

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

ANDMAR DEVELOPMENT CORP.

PHASE 1

Revised to include all residential units in Phase 1

**FOR: ANDMAR MIXED USE COMMERCIAL AND RESIDENTIAL DEVELOPMENT
Chilliwack, British Columbia**

DATE: May 21, 2025

DEVELOPER: Andmar Development Corp.

**MAILING ADDRESS: SUITE 201 – 585 16TH STREET
WEST VANCOUVER, B.C.
V7V 3R8**

THIS INFORMATION STATEMENT HAS BEEN PREPARED BY THE DEVELOPER FOR A DEVELOPMENT CALLED ANDMAR. THE DEVELOPER IS NOT REQUIRED TO PREPARE OR FILE A PROSPECTUS OR DISCLOSURE STATEMENT AND WILL NOT FILE THIS INFORMATION STATEMENT WITH ANY GOVERNMENTAL BODY. THIS INFORMATION STATEMENT CONTAINS AN OVERVIEW OF THE ANDMAR DEVELOPMENT ONLY AND DOES NOT AMEND OR MODIFY ANY OF THE AGREEMENTS RELATING TO THE DEVELOPMENT. THIS INFORMATION STATEMENT IS FOR THE PURPOSES OF MARKETING THE RESIDENTIAL UNITS IN THE DEVELOPMENT ONLY. IN THE EVENT OF ANY CONFLICT BETWEEN THIS INFORMATION STATEMENT AND ANY AGREEMENTS RELATING TO THE DEVELOPMENT, THE AGREEMENTS WILL GOVERN. INTERESTED PARTIES SHOULD CONSULT WITH THEIR LEGAL AND OTHER PROFESSIONAL ADVISORS PRIOR TO MAKING AN INVESTMENT IN THE DEVELOPMENT.

MARKETING AGENTS

At the time of making this Information Statement, the Developer has retained the real estate brokerage company Homelife Advantage Realty Ltd. 8387 Young Road, Chilliwack B.C. V2P 4N8 to market the residential condo homes to be constructed upon the Lands (as that term is defined herein). The real estate agents of Andmar, who will be engaged to market the residential condominium style homes (the “Units”) to be constructed as part of the development upon the Lands, are all licensed pursuant to the *Real Estate Services Act* (British Columbia). The Developer also reserves the right to utilize its own employees to market the residential Units to be constructed upon the Lands (as the term is defined herein). Employees of the Developer are not required to be licensed under the *Real Estate Service Act* (British Columbia) and shall not act on behalf of the purchasers. The Developer also reserves the right to appoint additional and/or replacement agents and realtors.

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

DISCLAIMERS

THIS INFORMATION STATEMENT RELATES TO PROPERTY SITUATED UPON TZEACHTEN FIRST NATIONS RESERVE LAND. THE CHIEF AND COUNCIL FOR THE TZEACHTEN FIRST NATION BAND HAVE APPROVED THE DEVELOPMENT.

THE *REAL ESTATE DEVELOPMENT MARKETING ACT* DOES NOT GOVERN THE MARKETING OF THE PROPERTIES REFERRED TO HEREIN.

THIS INFORMATION STATEMENT HAS NOT BEEN FILED WITH THE SUPERINTENDENT OF REAL ESTATE AND NEITHER THE SUPERINTENDENT OF REAL ESTATE OR ANY GOVERNMENT AUTHORITY HAS DETERMINED THE MERITS OF ANY STATEMENT CONTAINED IN THE INFORMATION STATEMENT AND THIS INFORMATION STATEMENT IS PROVIDED SOLELY FOR INFORMATIONAL PURPOSES AND PROSPECTIVE PURCHASERS.

EXHIBIT REVIEW

Attached to this Information Statement are certain proforma documents some of which will be required to be entered into by the parties at closing. A list of the most relevant documents are listed on page 21 of this Information Statement. Please note that each of the Purchase Contract and the Sublease attached as exhibits hereto each respectively refer to exhibits attached thereto. For brevity of this information statement the exhibits referred to in the Purchase Contract and the Sublease have not been attached to each of those documents as they are otherwise attached as exhibits to this information statement and therefore are included in both the Purchase Contract and the Sublease by reference thereto.

