

DISCLOSURE STATEMENT

BRITISH COLUMBIA REAL ESTATE ACT

Name of Development:

"MERCHANT MEWS"

Name of Developer:

CENTURY HOLDINGS LTD.

Developer's Address for Service & Mailing Address

1631 – 56 Street, Delta, B. C. V4L 2B3

Dated:

August 30, 2001

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. OWNER/DEVELOPER

The Developer is Century Holdings Ltd. The sole Director of the Developer is George Hodgins. Sean Hodgins is an authorized signatory of the Developer.

2. LEGAL DESCRIPTION/CIVIC ADDRESS OF THE DEVELOPMENT:

(a) Legal Description

The legal description of the property comprising the strata development (the "Development") is as follows:

Strata Lots 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23 Section 5 Range 3 East North Salt Spring Island Cowichan District Strata Plan VIS4561

(b) Street Address/Location of the Development

315 Upper Ganges Road, Salt Spring Island, British Columbia

3. GENERAL DESCRIPTION

(a) General Description of the Development

The Development was built by 526903 B. C. Ltd. The Development was completed on or about September 1, 1999. The Developer obtained title to the Strata Lots described in paragraph 2 on or about April 25, 2000.

This development is comprised of a total of 22 commercial strata lots and 1 residential strata lot, being Strata Lot 4 (collectively referred to as the "Strata Lots" and individually referred to as a "Strata Lot").

The Developer is offering the 22 commercial Strata Lots described in paragraph 2 for sale pursuant to this Disclosure Statement. Each of the Strata Lots will be individually owned together with a proportionate share in the common property of the Development and the common facilities and other assets of the Strata Corporation (the "Common Property"). The owners of the Strata Lots will own the Common Property as tenants in common in proportion to the Unit Entitlement of their respective Strata Lots to the total Unit Entitlement of the Development.

This is not a bare land Strata Development.

(b) The Developer intends to sell the Strata Lots to purchasers (the "Purchaser") as is, where is, and without warranty.

(c) Types of Buildings

Strata Lots 1 through 17 consist of two (2) concrete block and wood frame buildings.

Strata Lots 18 and 19 consist of two (2) commercial buildings

Strata Lots 20 through 23 consist of one (1) concrete block and wood frame building

(d) Permitted Usage of Strata Lots:

All of the Strata Lots are intended for commercial except one residential Strata Lot, being Strata Lot 4. The Development is zoned CS (Commercial Services Zone). The Development is currently subject to an omnibus rezoning by-law (By-law 355) on the initiative of the Island Trust. It is proposed that the Development be zoned C4

(e) Recreational Facilities:

There are no recreational facilities included in the Common Property.

(f) Flooding Dangers:

To the best of the Developer's knowledge, the land on which the Development is located does not lie within an area which may be subject to flooding.

(g) Sewage Treatment Facility and Water Supply

The Development's sewage needs are serviced by a sewage treatment facility, which is located on the common property and is maintained by the strata corporation. All approvals and permits required for the sewage treatment facility have been issued.

The Development's water supply is provided through the use of wells which are located on the Common Property and are maintained by the Strata Corporation.

The Developer does not make any representations or warranties regarding the sewage treatment facility's, or the wells, capacity to meet specific needs of individual lot owners. The Developer encourages prospective purchasers to ensure that their specific sewage and water needs are capable of being satisfied by the Development.

4. LEGAL AND FINANCIAL MATTERS(a) State of Title

Registered Owner:
Century Holdings Ltd.
(Inc. No. 38836)
1631 – 56th Street
Delta, B. C.
V4L 2B3

(b) Legal Notations

- (i) This title may be affected by a Permit Under Part 29 of the Municipal Act, see DF EE17368;
- (ii) This title may be affected by a Permit under Part 29 of the Municipal Act, see EL47553;
- (iii) This title may be affected by a permit under Part 29 of the Municipal Act, see EM111977.

