE CONTRACT OR LEASE BY SERVING WRITTEN NOTICE ON THE DEVELOPER OR HIS AGENT, WITHIN 3 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

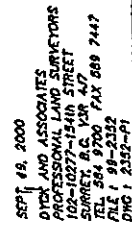
- (A) THE AGENT AT THE ADDRESS, IF ANY, SHOWN ON THE FACE OF THIS DISCLOSURE STATEMENT,**
- (B) THE AGENT AT HIS OFFICE OR PLACE OF BUSINESS WHERE THE CONTRACT WAS MADE, OR**
- (C) THE DEVELOPER AT HIS ADDRESS INSIDE OR OUTSIDE THE PROVINCE WHERE NO AGENT IS ACTING ON HIS BEHALF.**

THE DEVELOPER IS REQUIRED TO KEEP ANY MONIES HE RECEIVES FROM THE PURCHASER OR LESSEE IN A TRUST ACCOUNT IN THE PROVINCE UNTIL THE RESCISSION PERIOD REFERRED TO ABOVE HAS EXPIRED. WHERE A NOTICE OF RESCISSION IS SERVED ON THE DEVELOPER OR HIS AGENT, THE DEVELOPER OR HIS AGENT SHALL RETURN THE TRUST ACCOUNT MONIES TO THE PERSON FROM WHOM IT WAS RECEIVED OR SHALL PAY IT INTO COURT.

THE COMPTON

THIS PLAN LIES WITHIN THE GREATER VANCOUVER REGIONAL DISTRICT

THE COMPTON



THE COMPTON

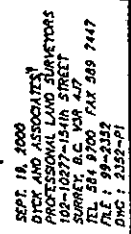


EXHIBIT "A-4"

THE COMPTON

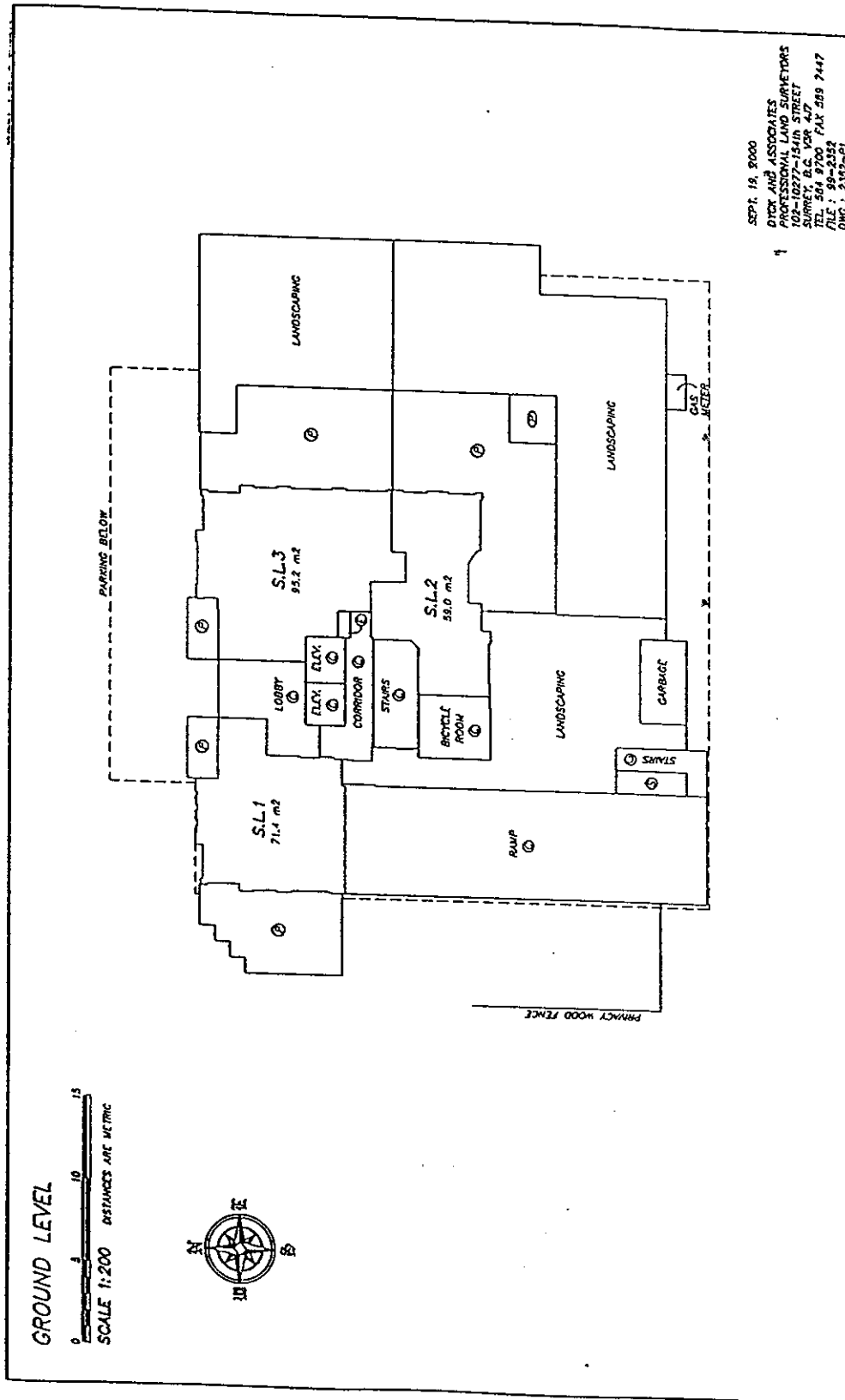
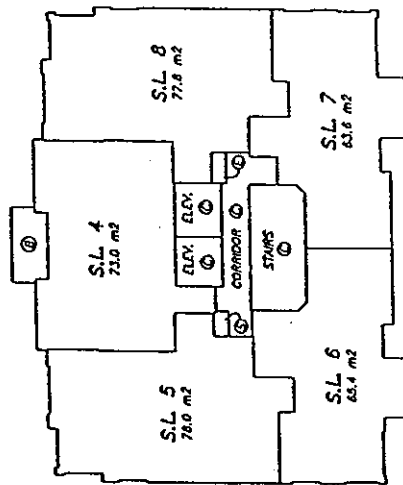


EXHIBIT "A-5"

THE COMPTON

SECOND FLOOR

0 5 10 15
SCALE 1:200 DISTANCES ARE METRIC



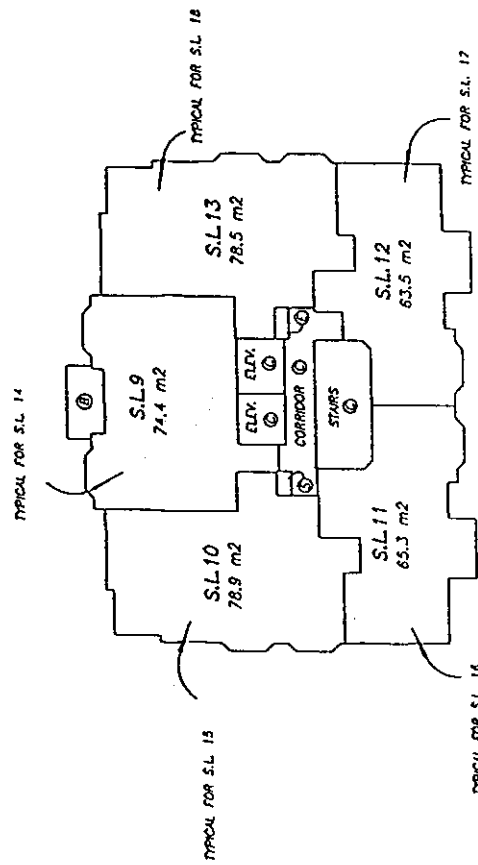
SEPT. 19, 2000
DYCK AND ASSOCIATES
PROFESSIONAL LAND SURVEYORS
1001 WEST 10TH STREET
SURREY, B.C. V3R 4J7
TEL: 594 9700 FAX: 589 7447
FILE: 99-2352
DMS: 2352-P1

EXHIBIT "A-6"

THE COMPTON

THIRD AND FOURTH FLOORS

0 5 10 15
SCALE 1:200 DISTANCES ARE METRIC



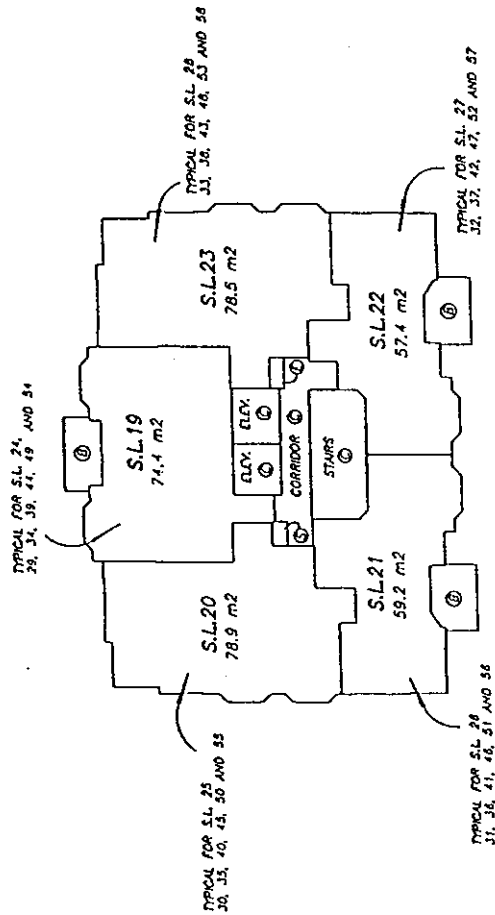
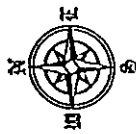
JANUARY 16, 2001
DYCK AND ASSOCIATES
PROFESSIONAL LAND SURVEYORS
102-10277-154th STREET
SURREY, B.C. V3R 4J7
TEL: 584 9700 FAX 589 7447
FILE: 99-2352-PI REV. 2
DWC: 2352-PI REV. 2

EXHIBIT "A-7"

THE COMPTON

TYPICAL FLOORS - 5th TO 12th

SCALE 1:200 DISTANCES ARE METRIC



JANUARY 16, 2001
 DICK AND ASSOCIATES
 PROFESSIONAL LAND SURVEYORS
 102-10277-134th STREET
 SURREY, B.C. V3R 4J7
 TEL: 584 9700 FAX 589 7447
 FILE: 99-2352
 DHC: 2352-P1 REV. 2

THE COMPTON

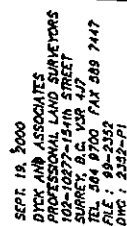


EXHIBIT "B"

THE COMPTON

Strata Property Act

FORM V

SCHEDULE OF UNIT ENTITLEMENT

(Section 245(a), 246, 264)

Re: Strata Plan _____ [the registration number of the strata plan], being a Strata Plan of Strata Lots 1 to 58 inclusive of the property legal described as PID 024-060-721, Parcel D, Block 392, District Lot 526, Plan LMP36970 (the "Lands").