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

TABLE OF CONTENTS

1. LOCATIONS OF THE LANDS

- 1.1 The Lands
- 1.2 Street Location

2. THE DEVELOPER

- 2.1 Purpose and Asset
- 2.2 Records Office Address
- 2.3 Developer's History
- 2.4 Developers Rights

3. LEASE AGREEMENT

- 3.1 Head Lease
- 3.2 Sublease
- 3.3 Homeowners Corporation
- 3.4 Occupancy Restrictions
- 3.5 Termination Provisions
- 3.6 Rent/Additional Rent
- 3.7 Repayment Provisions
- 3.8 Registration
- 3.9 Assignment Subleasing
- 3.10 Common Costs
- 3.11 Encumbrances
- 3.12 Construction Financing
- 3.13 Mineral Rights
- 3.14 Litigation

THE DEVELOPMENT

4. THE DEVELOPMENT

- 4.1 General Description of the Development
- 4.2 Use
- 4.3 Plans
- 4.4 Common Areas
- 4.5 Proportionate Share
- 4.6 Interest on Destruction
- 4.7 Construction Commencement
- 4.8 Construction Completion
- 4.9 Approvals and Finances
- 4.10 Development Approval
- 4.11 Changes from Natural State
- 4.12 Soil Conditions and Flooding Dangers

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

4.13 Amenity Area

4.14 Access

5. THE OFFERING

5.1 Terms of Offering

5.2 Deposits

5.3 Purchase Contract

5.4 Property Taxes and Utility Rates

5.5 Common Expense

5.6 Fire and Liability Insurance

6. RESTRICTIONS ON USAGE OF DEVELOPMENT

6.1 Use of Units

6.2 Bylaws

7. CONTROL RELINQUISHING AGREEMENT

7.1 Control Relinquishing Agreement reference.

8. MISCELLANEOUS

8.1 Material Contracts

8.2 Construction Activities

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

INTRODUCTION

Andmar is a mixed commercial and residential development (the "Development") offering residential sublessees to buyers of all ages. The two phased Development is being constructed on ten acres of Federal Crown Land held in reserve for the Tzeachten First Nations in Chilliwack, B.C. The land is leased by the Developer for 109 years pursuant to two leases dated June 1, 2019 and ending on May 31, 2128. (hereinafter called the "Head Lease").

The Development is located in Sardis on the corner of Promontory Road and Thomas Road. The Development will consist of 6 mixed use buildings and 5 residential buildings. The Development will have approximately 120,000 square feet of commercial space and up to 600,000 square feet of residential space consisting of approximately 750 residential units ("Residential Units"). An underground parking lot servicing the commercial and residential areas will be constructed on the entire ten acre site.

Phase 1 of the Residential Development, which is currently being marketed by the Developer, will contain 245 Residential Units and approximately 76,000 square feet of commercial retail space. The retail space will feature a 25,000 square foot premium grocer and a pharmacy operated by the Pattison Group. The proposed five residential towers in Phase 1 will be constructed with wood frame above a concrete first floor retail area with the exception of building 5 which will be concrete construction of which floors 1, 5 & 6 will be commercial. Phase 2 will contain five residential buildings. Pursuant to the Head Lease the Developer will grant subleases for each Residential Unit as each building is constructed.

As the Development is located on Federal Crown First Nations land, the British Columbia *Strata Property Act* does not apply to the Development. The Development has been structured, however, so that it will function in a manner similar to a development authorized pursuant to the *Strata Property Act*. When construction of each Unit has been completed and the sublease for that Unit has been granted to a Buyer, the Developer will also transfer to the Buyer a non voting share in a British Columbia company called " Andmar Homeowners' Corp. " ("AHC"), which will carry on functions similar to a strata corporation for the Development. There will be one Homeowners' Corp. for the first phase of the Development and a separate Homeowners' Corp. for Residential Units located in Phase 2 of the Development. The Developer will retain control of AHC during construction and thereafter for six months after the last Unit of the Phase 1 and Phase 2 of the Development has been sold and the sublease for that last Unit has been registered in the First Nations Land registry ("FNLR"). In brief, the Development will be structured and operate as follows when all Phase 1 of the Development has been completed and all subleases have been conveyed by the Developer:

- A. AHC will be granted a sublease of the common areas and common facilities in Phase 1 and Phase 2 of the Development (the "Common Areas").

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

- B. All of the shares in the AHC will eventually carry voting rights and shall be registered to Sublessees;
- C. The board of directors of the AHC will be elected by the Sublessees of the Units and all Unit Sublessees will have the right to stand for election to the board of directors of (the “Board”) AHC. A director must be a Sublessee of a Unit, or a nominee of a corporate owner. The Board will have the responsibility of managing the Development pursuant to the by-laws of AHC in the same way a strata council manages the business of the strata corporation in a development governed by the *Strata Property Act*.
- D. AHC, through its board of directors, will be responsible for those issues relating to the Development that the strata council would be responsible for under a typical strata corporation including, but not limited to, maintenance of the common areas of the Development, placing of liability insurance on the common areas, payment of insurance premiums to the Developer, settling of budgets, collection of maintenance and operating fees, arranging garbage collection and landscaping services and enforcement of the bylaws relating to the Development.
- E. The Sublessees will all be entitled to use the common areas subject to any restrictions (if any) contained in the by-laws of AHC.
- F. AHC will administer, and obtain revenue from the buildings guest suites, if any, within the Development.