(c) Existing Encumbrances:

Save for the exceptions and reservations, if any, in the original crown grant, there exist no covenants, liens or charges against the titles to the Strata Lots save:

- (i) Statutory Right of Way EL93716 in favour of British Columbia Hydro and Power Authority. This Right of Way grants access to British Columbia Hydro and Power Authority for the purpose of installation, operation and maintenance of its equipment upon and within the Lands;
- (ii) Statutory Right of Way EL93717 in favour of B C Tel. This Right of Way grants access to B. C. Tel for the purpose of installation, operation and maintenance of telephone and telecommunication works and equipment upon and within the Lands.

5. MANAGEMENT AGREEMENT

- (a) The Developer manages the Development on behalf of the Strata Corporation. The Management Agreement providing for the control, management and administration of the Common Property is attached hereto as Schedule "E"

(b) Relationship to the Developer

The Developer is the Property Manager.

6. TERMINATION

The Management Agreement (Schedule "E") may be terminated pursuant to Articles 1 and 15 respectively and the provisions of the Condominium Act.

7. SUBDIVISION CONSISTING OF STRATA LOTS(a) Common Property

Each owner of the Strata Lots will share the cost of the maintenance and repair of the Common Property. The Common Property is controlled and managed by the Strata Corporation as formed by the owners of the Strata Lots.

The following facilities form part of the Common Property:

- (i) exterior lawns, gardens and driveways;
- (ii) exterior lighting;

- (iii) sewer treatment plant;
- (iv) storm drainage system;
- (v) fire prevention water storage tanks;
- (vi) mechanical room for hydro (electricity) and telephone;
- (vii) mechanical room for water pumps and filters;
- (viii) wells for water.

(b) Limited Common Property

Limited Common Property is an area within the Common Property that may be used exclusively by one or more Strata Lot owners and any additional maintenance expense created thereby will be paid by such owners.

Limited Common Property for the Strata Lots is designated on the Strata Plans. Such designation may only be removed by the unanimous resolution of the members of the Strata Corporation. A designation of Limited Common Property made by a $\frac{3}{4}$ vote may be removed (under Section 75 of the Strata Property Act) by a resolution passed by a $\frac{3}{4}$ vote. Each owner shall be responsible for maintaining and repairing Limited Common Property which they use, except the following, which the Strata Corporation will repair and maintain:

- (a) repair and maintenance that in the ordinary course of events, occurs less than once and year;
- (b) the structure of the building;
- (c) the exterior of the building;
- (d) chimneys, stairs, balconies and other things attached to the exterior of the building;
- (e) doors, windows or skylights, on the exterior of the building or that front on the common property; and
- (f) fences, railings and similar structures that enclose patios, balconies and yards.
- (i) Patios and/Balconies

The patios and/or balconies for each Strata Lot are designated as Limited Common Property on the Strata Plan for the Development.

(c) Parking

There is one parking stall designated as Limited Common Property for the use of Strata Lot 4 which is the only residential Strata Lot included in the Development. The remaining parking area is designated as common property for the use of all Strata Lot Owners.

(d) Strata Plans

The Strata Plan for the Development is attached hereto as Schedule "A".

(e) Forms 1, 2 & 3

Forms 1, 2 & 3 required pursuant to the Condominium Act for the Development are enclosed in the copy of the Strata Plan annexed as Schedule "A" which was registered in the Victoria Land Titles Office on July 17, 1998 and April 25, 2000.

(i) Form 1 – Unit Entitlement

The Form 1 as set forth on Schedule "B" attached hereto lists the Unit Entitlement for each Strata Lot.

The Unit Entitlement figure indicates the share of an owner in the common property, common facilities, and other assets of the Strata Corporation. It is also the figure used to determine the owner's contribution toward the common expenses.

The calculation of the Unit Entitlement figure should be based on the "habitable" area of the strata lot. The habitable area does not include patios, balconies, parking stalls, or storage areas. The number must be expressed as a whole number (ie. no decimals) of the Form 1 accompanying the strata plans.