The unit entitlement for each residential strata lot is the habitable area of the strata lot, in square metres, rounded to the nearest whole number as determined by a British Columbia land surveyor as set out in section 246(3) (a) (i) of the Strata Property Act.

Certificate of British Columbia Land Surveyor

I, _____,

A British Columbia land surveyor, certify that the following table reflects the habitable area of each residential strata lot.

Date: _____ [month, day, year]

Signature

Strata Lot No.	Sheet No.	Habitable Area in m ²	Unit Entitlement	% of Total Unit Entitlement
1		71.5	72	1.75%
2		59.3	59	1.45%
3		95.6	96	2.34%
4		73.5	73	1.80%
5		78.0	78	1.91%
6		65.8	66	1.61%
7		63.9	64	1.56%
8		77.9	78	1.91%
9		74.4	74	1.82%
10		78.5	79	1.92%
11		65.3	65	1.60%
12		63.5	64	1.56%
13		78.1	78	1.91%
14		74.4	74	1.82%
15		78.5	79	1.92%
16		65.3	65	1.60%

EXHIBIT "B" CONTINUED

Strata Lot No.	Sheet No.	Habitable Area in m ²	Unit Entitlement	% of Total Unit Entitlement
17		63.5	64	1.56%
18		78.1	78	1.91%
19		74.4	74	1.82%
20		78.5	79	1.92%
21		59.1	59	1.45%
22		57.3	57	1.40%
23		78.1	78	1.91%
24		74.4	74	1.82%
25		78.5	79	1.92%
26		59.1	59	1.45%
27		57.3	57	1.40%
28		78.1	78	1.91%
29		74.4	74	1.82%
30		78.5	79	1.92%
31		59.1	59	1.45%
32		57.3	57	1.40%
33		78.1	78	1.91%
34		74.4	74	1.82%
35		78.5	79	1.92%
36		59.1	59	1.45%
37		57.3	57	1.40%
38		78.1	78	1.91%
39		74.4	74	1.82%
40		78.5	79	1.92%
41		59.1	59	1.45%
42		57.3	57	1.40%
43		78.1	78	1.91%
44		74.4	74	1.82%
45		78.5	79	1.92%
46		59.1	59	1.45%
47		57.3	57	1.40%
48		78.1	78	1.91%
49		74.4	74	1.82%
50		78.5	79	1.92%
51		59.1	59	1.45%
52		57.3	57	1.40%
53		78.1	78	1.91%
54		74.4	74	1.82%
55		78.5	79	1.92%
56		59.1	59	1.45%
57		57.3	57	1.40%
58		78.1	78	1.91%
Total number of lots: 58			Total unit entitlement: 4085	100%

EXHIBIT "C"

COMPTON

EQUIPMENT IN COMMON PROPERTY

1. Sixty standard apartment-style mailboxes.
2. Two elevators with operation to 14 levels.
3. One common use overhead security gate at the main entrance to the parking garage.
4. Unmonitored security alarm buttons supplied in underground parking garage.
5. Common area security consisting of surveillance cameras and video recording equipment.
6. One electronic directory enterphone system.
7. Elevator cab security telephone monitored through designated telephone line to monitoring company.
8. Onsite lighting and underground services.
9. Building irrigation systems including boulevard.
10. Bench seating for lobby area.

EXHIBIT "D"

COMPTON

Strata Property Act
FORM J

RENTAL DISCLOSURE STATEMENT
(Section 139)

Re: Strata Plan _____ *[the registration number of the strata plan]*, being a Strata Plan of Strata Lots 1 to 58 inclusive of the property legal described as PID 024-060-721, Parcel D, Block 392, District Lot 526, Plan LMP36970 (the "Lands").

1. The development described above includes 58 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.

[Describe all strata lots rented out by owner developer as of the date of this statement.]

Description of Strata Lot [strata lot number as shown on strata plan]	Date Rental Period expires [month, day, year]
NIL	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 a further 58 residential strata lots, as described below, until the date set out opposite each strata lot's description.

[Describe all strata lots intended to be rented out by owner developer.]

Description of Strata Lot [strata lot number as shown on strata plan]	Date Rental Period expires [month, day, year]
Strata Lot 1	Unlimited – No expiry
Strata Lot 2	Unlimited – No expiry
Strata Lot 3	Unlimited – No expiry
Strata Lot 4	Unlimited – No expiry
Strata Lot 5	Unlimited – No expiry
Strata Lot 6	Unlimited – No expiry
Strata Lot 7	Unlimited – No expiry
Strata Lot 8	Unlimited – No expiry
Strata Lot 9	Unlimited – No expiry
Strata Lot 10	Unlimited – No expiry
Strata Lot 11	Unlimited – No expiry
Strata Lot 12	Unlimited – No expiry
Strata Lot 13	Unlimited – No expiry

EXHIBIT "D" (CONT'D)

Description of Strata Lot [strata lot number as shown on strata plan]	Date Rental Period expires [month, day, year]
Strata Lot 14	Unlimited – No expiry
Strata Lot 15	Unlimited – No expiry
Strata Lot 16	Unlimited – No expiry
Strata Lot 17	Unlimited – No expiry
Strata Lot 18	Unlimited – No expiry
Strata Lot 19	Unlimited – No expiry
Strata Lot 20	Unlimited – No expiry
Strata Lot 21	Unlimited – No expiry
Strata Lot 22	Unlimited – No expiry
Strata Lot 23	Unlimited – No expiry
Strata Lot 24	Unlimited – No expiry
Strata Lot 25	Unlimited – No expiry
Strata Lot 26	Unlimited – No expiry
Strata Lot 27	Unlimited – No expiry
Strata Lot 28	Unlimited – No expiry
Strata Lot 29	Unlimited – No expiry
Strata Lot 30	Unlimited – No expiry
Strata Lot 31	Unlimited – No expiry
Strata Lot 32	Unlimited – No expiry
Strata Lot 33	Unlimited – No expiry
Strata Lot 34	Unlimited – No expiry
Strata Lot 35	Unlimited – No expiry
Strata Lot 36	Unlimited – No expiry
Strata Lot 37	Unlimited – No expiry
Strata Lot 38	Unlimited – No expiry
Strata Lot 39	Unlimited – No expiry
Strata Lot 40	Unlimited – No expiry
Strata Lot 41	Unlimited – No expiry
Strata Lot 42	Unlimited – No expiry
Strata Lot 43	Unlimited – No expiry
Strata Lot 44	Unlimited – No expiry
Strata Lot 45	Unlimited – No expiry
Strata Lot 46	Unlimited – No expiry
Strata Lot 47	Unlimited – No expiry
Strata Lot 48	Unlimited – No expiry
Strata Lot 49	Unlimited – No expiry
Strata Lot 50	Unlimited – No expiry
Strata Lot 51	Unlimited – No expiry
Strata Lot 52	Unlimited – No expiry
Strata Lot 53	Unlimited – No expiry
Strata Lot 54	Unlimited – No expiry
Strata Lot 55	Unlimited – No expiry
Strata Lot 56	Unlimited – No expiry
Strata Lot 57	Unlimited – No expiry
Strata Lot 58	Unlimited – No expiry

EXHIBIT "D" (CONT'D)

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

Dated this 19TH day of JANUARY, 2001.

Per: 

Signature of Owner Developer
Polygon Compton Homes Ltd.

EXHIBIT "E"

THE COMPTON

COMMON EXPENSES PROPOSED INTERIM OPERATING BUDGET

Cleaning & Janitorial	\$ 5,000.00
Electricity	6,000.00
Elevator Maintenance / Monitoring	6,000.00
Enterphone	500.00
Fire Equipment Maintenance / Monitoring	0
Garbage / Recycling	4,500.00
Gas	20,000.00
Insurance / Appraisal	6,800.00
Landscape Maintenance	2,500.00
Legal Fees	0
Management Fees	5,958.00
Mechanical Equipment Maintenance	500.00
Miscellaneous	500.00
Repairs & Maintenance of Building Envelope	0
Repairs & Maintenance - Exterior	2,000.00
Repairs & Maintenance - Interior	1,000.00
Security System Lease	0
Snow Removal	750.00
Water & Sewer	1,000.00
Window Cleaning	0
SUBTOTAL EXPENSES	\$ 63,008.00
Contingency Reserve Fund @ 5%	<u>3,150.40</u>
TOTAL OPERATION BUDGET	\$ 66,158.40

NOTE: Each Strata Lot's monthly contribution to the contingency reserve fund is calculated as follows:

$$\frac{\text{unit entitlement of Strata Lot}}{\text{total unit entitlement of all Strata Lots}} \times \text{Contingency Reserve Fund Contributions}$$

* The Enterphone & Security System is leased for a period of 65 months, of which the first 12 months are prepaid by Polygon.

** The Elevator Installation contract will include maintenance for up to 3 months after installation.

*** It is anticipated that the Developer will contribute 5% of the common expenses set out in the interim operating budget to the contingency Reserve Fund (See section 4.15 (c) of the Disclosure Statement).