1. LOCATION OF THE LANDS

1.1 The Lands:

The Development is being constructed on approximately 10 acres of lands described as follows in the First Nations Land Registry (“FNLR”) located in or near the City of Chilliwack, B.C. on Tzeachten, IR 13 Lots 381 & 382 CLSR Plan 107517. Plans indicating the location of the proposed buildings for Phase 1 on the lands, the proposed type of suites for each floor on the Phase 1 buildings and the proposed floor plans for the Units in the Phase 1 building are attached hereto as Exhibit “A”. The exact area and location of the buildings in Phase 1 and the floor plans for the Phase 1 buildings may vary slightly from that shown on Exhibit “A”.

1.2 Street Location

Each building in the Development will have its own civic address and that address will appear in the individual purchase agreements.

2. THE DEVELOPER

The Developer, Andmar Development Corp. is a company that was incorporated on July 23, 2018. The company’s directors are Andrew Macdonald and Mark Perry.

2.1 Purpose and Assets:

The Developer was formed for the purposes of developing the Development described

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

herein and has no other assets other than those related to the Development Lands.

2.2 Records office Address:

Address for Service: Suite 201 – 585 16th Street, West Vancouver, B.C. V7V 3R8

2.3 Developer History:

The Developer is controlled by Andrew Macdonald and Mark Perry the directors of the Developer. Andrew Macdonald and Mark Perry have been involved in real estate for many years. Since 2012 they have completed three developments in Sardis on Tzeachten land: a 267 unit master planned community known as Englewood Village and Englewood Courtyard, a 98 unit luxury retirement development known as SkyNest, and a 109 unit rancher development known as Malloway Village. In addition they have completed or have under construction a number of residential and industrial developments on other First Nation Lands in the Fraser Valley.

2.4 Developer Rights:

The Developer may rent any Units in the Development to tenants without AHC approval. The Developer may retain one or more Units for use as display suites as part of the Developers marketing activities in the Development. While marketing and sales are underway the Developer shall have unrestricted access to the Development.

3. LEASE AGREEMENT

3.1 Head Lease:

The following is a description of some of the material terms in the Head Lease

- (a) The term of the Head Lease is 109 years commencing on the Commencement Date June 1, 2019;
- (b) The basic rent under the Head Lease was prepaid in full for the whole term;
- (c) The Lessee under the Head Lease has certain ongoing obligations under the Head Lease, including the obligation to pay all ongoing third party expenses such as taxes and utilities, the obligation to maintain, repair, replace, reconstruct and restore the premises, the obligation to insure and the obligation to ensure compliance by all sublessees with the terms of the Head Lease.
- (d) The Head Lease is registered in the FNLR in Ottawa. The Head Lease will not be registered under the British Columbia Land Title System.

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

- (e) A copy of the Head Leases are attached hereto as Exhibit “B”.

3.2 Sublease:

The Developer has created individual subleases for each Unit in the Development (a "Sublease" or "Subleases"); Subleases will be granted to each Purchaser of a Residential Unit. Material terms of each Sublease include the following:

- (a) The term of each Sublease will end one day prior to the termination of the Head Lease subject to prior termination in the event of default;
- (b) each Sublessee is obligated to maintain and repair his or her Unit and pay his or her proportionate share of certain ongoing expenses relating to the common areas during the term of the Sublease (in the same fashion as an owner of a strata unit pays similar costs), including costs of insurance, cost of repairs, maintenance, upkeep, taxes, utilities and the like;
- (c) a Sublessee may transfer, assign or divest their interest in the sublease to any person or entity by a written document registered in TFN Land Office and the First Nations Land Registry (“FNLR”).
- (d) The Sublease will be registered in the TFN Land Office and the FNLR in Ottawa. The Sublease will not be registered under the British Columbia Land Title System;
- (e) The Sublease will provide that the Sublessee must pay a monthly sublease fee of \$75.00. The monthly sublease fee will be adjusted annually based on changes in the Consumer Price Index as provided for in the Sublease;
- (f) that the Sublease is expressly subject and subordinate to the Head Lease and to the rights of the Lessor thereunder, and that the Sublease will terminate upon the termination of the Head Lease;
- (g) in the event of any conflict between the terms of the Head Lease and this Sublease the terms of the Head Lease shall prevail.