(ii) Form 2 – Interest Upon Destruction

The Form 2 as set forth on Schedule "B" attached hereto lists the Interest Upon Destruction for each Strata Lot.

The Interest Upon Destruction figure represents the owner's share of the property and assets of the strata corporation in the event of the destruction of the strata development.

The Interest Upon Destruction figure is based on the proposed market value of the Strata Lots.

(iii) Form 3 – Voting Rights

The Form 3 as set forth on Schedule "B" attached hereto list the Voting Rights for each Strata Lot.

Voting Rights refers to the number of votes allotted to each strata lot.

The residential strata lot will have one vote and each commercial strata lot will have a vote equal to the ratio of the area of a particular commercial strata lot in relation to the area of the residential strata lot.

(f) By-laws

The by-laws of the Strata Corporation are those contained in the Strata Property Act. The Strata Corporation has adopted additional by-laws, which additional bylaws are those as set forth in Schedule "D" attached hereto.

8. PROPERTY TAXES, UTILITIES AND EXPENSES

(a) Property Taxes

Each Strata Lot owner shall be responsible for real property taxes for his Strata Lot and his proportionate interest in the Common Property. Property taxes are levied by and payable to the Surveyor of Taxes, Box 2900, 1061 Fort Street, Victoria, British Columbia, V8W 3G4.

(b) Strata Lot Expenses

The following utilities are separately metered or assessed to each of the Strata Lot owners and are the responsibility of each such Strata Lot owner:

- (i) electricity;
- (ii) telephone.

(c) Budget

The approved budget for the Development for 2001 of operating expenses of the Strata Corporation, is attached as Schedule "C". The budget for the Development was approved at the Annual General Meeting of the Strata Corporation held on February 28, 2001.

(d) Monthly Maintenance Fees

Attached as Schedule "C" is the monthly maintenance expenses for 2001 based on the Unit Entitlement as set out in Form 1 on Schedule "B" attached hereto.

(e) Fire and Liability Insurance

The Strata Corporation carried:

- (i) insurance on the buildings, common facilities and any insurable improvements owned by the Strata Corporation in the Development to their replacement value against fire and against other perils as are usually the subject of insurance in respect of similar properties;
- (ii) public liability insurance covering liability of standard risks to \$2,000,000.00.

The cost of the insurance is the responsibility of the Strata Corporation. Each Purchaser will be responsible for insuring his own Strata Lot contents against damage or loss by fire, theft, and other perils and for liability for injury to persons inside his Strata Lot when the transfer from the Developer is completed.

9 TERMS OF THE OFFERING

(a) Agreement for Sale

The Developer intends to offer each of the Strata Lots for sale.

(b) All monies received from a Purchaser will be held in trust in the manner required by the Real Estate Act until an instrument evidencing the interest of the Purchaser in the Strata Lot has been submitted for registration in the Land Title Office.

(c) Appliances

The Developer will not supply any appliances to any Strata Lot.

(d) Services

Roadways are provided to the Development by the Minister of Highways, police protection is provided by the RCMP; and electricity and telephone service are also provided to the Development.

Water and septic treatment services are provided to the Development as approved by the Department of Health.

10. MISCELLANEOUS

(a) Manager's Residence

There is no manager's residence.

(b) Signage and Display Suites

The Developer shall be entitled to place and keep on the Common Property for so long as the Developer continues to market any Strata Lots in the Development, such signage as the Developer requires in its absolute discretion and to maintain display suites as required by the Developer in its absolute discretion.

CAUTION

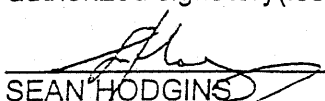
The developer, directors of a corporate developer, and any other person required by the Superintendent to sign this Disclosure Statement are advised to read the provisions of and be fully aware of their obligations under Part 2 of the Real Estate Act before signing this statement, as a person who fails 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 ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS, and
- (b) in the case of an individual, to either a fine of not more than ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS, or to imprisonment for not more than Five (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 August 30, 2001.