This project budget was prepared in January 2001 and has not been adjusted for inflation.

EXHIBIT "F"

THE COMPTON

INTERIM BUDGET, UNIT ENTITLEMENT AND MONTHLY ALLOCATION

Strata Lot	Unit Entitlement	Monthly Contribution
1	72	\$ 96.55
2	59	\$ 80.00
3	96	\$ 129.02
4	73	\$ 99.18
5	78	\$ 105.32
6	66	\$ 88.77
7	64	\$ 86.27
8	78	\$ 105.07
9	74	\$ 100.43
10	79	\$ 105.95
11	65	\$ 88.15
12	64	\$ 85.76
13	78	\$ 105.45
14	74	\$ 100.43
15	79	\$ 105.95
16	65	\$ 88.15
17	64	\$ 85.76
18	78	\$ 105.45
19	74	\$ 100.43
20	79	\$ 105.95
21	59	\$ 79.75
22	57	\$ 77.36
23	78	\$ 105.45
24	74	\$ 100.43
25	79	\$ 105.95
26	59	\$ 79.75
27	57	\$ 77.36
28	78	\$ 105.45
29	74	\$ 100.43
30	79	\$ 105.95
31	59	\$ 79.75
32	57	\$ 77.36
33	78	\$ 105.45
34	74	\$ 100.43
35	79	\$ 105.95
36	59	\$ 79.75
37	57	\$ 77.36
38	78	\$ 105.45
39	74	\$ 100.43
40	79	\$ 105.95
41	59	\$ 79.75
42	57	\$ 77.36
43	78	\$ 105.45

EXHIBIT "F" (CONT'D)

THE COMPTON

INTERIM BUDGET, UNIT ENTITLEMENT AND MONTHLY ALLOCATION

44	74	\$	100.43
45	79	\$	105.95
46	59	\$	79.75
47	57	\$	77.36
48	78	\$	105.45
49	74	\$	100.43
50	79	\$	105.95
51	59	\$	79.75
52	57	\$	77.36
53	78	\$	105.45
54	74	\$	100.43
55	79	\$	105.95
56	59	\$	79.75
57	57	\$	77.36
58	78	\$	105.45
4085		\$	5,513.20

EXHIBIT "G"

THE COMPTON

PROPOSED FIRST ANNUAL OPERATING BUDGET

Cleaning & Janitorial	\$	7,500.00
Electricity		8,000.00
Elevator Maintenance / Monitoring		9,500.00
Enterphone		600.00
Fire Equipment Maintenance / Monitoring		1,200.00
Garbage / Recycling		4,500.00
Gas		38,500.00
Insurance / Appraisal		6,800.00
Landscape Maintenance		6,500.00
Legal Fees		200.00
Management Fees		11,915.00
Mechanical Equipment Maintenance		4,000.00
Miscellaneous		1,000.00
Repairs & Maintenance of Building Envelope		0.00
Repairs & Maintenance – Exterior		3,000.00
Repairs & Maintenance – Interior		2,000.00
Security System Lease		8,000.00
Snow Removal		750.00
Water & Sewer		7,500.00
Window Cleaning		1,500.00
SUBTOTAL EXPENSES		122,965.00
Contingency Reserve – 10%		12,296.50
TOTAL OPERATION BUDGET		135,261.50

NOTE: Each Strata Lot's monthly contribution to the contingency reserve fund is calculated as follows:

$$\frac{\text{unit entitlement of Strata Lot}}{\text{total unit entitlement of all Strata Lots}} \times \text{Contingency Reserve Fund Contributions}$$

* The Enterphone & Security System is leased for a period of 65 months, of which the first 12 months are prepaid by Polygon.

This project budget was prepared in January 2001 and has not been adjusted for inflation

EXHIBIT 'H'**THE COMPTON****ANNUAL OPERATING BUDGET, UNIT ENTITLEMENT AND MONTHLY ALLOCATION**

Strata Lot	Unit Entitlement	Monthly Contribution
1	72	\$ 197.39
2	59	\$ 163.55
3	96	\$ 263.79
4	73	\$ 202.77
5	78	\$ 215.34
6	66	\$ 181.50
7	64	\$ 176.37
8	78	\$ 214.82
9	74	\$ 205.34
10	79	\$ 216.62
11	65	\$ 180.22
12	64	\$ 175.34
13	78	\$ 215.59
14	74	\$ 205.34
15	79	\$ 216.62
16	65	\$ 180.22
17	64	\$ 175.34
18	78	\$ 215.59
19	74	\$ 205.34
20	79	\$ 216.62
21	59	\$ 163.04
22	57	\$ 158.17
23	78	\$ 215.59
24	74	\$ 205.34
25	79	\$ 216.62
26	59	\$ 163.04
27	57	\$ 158.17
28	78	\$ 215.59
29	74	\$ 205.34
30	79	\$ 216.62
31	59	\$ 163.04
32	57	\$ 158.17
33	78	\$ 215.59
34	74	\$ 205.34
35	79	\$ 216.62
36	59	\$ 163.04
37	57	\$ 158.17
38	78	\$ 215.59
39	74	\$ 205.34
40	79	\$ 216.62
41	59	\$ 163.04
42	57	\$ 158.17
43	78	\$ 215.59
44	74	\$ 205.34

EXHIBIT 'H' (CONT'D)

THE COMPTON

ANNUAL OPERATING BUDGET, UNIT ENTITLEMENT AND MONTHLY ALLOCATION

45	79	\$	216.62
46	59	\$	163.04
47	57	\$	158.17
48	78	\$	215.59
49	74	\$	205.34
50	79	\$	216.62
51	59	\$	163.04
52	57	\$	158.17
53	78	\$	215.59
54	74	\$	205.34
55	79	\$	216.62
56	59	\$	163.04
57	57	\$	158.17
58	78	\$	215.59
4085		\$	11,271.79

EXHIBIT "I"

THE COMPTON

Strata Property Act

FORM Y

OWNER DEVELOPERS' NOTICE OF DIFFERENT BYLAWS

[Section 245 (d), Regulations section 14.6 (2)]

Re: Strata Plan _____ *[the registration number of the strata plan]*, being a Strata Plan of Strata Lots 1 to 58 inclusive of the property legal described as PID 024-060-721, Parcel D, Block 392, District Lot 526, Plan LMP36970 (the "Lands").

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

1. Amend Bylaw 3 by adding the following to subsection (1):

3(1)(f) that is in contravention of any rule, order or bylaw of The City of Vancouver applicable to the Strata Lot or that will result in any unusual or objectionable odour to emanate from the Strata Lot, or that is inconsistent with the intent of these Bylaws.

2. Amend Bylaw 3 by adding the following to subsection (4)

3(4)(e) The owners of pets shall be fully responsible for their behavior within the common property. If a pet is deemed to be a nuisance by the Strata Council, it shall be removed from the Strata Corporation within thirty (30) days. Visitors shall be informed of the rules concerning pets and residents will be responsible for clean-up or damage repair should their guests bring pets into the common property.

3. Amend Bylaw 3 by adding subsection (5)

(5) An owner, tenant or occupant shall not feed nuisance birds such as pigeons, seagulls, crows, starlings and other birds from any Strata Lot or the common property.

4. Amend Bylaw 4 by adding subsection (3):

(3) Any owner of a Strata Lot who leases his lot without submitting a Form K in accordance with the Strata Property Act shall be liable to a fine of \$50.00 for every month or part thereof that a tenant is in occupancy of the Strata Lot and the Form K is not submitted.

5. Amend Bylaw 5 by adding the following to subsection (1):

5(1)(h) the painting of the exterior, or the attachment of sunscreens or greenhouses.

6. Amend Bylaw 7 by adding the following:

- (3) Where the Strata Corporation is required to enter a Strata Lot for the purpose of maintaining, repairing, or renewing pipes, wires, cables and ducts for the time being existing in the Strata Lot, which are capable of being used in connection with the enjoyment of any other Strata Lot or the common property, the Strata Corporation and its agents shall in carrying out any work or repairs do so in a proper and workmanlike manner. The Strata Corporation shall make good any damage to the Strata Lot occasioned by such works and restore the Strata Lot to its former condition, leaving the Strata Lot clean and free from debris.

7. Add the following Bylaws

Bylaw 31: Strata Fees (*s.107) Strata Property Act*

- (1) Strata fees are due and payable on or before the first day of each month. Strata fees not received by the 10th day of the month in which they are due are subject to a 10% per annum interest penalty compounded annually until paid.
- (2) When arrears of strata fees exceed two monthly payments a lien will be placed by the Strata Corporation on the Strata Lot involved at the owner's expense for the total monies due, including all legal and other expenses.

Bylaw 32: Disturbance of Others

- (1) Mops or dusters of any kind shall not be shaken, and nothing shall be thrown out of any window, door, passage, or other parts of the Strata Lot or the common property.
- (2) No barbecues other than those fueled by propane or natural gas or electricity may be used. No owner shall operate his barbecue in a manner which, in the opinion of the Strata Council, interferes with another owner's enjoyment of his Strata Lot. All barbecues must be kept at a minimum distance of 24 inches away from the building exterior walls. Strata Lot owners or residents are responsible for heat damage to the building envelope.
- (3) Cycling on common property other than the driveway is prohibited.
- (4) Carpentry or similar alterations shall be limited to the hours as allotted by the City of Vancouver.

Bylaw 33: Hazards

- (1) Fire hazards must be minimized. No item shall be brought onto or stored in a Strata Lot or the common property which will in any way increase or tend to increase the risk of fire or the rate of fire insurance or any other insurance policy held by the Strata Corporation, or which will invalidate any insurance policy.
- (2) No material substances, especially burning material such as cigarettes or matches, shall be permitted to be discharged from any window, door, patio or other part of a Strata Lot or the common property.