CENTURY HOLDINGS LTD. by its
authorized signatory(ies)


SEAN HODGINS

Director in his Personal Capacity


Director + GEORGE HODGINS

All of 1631 – 56th Street, Delta, British Columbia, V4L 2B3

The Developer's address for service is 1631 – 56th Street, Delta, B. C. V4L 2B3

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 Three (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 Rescission Notice to:

- (a) The agent at the address, if any, shown on the face of this Disclosure Statement,
or
- (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.

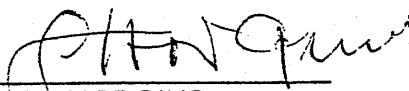
DOMINION OF CANADA	)	IN THE MATTER OF THE <i>REAL ESTATE</i>
	)	ACT AND THE DISCLOSURE
PROVINCE OF BRITISH COLUMBIA	)	STATEMENT OF CENTURY HOLDINGS
	)	LTD. DATED MAY , 2001 FOR THE
TO WIT:	)	PROPERTY DESCRIBED AS:
	)	STRATA LOTS 1, 2, 3, 5, 6, 7, 8, 9, 10,
	)	11, 12, 13, 14, 15, 16, 17, 18, 19, 20,
	)	21, 22 and 23, Section 5 Range 3 East
	)	North Saltspring Island Cowichan District
	)	Strata Plan VIS4561

I, GEORGE HODGINS, of Delta, British Columbia, DO SOLEMNLY DECLARE THAT:

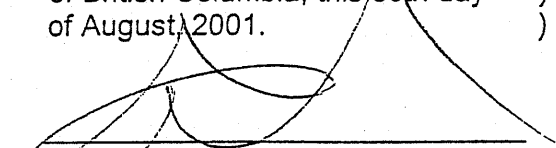
1. I am the President of Century Holdings Ltd., the Developer referred to in the Disclosure Statement dated August 30, 2001.
2. Every matter of fact stated in the Disclosure Statement dated August 30, 2001 is correct.
3. I am aware that Section 50(7) of the *Real Estate Act* requires that a true copy of the Disclosure Statement dated August 30, 2001 be delivered to the prospective Purchaser or Lessee and receipt for same to obtained.

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 the)
Municipality of Delta, in the Province)
of British Columbia, this 30th day)
of August, 2001.)



GEORGE HODGINS



A Commissioner for taking Affidavits
within British Columbia

SOLICITOR'S CERTIFICATE

IN THE MATTER OF THE *REAL ESTATE ACT* AND THE

DISCLOSURE STATEMENT OF CENTURY HOLDINGS LTD. DATED AUGUST 30,
2001

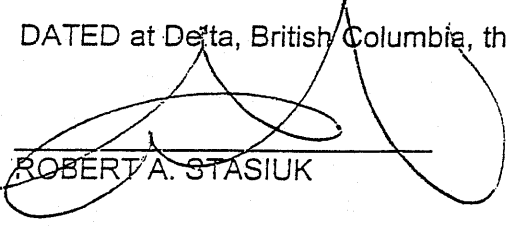
FOR PROPERTY DESCRIBED AS:

Capital Assessment Area

Strata Lots 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23
Section 5 Range 3 East
North Saltspring Island
Cowichan District, Strata Plan VIS4561

I, ROBERT A. STASIUK, Solicitor, member of the Law Society of British Columbia, having read over the above described Disclosure Statement dated August 30, 2001, made any required investigations in public offices and reviewed same with the Developer therein named, hereby certify that the facts contained in paragraphs 2 and 4(a) of the Disclosure Statement dated August 30, 2001 are correct.

DATED at Delta, British Columbia, this 30th day of August, 2001.



ROBERT A. STASIUK