Bylaw 34: Cleanliness

- (1) All household refuse and recycling material shall be secured in suitable plastic bags or recycling containers. The owners will comply with the City's recycling program as it is implemented.
- (2) Any waste material other than ordinary household refuse and normally collected recycling materials shall be removed by the individual owner or resident of the Strata Lot.

Bylaw 35: Exterior Appearance

- (1) No signs, fences, gates, billboards, placards, advertising or notices of any kind shall be erected or displayed on the common property or the Strata Lot without prior written approval by the Strata Council.
- (2) No awning, shade screen, smoke stack, satellite dish, radio or television antenna shall be hung from or attached to the exterior of the Strata Lot, without prior written consent of the Strata Council.
- (3) No laundry, clothing, bedding, or other articles shall be hung or displayed from windows, patios, or other parts of the Strata Lot so that they are visible from the outside.
- (4) Draperies or window coverings that are visible from the exterior of any Strata Lot shall be cream or white in colour.

Bylaw 36: Common Areas

- (1) The Strata Council shall administer all common areas and any rules and regulations formulated by the Strata Council from time to time shall be binding upon all owners, residents and visitors.
- (2) The common facilities are for the use of residents and their invited guests only. A resident must accompany guests when using these facilities.

Bylaw 37: Parking

- (1) A resident shall use only the parking stall(s) obtained by way of partial assignment of Polygon Parking Limited's rights under a parking stall and Bicycle Storage Lease registered in the Land Titles Office against title to the common property of the Strata Corporation. Parking Stalls cannot be utilized by any person who is not a resident within the Strata Corporation.
- (2) No major repairs or adjustments shall be made to motor vehicles on the common property.
- (3) A maximum speed of 15 km/h shall apply within the common property.
- (4) Owners will be responsible for the clean up of oil spills on common property.
- (5) No parking is permitted except in a designated parking space, nor shall a vehicle park in a manner, which will reduce the width of an access roadway.

- (6) No vehicles exceeding 4,000 kg. G.V.W. shall be parked or brought onto the common property without the consent of the Strata Council, except when used in delivery to or removal from the premises.
- (7) Any vehicle, which does not comply with this Bylaw, may be removed at the owner's expense.

Bylaw 38: Damage to Property

- (1) An owner or resident shall not cause damage to trees, plants, bushes, flowers or lawns and shall not place chairs, tables or other objects on lawns or grounds so as to damage them or prevent growth.

Bylaw 39: Security

- (1) Strata Lot owners or residents are responsible for anyone they admit onto or about the common property, inclusive of agents, servants, licensees, or invitees.
- (2) The Strata Council shall form a Security Committee to provide guidelines for the security of individual Strata Lots, and to establish resident-based voluntary crime prevention programs such as Block Watch.

Bylaw 40: Moving and Resale

- (1) It will be the express responsibility of the owner to ensure that all moves in or out by the owner or resident conform to the regulations as established by the Strata Council from time to time.
- (3) Advertising for the resale or rental of a Strata Lot shall only be permitted within the boundaries of the Strata Corporation on Directory Trees which shall be located, supplied and maintained by the Strata Council.

Dated at Vancouver, B.C. this 19TH day of JANUARY, 2001.



Signature of Owner Developer
Polygon Compton Homes Ltd.

EXHIBIT 'J'

THE COMPTON

PROPOSED MANAGEMENT AGREEMENT

THIS AGREEMENT made as of the _____ day of _____, 20____.

BETWEEN:

THE OWNERS, STRATA PLAN _____, a Strata Corporation
constituted under the laws of British Columbia and having its address at
_____, _____, B.C. _____

(hereinafter called the "Strata Corporation")

OF THE FIRST PART

AND:

_____, a company
incorporated under the laws of the Province of British Columbia, with
offices at _____ British Columbia, V _____

(hereinafter called the "Agent")

OF THE SECOND PART

WHEREAS:

- A. The Strata Corporation is responsible for the control, management, maintenance and administration of the common property, common facilities and common assets of the Strata Corporation and all personnel, operations, business and all things and activities comprising or associated with or carried on in the Strata Plan.
- B. The Agent has agreed to provide certain services to the Strata Corporation.
- C. The Strata Corporation has agreed to contract with the Agent for the purposes of providing services described herein.

WITNESS THEREFORE that in consideration of the sum of Ten (\$10.00) Dollars now paid by each party to the other (the receipt and sufficiency whereof is by each hereby acknowledged) and in consideration of the mutual promises contained herein, the parties agree, one with the other, as follows:

Definitions:

1. In this Agreement, the following terms shall have the following meanings:
 - (a) "Act" means the Strata Property Act and amendments thereto and any regulations adopted pursuant to the Act;
 - (b) "Agent" means the strata property agency firm described on page 1 hereof;
 - (c) "Agent Fees" means the fees payable to the Agent pursuant to Section (b) of this Agreement;
 - (d) "Agreement" means this agreement and any amendments thereto;
 - (e) "Annual General Meeting" means the annual general meeting contemplated in section 40 of the Act;
 - (f) "Budget Meeting" means a Strata Council meeting held to consider the proposed annual budget;
 - (g) "Bylaws" means the bylaws adopted by the Strata Corporation from time to time;
 - (h) "Laws" means all applicable restrictive covenants, zoning ordinances and building codes, health, environmental and safety laws and regulations, and other federal, provincial and other laws, statutes, ordinances, rules, regulations, orders and court decisions;
 - (i) "Meetings" means all meetings of the Strata Corporation requiring the Agent's attendance including but not limited to Annual General Meetings, special general meetings, Strata Council meetings, section executive meetings, Budget Meetings and committee meetings;
 - (j) "Owners" means all present and future owners of strata lots included in the Strata Plan;
 - (k) "Rules" means the rules approved by the Strata Council from time to time;
 - (l) "Second Annual General Meeting" means the second annual general meeting of the Strata Corporation held after the filing of the Strata Plan;
 - (m) "Strata Corporation" means the strata corporation described on page 1 hereof
 - (n) "Strata Council" means the strata council of the Strata Corporation; and
 - (o) "Strata Plan" means the strata plan filed in the Land Title Office that created the Strata Corporation.

Exclusive Appointment:

2. Commencing on the date set out in item 1 of Schedule A hereto; the Strata Corporation hereby appoints the Agent as its sole and exclusive Agent to provide services to the Strata Corporation upon the terms and conditions herein contained, and the Agent agrees to serve the Strata Corporation in that capacity in a faithful, diligent and honest manner, subject to the direction of the Strata Council and the terms of this Agreement.

Agent's Agreement:

3. The Agent hereby covenants and agrees with the Strata Corporation as follows:

General

- (a) Agent Services - To furnish the services of the Agent as agent for the Strata Corporation in assisting the Strata Council in managing the affairs of the Strata Corporation;
- (b) Administration - To assist in the administration of the common property, common facilities and common assets of the Strata Corporation under the direction of the Strata Council;
- (c) Strata Corporation's Performance - To co-ordinate with the Strata Council, the performance of all obligations required to be performed by the Strata Corporation pursuant to any agreement entered into between the Strata Corporation and any other person, firm or corporation with respect to the Strata Corporation;
- (d) Staffing - To provide sufficient staff at the Agent's expense to perform the Agent's responsibilities hereunder. The Agent may designate a representative of the Agent to be the principle contact person between the Agent and the Strata Corporation;

Financial

- (e) Strata Fees - To receive and record all strata fees, special levies and user fees and other revenues and amounts due to the Strata Corporation in a timely fashion;
- (f) Unpaid Strata Fees - To demand and recover from the Owners, all strata fees, special levies or user fees and any and all other monies from time to time payable by such Owners in any manner howsoever and to make and agree to all just and reasonable abatements, payments and allowances in respect thereof;
- (g) Non-Payment of Strata Fees - To take legal action at the expense of the Strata Corporation for and in the name of the Strata Corporation, to effect the collection of unpaid monthly strata fees, special levies, user fees and any other monies due to the Strata Corporation and to sign and deliver prompt and effectual receipts or other discharges or acknowledgements thereof, all at the direction of the Strata Council;
- (h) Budget - To assist the Strata Council in budgeting the Strata Corporation revenue and expenditures and in determining the appropriate amount of contribution to be paid by each Owner towards operating expenses and the contingency reserve fund as required by the Act and in this regard to furnish an estimate of revenues and expenses when so required by the Strata Corporation;
- (i) Accounting - To provide the Strata Council with an accounting statement of receipts, disbursements, expenses and charges and a statement as to the amount of the contingency reserve and any assets consistent with the Act and Bylaws;
- (j) Expenditures - To pay from the Strata Corporation's funds, all charges, expenses and outgoings whatsoever payable by, or chargeable to the Strata Corporation;
- (k) Payroll Accounts - To provide payroll accounting, if necessary;

- (l) Strata Corporations Monies - To deposit all receipts of the Strata Corporation in a trust account or accounts, separate from the Agent's corporate accounts, in an institution qualified to engage in the banking or trust business;

Meetings

- (m) Meetings - To arrange for a representative of the Agent to attend at a mutually agreed time and date, up to the number of Meetings per year, set forth in item 2 of Schedule A hereto. It being understood however, that the Agent's attendance over and above the number of Meetings specified in item 2 of Schedule A hereto, or attending at any meeting of a duration longer than the number of hours specified in Item 3 of Schedule A, shall be mutually agreed upon by the parties and the Agent shall be entitled to charge the additional fees shown in Sections (ii) or (iii) as applicable;

Strata Council

- (n) Strata Council - To consult with, confer fully and freely with the Strata Council on behalf of the Strata Corporation in the performance of any of the Strata Council's duties and to act upon the resolutions of the Strata Council in so far as such resolutions do not conflict with the Act, any Law, the Bylaws or a direction given by the Strata Corporation;
- (o) Assistance to Strata Council - To advise the Strata Council on the Act, and advise Council of generally accepted practises throughout the strata property industry. Such interpretation of the Act to be used by the Strata Council as a guide and shall not be regarded as legal advice;

Records

- (p) Records - To keep full and detailed records of the Strata Corporation and to make available for inspection at the request of the Strata Corporation, all of the Strata Corporation's documents, accounts and records which the Agent may have and any such material shall be made available to any Owner, after first giving reasonable notice, in accordance with the Act, of their intention to inspect the records at the office of the Agent;
- (q) Owner/Tenant's Registry - To maintain a registry of all Owners and tenanted strata lots;
- (r) Minutes - At the request of the Strata Council, to provide the minutes of Strata Council meetings and general meetings of the Strata Corporation as prescribed by the Act;
- (s) Correspondence - To receive and respond to all correspondence as directed by the Strata Council;

Bylaws and Rules

- (t) Bylaws and Rules - To familiarize itself with the Act and the Strata Corporation's Bylaws and Rules;
- (u) Bylaw and Rules Enforcement - To assist with the enforcement of the Bylaws and Rules and, if so directed by the Strata Council, take appropriate action to stop any breach or infraction of the Bylaws and Rules;
- (v) Fines - To levy fines upon the direction of the Strata Council as required by the Bylaws and Rules and provide follow up correspondence and initiate legal actions as is necessary, at the expense of the Strata Corporation;

- (w) Liens – To register and remove liens against delinquent Owners upon the direction of the Strata Council in accordance with the Act, and to provide follow up correspondence and initiate legal action as necessary, at the expense of the Strata Corporation.

Insurance and Bonding

- (x) Property Insurance – To secure annual updates to the insurance appraisal for the Strata Plan and renew insurance policies pursuant to the Act, as they expire at the direction of the Strata Council. All insurance appraisal costs and premium costs shall be expenses of the Strata Corporation;
- (y) E&O Insurance - To obtain and maintain, at the expense of the Strata Corporation, Strata Council Errors & Omissions Insurance having a minimum coverage in the amount of \$2,000,000.00;
- (z) Liability Insurance – To obtain and maintain, at the expense of the Strata Corporation, Comprehensive General Liability Insurance having a minimum coverage in the amount of \$2,000,000.00. Such insurance shall be applicable to any indemnification of the Agent by the Strata Corporation required under this Agreement;
- (aa) Insurance Coverage – To assist the Strata Corporation to place and maintain adequate fire, liability, steam boiler, pressure vessel, and other insurance required from time to time and have a qualified insurance agent review the insurance coverage of the Strata Corporation at least every year. The Agent shall not be liable for any negligence of any such insurance agent. In the event such insurance does not comply with the Act or is not based on an insurance appraisal by a qualified appraiser, the Agent shall forthwith inform the Strata Corporation and the Strata Council;
- (bb) Bonding – To bond the Agent's employees who handle or are responsible for the Strata Corporation's monies by a Commercial Dishonesty Fidelity Bond in the minimum amount of \$20,000.00 or such other amount required by Law;

Maintenance and Services

- (cc) Contractors and Employees - To co-ordinate the work of contractors or employees to the best of their ability and whenever directed by the Strata Council or the Agent deems it advisable or necessary, the Agent shall hire or discharge contractors or employees, and it is agreed and understood that all such employees and independent contractors shall be deemed to be employees and independent contractors of the Strata Corporation and not of the Agent, and paid by the Strata Corporation and not the Agent and that the Agent shall not be responsible for the acts, defaults or negligence of such employees or independent contractors if reasonable care has been exercised in their recommendation, appointment and retention;
- (dd) Contracts – To make contracts in the name of the Strata Corporation, in respect to the common property for electricity, gas, fuel, water, telephone, janitorial services, window cleaning, landscaping, garbage disposal, vermin extermination and other services or such of them as the Strata Council shall deem advisable;
- (ee) Supplies - Subject to the limits expressed by the Strata Council, to place orders for and purchase, in the name of the Strata Corporation, all such equipment, tools, appliances, materials and supplies as is necessary to equip properly and maintain the Strata Corporation;

- (ff) Emergency Services – To maintain a 24-hour emergency contact service such that the Strata Council or Owners can contact the Agent with respect to matters affecting life or property damage;
- (gg) Service Contracts – To monitor all service contracts and negotiate renewal or replacement of such contracts at the direction of the Strata Council;
- (hh) Limitation on Expenditures - The Agent agrees to secure the approval of the Strata Council of the Strata Corporation to all expenditures in accordance with the Act or the Bylaws, other than recurring operating charges or emergency repairs in excess of such maximum if such expenditures are necessary in the opinion of the Agent to protect the premises of the Strata Corporation from damage or to maintain common services to occupants of any one or more strata lots;

Proceedings

- (ii) Legal Proceedings - Wherever any dispute may be resolved, subject to the discretion of the Strata Council, by recourse to the appropriate authority, including legal proceedings, arbitration, mediation and internal appeals, the receipt by the Agent of a written authorization containing the signatures of two members of the Strata Council is sufficient authority for the Agent to so act;
- (jj) Owner's Defaults - To sign and give notices to Owners of any defaults in any obligations of such Owners to repair or to maintain their strata lots or limited common property in a timely fashion;
- (kk) Compliance with Notices or Orders – To notify the Strata Council of any notices or orders of any competent public authority requiring repairs to be done in respect of the premises, or any part thereof, and to notify the Owners of individual strata lots that they must in a like manner comply with such notices or orders in regard to their own individual strata lots;
- (ll) Compliance with Laws - To take such action on behalf of the Strata Corporation as the Strata Council may direct, as may be necessary to comply promptly with any and all orders or requirements affecting the Strata Corporation made by any governmental body or agency having authority or orders of any Fire Marshall, or board of fire underwriters or similar body;

Other

- (mm) Sale of Strata Lots – To provide documentation as required by the Act to facilitate the sale of any strata lot at the cost of the Owner or the proposed purchaser. The Agent shall be entitled to retain the fees it charges such Owners or proposed purchasers; and
- (nn) Rebates or Discounts – Not to collect or charge any undisclosed fee, rebate or discount, and if any such fee, rebate or discount should be received by the Agent that fee, rebate or discount will be held in trust for and credited to the account of the Strata Corporation.

Agent's Authorization:

4. The Agent shall be deemed the Agent of the Strata Corporation and to enable the Agent to effectively perform its services under this Agreement the Strata Corporation hereby appoints the Agent as its agent to perform the services set out in Section 3 hereof and to execute all documents and contracts, as directed by the Strata Council, and to commence legal proceedings at the expense of the Strata Corporation as directed by the Strata Council and to perform all other duties provided for in this Agreement.

Strata Corporation's Agreement:

5. The Strata Corporation covenants and agrees:
 - (a) Indemnity - To save the Agent harmless from all claims, damages, costs and liability incurred in connection with the services provided to the Strata Corporation and, without limiting the generality of the foregoing, to save the Agent harmless from all claims, damages, costs and liability whatsoever arising out of any acts done by the Agent pursuant to instructions incurred by the Agent and to protect the Agent against all such claims, damages, costs, and liability in the same manner and to the same extent as the Strata Corporation;
 - (b) Agent's Fees - To pay to the Agent the following fees:
 - (i) a fee in advance each and every month during the term of this Agreement, in the amount specified in item 4 of Schedule A;
 - (ii) an additional fee in the amount specified in item 5 of Schedule A, for each additional Meeting over the number specified in Section (m) and item 2 of Schedule A;
 - (iii) an additional hourly fee in the amount specified in item 6 of Schedule A, for each hour of attendance at any meeting longer than the hours specified in Section (m) and item 3 of Schedule A;
 - (iv) an additional fee for special projects and/or major renovations, as determined by the size and nature of the special project and/or major renovations and as may be agreed between the Strata Corporation and the Agent or in the amount determined pursuant to Schedule B, if attached and signed by both parties; and
 - (v) an additional fee in the amount specified in item 7 of Schedule A, per strata lot for each month of depositing and processing of special levies;
 - (c) Payment of Agent's Fees - The Strata Corporation hereby authorises the Agent to deduct the Agent's Fees and disbursements from the strata fees, special levies, user fees and any other monies collected by the Agent pursuant to Section 3;
 - (d) Shortfall - That if the bills, accounts or expenses paid by the Agent pursuant to Section 3 hereof in any calendar month exceed the strata fees and other monies collected in such month by the Agent, to pay the Agent the amount of such excess promptly upon request. The Agent shall have no obligation to advance funds to the Strata Corporation for any purpose whatsoever;

- (e) Costs - To pay promptly the Agent's costs of printing, duplicating, mailing, postage, long distance telephone charges, courier or other service charges directly attributed to the Strata Corporation as per the attached Schedule B;
- (f) Transfer Documentation - To direct and compensate the Agent in accordance with the Act for all transfer of title and ancillary documents for owners;
- (g) Exclusivity - That the Strata Corporation, during the Term of this Agreement and for two (2) years after the termination hereof, will not engage or contract with any present or past employee or the Agent, to perform services the same as or similar to the services the employee performed for the Agent unless agreed to in writing by the Agent;
- (h) Documentation - To provide the Agent with all documents and records available to the Corporation, which may be reasonably required by the Agent to properly assist in connection with the services provided by the Agent to the Strata Corporation; and
- (i) Bylaws and Rules - To provide to the Agent a copy of the Bylaws and Rules of the Strata Corporation and to notify the Agent from time to time of any amendments or additions thereto.

No Set Off

- 6. That the Strata Corporation shall not be entitled to set off against the Agent's Fees or any other monies payable to the Agent under this Agreement, any uncollected strata fee, special levies or user fees or other monies owed the Strata Corporation.

Agent to Receive Instructions from Strata Council

- 7. The Strata Corporation hereby authorizes its Strata Council to deal with the Agent. It is agreed and understood that the Agent at all times shall be entitled to rely on and to act upon the instructions or directions received from the Strata Council and without limiting the generality of the foregoing, the Agent may from time to time request the receipt by the Agent of instructions or directions in writing signed on behalf of the Strata Corporation by at least two members of the Strata Council. The foregoing shall constitute the full and sufficient authority for the Agent to act in accordance with such instruction or directions.

Financial Statements

- 8. That the Strata Council agrees to review each statement of receipts and disbursements referred to in Section (i), and within thirty (30) days from the date of provision of such statements to the Strata Council, to notify the Agent, in writing, of any alleged mistake or error on the part of the Agent in paying any bill, account or expense on behalf of the Strata Corporation. If the Agent receives no such notification within thirty (30) days of provision of such statements to the Strata Council, the statement shall be deemed to be conclusive and binding and the Agent shall be free from any and all claims in respect of such statement.

Assignment by Agent

9. The Agent may assign all of its interest in this Agreement and its rights hereunder to any other firm or corporation, provided such assignee is a competent strata property agent and covenants with the Strata Corporation to observe and perform the obligations of the Agent hereunder.

No Waiver

10. That no waiver, expressed or implied, by a party to or of any breach or default by the other party in performance by such other party of any of the obligations, covenants, terms, conditions herein contained will be, deemed or construed to be a consent or waiver to or of any breach or default in the performance by such other party of its obligations hereunder.

Severance

11. That in the event that any provision of this Agreement, or any part thereof, shall be found to be invalid the remainder of this Agreement shall be binding on the parties hereto and shall be construed that the invalid provision or part thereof had been deleted from this Agreement.

Successors and Assigns

12. This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

Agent Held Harmless

13. The Strata Corporation understands and agrees that the Agent does not assume any liabilities nor shall it be liable or responsible to any Owner of a strata lot or any tenant, occupier, licensee or invitee of any such Owner and the Strata Corporation agrees to indemnify and save harmless the Agent from losses, costs, damages or expenses including legal fees, incurred by the Agent in performing its responsibilities hereunder.

Amendments in Writing

14. Any amendment to this Agreement shall be effective only if it is in writing and is duly signed by the parties.

Termination:

15. This Agreement shall terminate upon the occurrence of any of the following events:
- (a) Two months after receipt by the Agent of a notice of a resolution passed by a $\frac{3}{4}$ vote approved by the Owners, terminating this Agreement;
 - (b) Two months after receipt by the Strata Corporation of a notice from the Agent, terminating this Agreement;
 - (c) Immediately, through the bankruptcy of the Agent; or
 - (d) Immediately, through the insolvency or fraud of the Agent.

After Termination:

16. Upon the termination of this Agreement, all obligations of the Agent shall cease and the Strata Corporation shall pay to the Agent any monies due to it under this Agreement and the Agent shall pay to the Strata Corporation all monies held by it in trust for the Strata Corporation.

Holdback:

17. Upon termination of this Agreement, the Strata Corporation shall continue to be responsible for the payment of any and all bills, accounts, and expenses incurred by the Agent within the authority of this Agreement to be paid by the Agent after such termination. The Agent shall be entitled to retain, for thirty (30) days after the date of such termination, a holdback of the monies (the "Holdback") to pay such bills, accounts and expenses or any of them. If a Holdback is not retained by the Agent or is insufficient, the Strata Corporation agrees to reimburse the Agent promptly upon demand for any and all such bills, accounts and expenses paid by the Agent after the termination of this Agreement.

No Partnership:

18. The relationship of the Agent to the Strata Corporation shall be that of agent and principal and this Agreement shall not under any circumstances constitute or be deemed to constitute the Agent or any of its employees, officers or authorized representatives, the legal representative, tenant, partner or employee of the Strata Corporation.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date first above written,

EXECUTED ON BEHALF OF THE)
OWNERS, STRATA PLAN _____)
by its authorized signatories:)

_____)
Strata Council Member)

_____)
Strata Council Member)

EXECUTED ON BEHALF OF)

_____)
by its authorized signatories:)

_____)
Authorized Signatory)

_____)
Authorized Signatory)

EXHIBIT 'J' (CONT'D)

THE COMPTON

PROPOSED MANAGEMENT AGREEMENT
SCHEDULE A

1. Section 2 Commencement Date: _____
2. Section 3(m) Maximum Number of Meetings: _____
3. Section 3(m) Maximum Hours per Meeting: _____
4. Section 5(b)(i) Monthly Agents Fee: _____ (plus G.S.T.)
5. Section 5(b)(ii) An additional fee for each Meeting over the maximum number:
_____ (plus G.S.T.)
6. Section 6(iii) Hourly rate for attendance at meeting over specified number of hours:
_____ (plus G.S.T.)
7. Section 5(v) An additional fee of _____ (plus G.S.T.) per strata lot for each
month of depositing and processing of special levies: _____
(minimum _____ (plus G.S.T.))

EXHIBIT 'J' (CONT'D)

THE COMPTON

PROPOSED MANAGEMENT AGREEMENT

SCHEDULE B

Special Terms

EXHIBIT "K"

COMPTON

ADJACENT LAND USE

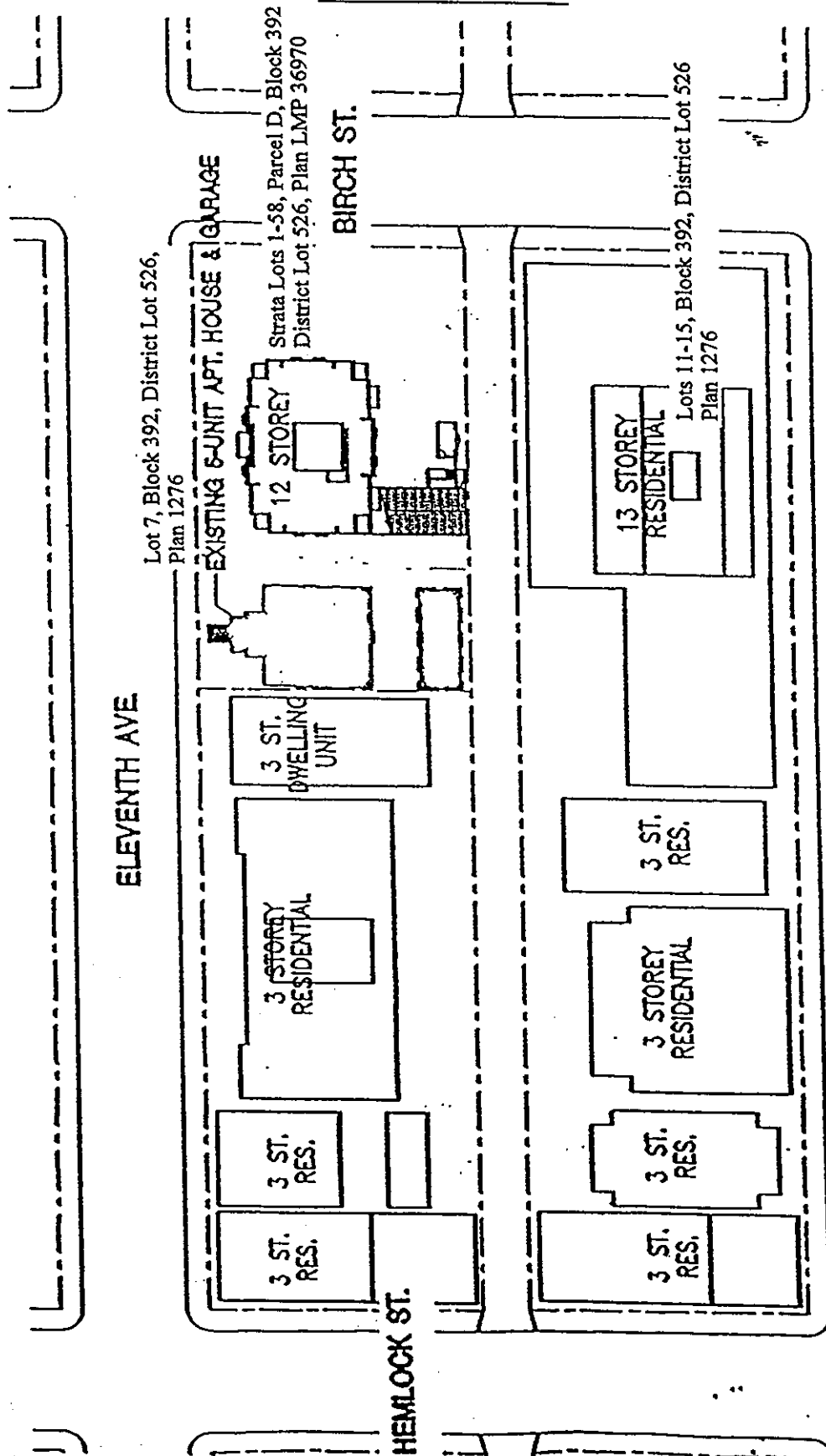


EXHIBIT "L"

COMPTON

PARKING & BICYCLE STORAGE LOCKER LEASE

THIS AGREEMENT made as of the ____ day of ___, 2000.

BETWEEN:

POLYGON COMPTON HOMES LTD., incorporation No. 523330, a
British Columbia company with an office at 1800 Spyglass Place,
Vancouver, British Columbia, V5Z 4K8

(the "Owner")

AND:

POLYGON PARKING LIMITED., a British Columbia company with
an office at 1800 Spyglass Place, Vancouver, British Columbia,
V5Z 4K8

(the "Tenant")

WHEREAS:

- A. The Owner is the registered owner of certain lands and premises located in Vancouver, British Columbia, and legally described as:

Parcel Identifier: 024-060-721
Parcel D, Block 392
District Lot 526
Plan LMP36970;

- B. The Owner has agreed to lease to the Tenant all of the resident parking stalls (the "Stalls") and all of the bicycle storage lockers (the "Lockers") in the underground parking facility located on the Lands and shown on the parking/locker plan (the "Parking/ Bicycle Storage Locker Plan"), a reduced copy of which is attached hereto as Schedule "A", all on the terms and conditions set out in this Lease and with the right of the Tenant to grant partial assignments of this Lease pertaining to particular Stalls and Bicycle Storage Lockers to the purchasers of strata lots within the Strata Development or to the Strata Corporation (hereinafter defined);

C. After entering into this Lease, the Owner proposes to subdivide the Property by means of a strata plan (the "Strata Plan") pursuant to the Strata Property Act (British Columbia) to create a strata development (the "Strata Development");

D. The Strata Plan will designate the Stalls and the Lockers as common property of the strata corporation (the "Strata Corporation") formed upon the deposit for registration of the Strata Plan in the appropriate Land Title Office; and

E. Each of the parties to this Lease agree that title to the common property of the Strata Corporation will be encumbered by this Lease and, if applicable, a document securing or evidencing this Lease.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the sum of \$10.00 of lawful money of Canada now paid by the Tenant to the Owner, the receipt and sufficiency of which is hereby acknowledged by the Owner, and in consideration of the mutual promises and agreements set forth in this Lease, the parties agree each with the other as follows:

1.0 GRANT AND TERM

1.1 Grant

The Owner hereby leases to the Tenant for the Term (as defined in Section 1.2) all of the Stalls and the Lockers as shown outlined Parking/Locker Plan.

1.2 Term

The term (the "Term") of this Lease will commence on the ___ day of ___, 20___ and terminate on the earlier of:

- (a) the date the registrar of titles under the Land Title Act orders the Strata Corporation be dissolved; and
- (b) the date registrar of titles under the Land Title Act files the order winding up the Strata Corporation in the appropriate land Title Office.

1.3 Rent

The parties to this Lease acknowledge that the sum of \$10.00 now paid by the Tenant to the Owner will be the only payment required to be paid to the Owner by either the Tenant, any assignee of a partial assignment under this Lease for the use and enjoyment of a stall and/or a Locker.

2.0 SUBDIVISION BY STRATA PLAN

2.1 Strata Plan

This Lease and the covenants and obligations of the Owner under this Lease run with and bind the Lands, and upon the subdivision of the Lands by means of the Strata Plan such covenants and obligations will:

- (a) continue to run with and bind each subdivided parcel which contains a Stall and/or a Locker; and
- (b) with respect to the Stalls and the Lockers, be automatically assumed by the Strata Corporation as the representative of the owners of strata lots within the Strata Development.

2.2 Common Property

This Lease is intended to apply only to a portion of the common property, which will be created upon the deposit for registration of the Strata Plan, and not at any time to burden the title to any individual strata lot.

3.0 MAINTENANCE AND ENCUMBRANCES

3.1 Maintenance

The Owner confirms that until the deposit for registration of the Strata Plan, the Owner will be solely responsible for the control, management and administration of the Stalls and the Lockers but thereafter, pursuant to Section 2.0 the Strata Corporation will assume full responsibility for the control, management and administration of the Stalls and the Lockers as common property in accordance with the provisions of the Strata Property Act (British Columbia) and may pass bylaws or make rules and regulations with respect to the Stalls and the Lockers as long as such bylaws, rules or regulations do not materially interfere with the rights of the Tenant or any subsequent assignee under this Lease.

3.2 Alterations

The Tenant, its successors and permitted assigns, are not entitled to alter, or to perform any repairs of any sort whatsoever to, the Stalls or the Lockers. Any such alterations or repairs are the sole responsibility of the Owner prior to the registration of the Strata Plan, and thereafter the sole responsibility of the Strata Corporation.

3.3 Subordination

The Tenant agrees to subordinate its interest pursuant to this Lease to any financial encumbrance registered by the Owner against title to the Lands.

4.0 ASSIGNMENT

4.1 Partial Assignments

The Tenant may partially assign this Lease and its rights under this Lease pertaining to particular Stalls and/or Bicycle Storage Lockers to purchasers of strata lots within the Strata Development or to the Strata Corporation. Any such assignment will be for such consideration as the Tenant may in its sole discretion determine, which consideration may be retained by the Tenant for its own benefit. Any partial assignment by the Tenant, or by any subsequent assignee, of this Lease and its rights under this Lease pertaining to a particular Stall or Locker:

- (a) will be absolute, and the assignee and its guests, lessees, successors and permitted assigns will be entitled to the use and enjoyment of the Stall and/or Locker so assigned for the balance of the Term;
- (b) will be an assignment of rights to which an assignee will only be entitled for so long as such assignee owns a strata lot within the Strata Development unless the assignment is to the Strata Corporation;
- (c) may only be assigned to an owner or purchaser of a strata lot within the Strata Development or to the Strata Corporation; and
- (d) will not be effective until written notice of such assignment (together with a copy of such assignment if available) is delivered by the assignee to the Strata Corporation with a copy to the Tenant, subject to Section 4.2 of this Lease.

4.2

Automatic Assignment

If a holder of an interest in a Stall and/or Bicycle Storage Locker sells all of his or her interest in a strata lot within the Strata Development to which such Stall and/or Bicycle Storage Locker is at such time appurtenant as shown on the register maintained under Section 4.7 without concurrently executing an assignment of such Stall and/or Bicycle Storage Locker to another owner or purchaser of a strata lot within the Strata Development, then the interest of such holder in such Stall and/or Bicycle Storage Locker will be deemed to have been automatically assigned to and assumed by the purchaser of such strata lot without execution of a partial assignment of this Lease with respect to such Stall and/or Bicycle Storage Locker or delivery of notice of such partial assignment to the Strata Corporation or the Tenant.

4.3

Exchanges and Transfers

- (a) A holder of an interest (the "First Owner") in a Stall and/or Bicycle Storage Locker (the "First Stall/Locker") may exchange his or her interest in the First Stall/Locker with the holder of an interest (the "Second Owner") in a different Stall and/or Locker (the "Second Stall/Locker") for such consideration as the First Owner and the Second Owner may agree. Such an exchange will be accomplished by the First Owner partially assigning this Lease to the Second Owner in respect of the First Stall/Locker, and the Second Owner partially assigning this Lease to the First Owner in respect of the Second Stall/Locker. The First Owner and the Second Owner will each execute a partial assignment of this Lease substantially in the form attached hereto as Schedule "B". The exchange will be on the terms set out in Sections 4.1(a) to (c) and will not be effective until written notice of each assignment (together with a copy of each assignment) is delivered to the Strata Corporation, with a copy to the Tenant. For greater certainty, Section 4.2 will not apply to exchanges under this Section 4.3(a).
- (b) A holder of an interest (the "First Owner") in a Stall and/or Bicycle Storage Locker may transfer his or her interest in such Stall and/or Bicycle Storage Locker to an owner of a strata lot within the Strata Development or the Strata Corporation (the "Second Owner") for such consideration as the First Owner may in his or her discretion determine provided that following the transfer, the First Owner is left with an interest in at least one Stall. A First Owner is not required to be left with an interest in a Locker. Such a transfer will be accomplished by the First Owner partially assigning this Lease to the Second Owner and, in connection therewith, the First Owner will execute a partial assignment substantially in

the form attached hereto as Schedule "B". The transfer will be on the terms set out in Sections 4.1(a) to (c) and will not be effective until written notice of the assignment (together with a copy of the assignment) is delivered to the Strata Corporation, with a copy to the Tenant. For greater certainty, Section 4.2 will not apply to transfers under this Section 4.3(b).

4.4 Consents

The consent of the Strata Corporation will not be required for any partial assignment of this Lease. The Strata Corporation will not interfere with or attempt to interrupt or terminate the rights of an assignee under any such assignment except as expressly agreed by such assignee.

4.5 Form of Partial Assignments

Subject to Section 4.2, all partial assignments of this Lease will be substantially in the form attached hereto as Schedule "B". No such partial assignment will be registrable by an assignee in any Land Title Office.

4.6 Release of Assignors

Upon the partial assignment (including an automatic assignment pursuant to Section 4.2) of this Lease pertaining to a particular Stall and/or Bicycle Storage Locker, the Tenant and any subsequent assignor of an interest in such Stall and/or Bicycle Storage Locker will be automatically and absolutely released from any obligations or liabilities under this Lease pertaining to such Stall and/or Bicycle Storage Locker.

4.7 Register of Partial Assignments

The Owner, and after the registration of the Strata Plan the Strata Corporation, will maintain a register of all Stalls and Bicycle Storage Lockers and will record on such register each partial assignment of this Lease, indicating:

- (a) the number of the Stall and/or Bicycle Storage Locker assigned;
- (b) the date of assignment;
- (c) the name and address of the assignee; and

- (d) the number of the strata lot within the Strata Development owned by the assignee to which such Stall and/or Bicycle Storage Locker is at the time appurtenant, unless the assignee is the Strata Corporation in which event the Stall and/or Bicycle Storage Locker need not be appurtenant to a strata lot.

Upon request by any owner or prospective purchaser of a strata lot within the Strata Development, the Strata Corporation will provide a certificate, within seven days of receipt of such request, certifying the name and address of the owner to whom a particular Stall and/or Bicycle Storage Locker is assigned and the number of the strata lot within the Strata Development to which such Stall and/or Bicycle Storage Locker is at the time appurtenant. The Strata Corporation may require a fee of not more than \$10.00, or a greater amount reasonably prescribed by the bylaws of the Strata Corporation, from the person requesting such certificate. Upon the Strata Corporation becoming aware of a partial assignment pertaining to a particular Stall and/or Bicycle Locker under Sections 4.1 or 4.2 the Strata Corporation will amend the register accordingly.

5.0 MISCELLANEOUS

5.1 Form of Agreement

Each of the parties hereto agree to amend the form of this Lease to meet the requirements of the Registrar of the Land Title Office or of any governmental or public authority or as otherwise necessary to confirm unto the parties the rights granted in this Lease.

5.2 Definitions

Any term defined in the recitals to this Lease will have the same meaning throughout this Lease.

5.3 Enurement

This Lease will enure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have executed this Lease as of the year and date first above written.

POLYGON COMPTON HOMES LTD.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

POLYGON PARKING LIMITED.

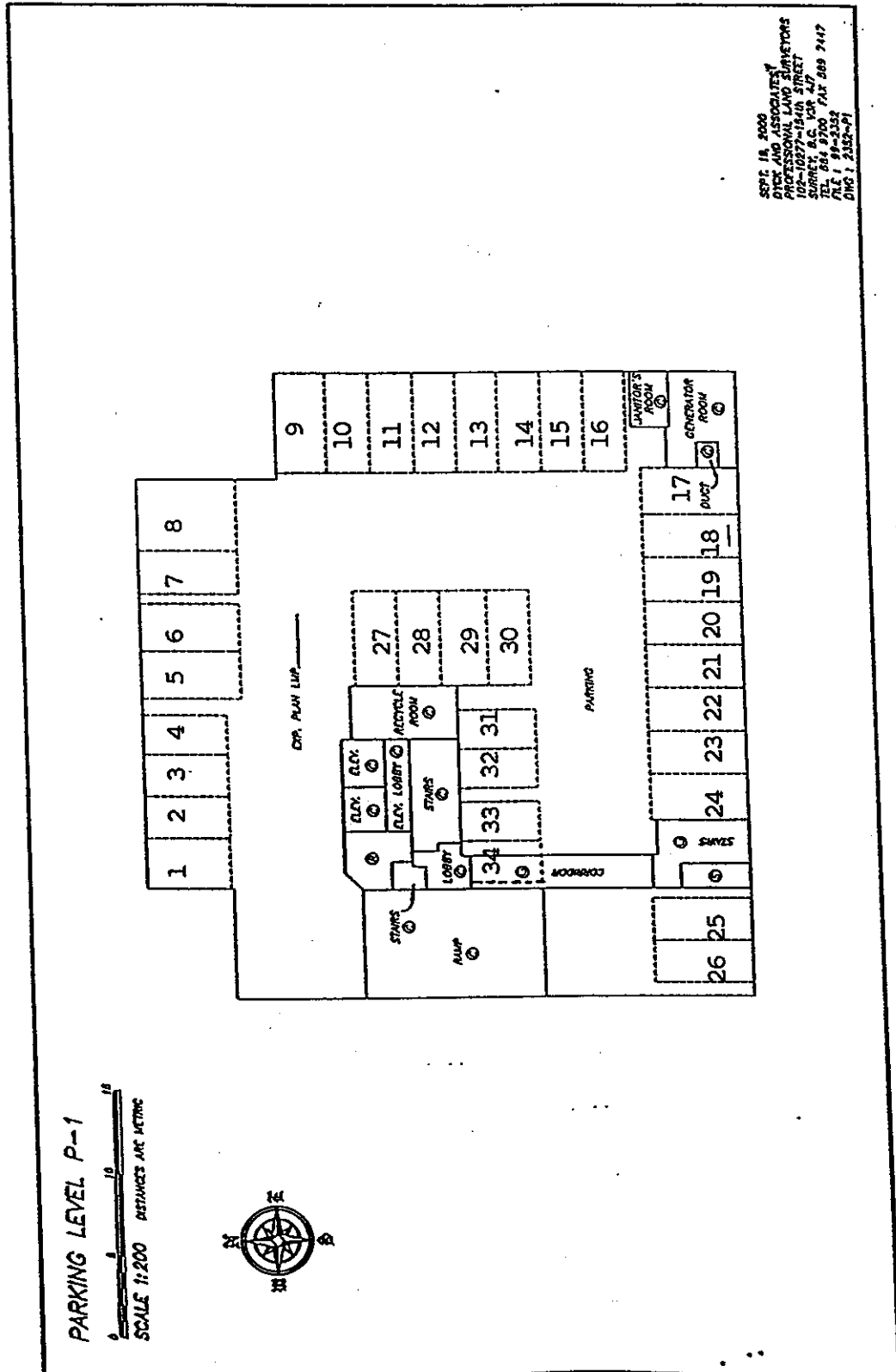
Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

EXHIBIT 'L' (CONT'D)

**PARKING & BICYCLE STORAGE LOCKER LEASE
SCHEDULE "A"**

PARKING/BICYCLE STORAGE LOCKER PLAN



**PARKING & BICYCLE STORAGE LOCKER LEASE
SCHEDULE "A" (CONT'D)**

PARKING/BICYCLE STORAGE LOCKER PLAN

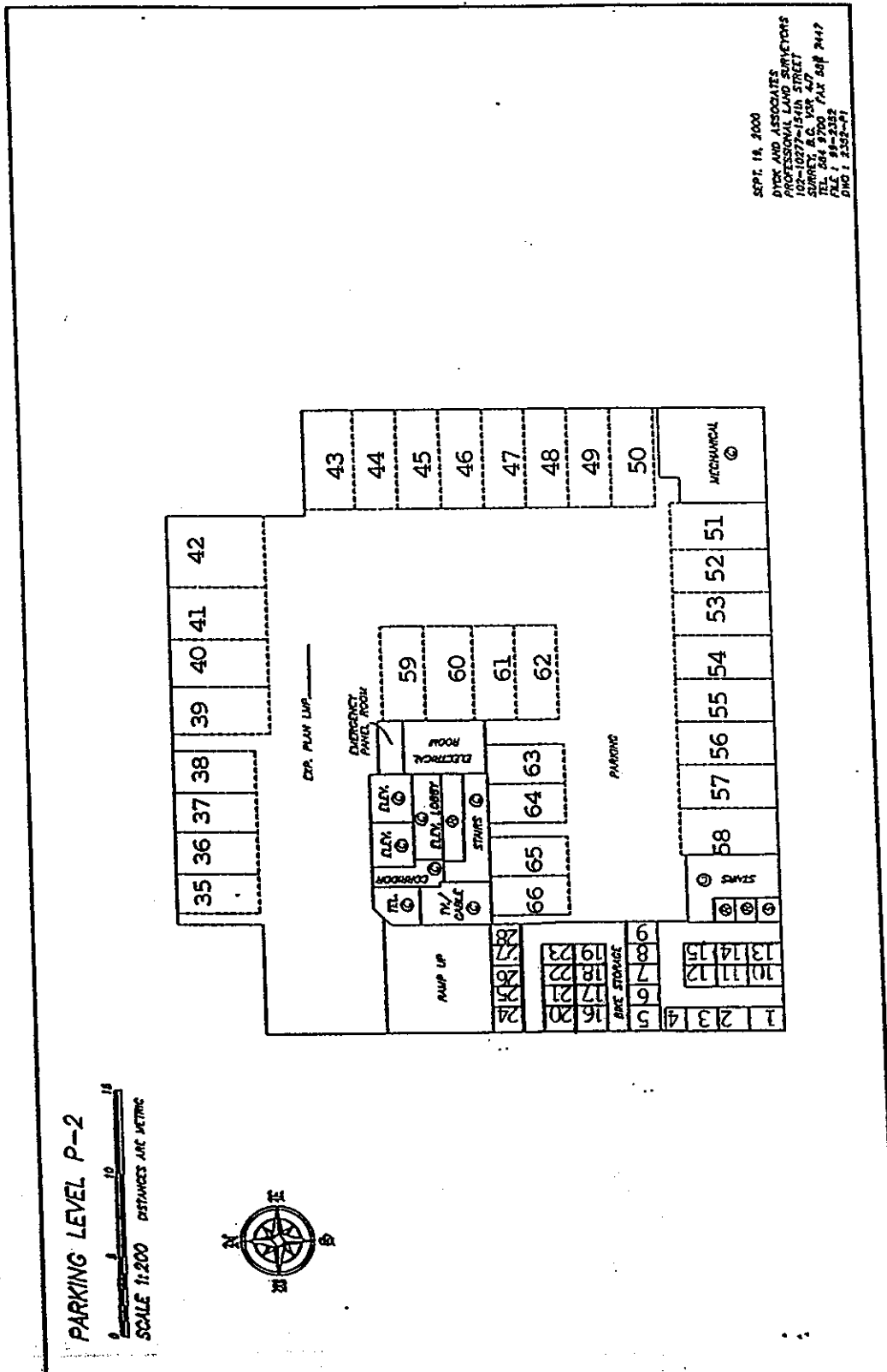


EXHIBIT 'L' (CONT'D)

**PARKING & BICYCLE STORAGE LOCKER LEASE
SCHEDULE "B"**

THE COMPTON

PARKING STALL/LOCKER ASSIGNMENT

BETWEEN:

(the "Assignor")

AND:

(the "Assignee")

RE: Parking Stall No. _____ (the "Stall") and Locker No. _____ (the "Locker") shown on the Parking/Locker Plan for COMPTON.

WHEREAS the Assignor is the lessee of the Stall and Locker and the Assignee is the registered owner or purchaser of strata lot _____ (the "Strata Lot") (Suite No. _____) in COMPTON.

In consideration of the covenants and agreements set forth in this Assignment, the parties agree with each other as follows:

1. Assignment

The Assignor hereby assigns to the Assignee its partial interest in the lease (the "Lease") dated ____ made between Polygon Compton Homes Ltd., as landlord, and Polygon Parking Ltd., as tenant registered in the Land Title Office under No. ____; pertaining to the exclusive right to the Lease the Stall and/or Locker for the balance of the Term (as defined in the Lease). Subject to Section 4.2 of the Lease, this Assignment will not be effective until the Assignee has given a copy of this Assignment to The Owners, Strata Plan No. ____ (the "Strata Corporation") with a copy to ____.

2. Assignment Contingent Upon Strata Lot Ownership

The Assignee, its successors, permitted assigns, heirs, executors or administrators will only be entitled to the rights with respect to the Stall for as long as the Assignee owns the Strata Lot.

3. Compliance

The Assignee agrees to use the Stall in accordance with the bylaws, rules and regulations of the Strata Corporation, but only to the extent such bylaws, rules and regulations do not materially interfere with the Assignee's rights under this Assignment.

4. Sale or Disposition

The Assignee may only assign its rights under this Assignment in accordance with the Lease.

5. Acknowledgment

The Assignee acknowledges having received a copy of the Lease and agrees to be fully bound by its terms.

6. Enurement

This Assignment will enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

The parties have executed this Assignment effective as of the ____ day of ____, 2001.

Assignor

Assignee