The terms of the Subleases may be amended, before delivery to the Sublessee by the Developer acting reasonably.

A copy of a typical Sublease is attached hereto as Exhibit “C”

3.3 Homeowners’ Corporation:

The Lands are First Nation Reserve lands which are not registered in the British Columbia Land Title System and the *Strata Property Act* of British Columbia does not apply to the Lands. As a result, the following steps have been taken to structure the Development in a manner similar to a development that might be done under the Provincial *Strata Property Act*:

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

- (a) AHC was incorporated pursuant to the *Business Corporation Act* of British Columbia and such legislation, or any successor legislation, will govern the operation of AHC and the rights and obligations of its shareholders, officers and directors. The Articles of AHC will require that certain significant decisions be approved by seventy-five (75%) percent of the votes cast at a meeting. Upon completion of Phase 1 and Phase 2 AHC will be granted a sublease of the common areas in the Development and will perform functions similar to those performed by a strata corporation under the B.C. *Strata Property Act*;
- (b) The Developer will have control of AHC for a period of six months after the last of the Units in Phase 1 of the Development have been sold and subleases registered in the FNLR. The share capital of AHC consists of one Class A Voting Share and an unlimited number of Class B Non Voting Shares. One Class "B" Non Voting Share will be issued to each Sublessee upon registration of his/her/their Sublease in the FNLR. Within six months of the last sublease for a Unit in the Development being registered in the FNLR the Class B Non Voting shares shall be converted to voting shares and the Class A Voting Share of the Developer shall be canceled. The change of control of AHC is provided for in an agreement called the Control Relinquishing Agreement that each Sublessee is required to sign prior to registration of their Sublease. Exhibit "M".
- (c) If after control of AHC has been passed onto the Sublessees the Developer has decided to retain any Units for its own account then the Developer shall retain one vote in AHC for each Unit then owned by the Developer and the total number of voting shares issued by AHC will equal to the total number of Units in Phase 1 of the Development;
- (d) AHC will perform functions similar to those performed by a strata corporation under the *Strata Property Act*. In particular; AHC (which will function through its board of directors) will be responsible for maintaining the common areas, common area insurance, establishing budgets, collecting maintenance and operating fees and enforcing any bylaws relating to the Development;
- (f) Each Sublessee is entitled to one share in AHC. The only shareholders of AHC will be the Developer and the Sublessees. On the day proceeding the day that control of AHC is passed to the Sublessees the Developer will appoint the directors of AHC who shall stand as directors until the next annual meeting of the shareholders of AHC. The Developer may choose to appoint Sublessees to the board of directors for AHC prior to control of AHC being passed to the Sublease owners;
- (f) Upon assignment of a Sublease by a Sublessee to a Buyer, the share in the capital of AHC relating to that Sublease must be transferred to the new Buyer of the Sublease;
- (g) The AHC may enter into a management contract for management services; and
- (i) In order to ensure that any unpaid charges to AHC are secured ahead of ordinary creditors of a Sublessee each Sublessee will be required to execute an equitable charge agreement in favour of AHC prior to registration of their Sublease. A copy

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

of the equitable charge agreement is attached hereto as Exhibit “D”.

3.4 Occupancy Restrictions:

The Units may only be occupied for residential purposes, which includes home office use and the right to rent the Units on a monthly tenancy unless otherwise prohibited by the Bylaws of AHC.

3.5 Termination Provisions:

(a) The Subleases

The termination provisions are set out in Article 22.2 of the Sublease. If the Sublessee of a Unit is in default under the Sublease the Sublessee will be given written notice of the default and the notice will specify the particulars of the default. Upon receipt of a default notice, the Sublessee will have:

- (i) 30 days from receipt of written notice from the Sublessor to cure a default which constitutes a default under the terms and conditions of the Head Lease; or
- (ii) if the default is with respect to a default which does not constitute a default under the Head lease, the Sublessee will have 90 days from receipt of written notice from the Sublessor to cure such default,

If the Sublessee fails to cure the Default the Sublessor shall have the right, subject to the rights of the Sub lessee’s mortgagee to cure such default under Article 21.5 of the Subleases, to re-enter and re-take possession of the Residential Unit and terminate the Sublease.

3.6 Rent/Additional Rent:

The Purchase Price agreed to by the Developer and Sublessee in the Purchase Contract for purchase of the Sublease will be the amount set out in Article 4.1 (a) of the Sublease. In addition to the Purchase Price the Sublessee will be required to pay Base Monthly Costs as set forth in Article 4.1 (b) of the Sublease. The Developer may permit prepayment of the Base Monthly Costs, on terms established from time to time by the Developer. Interested parties should contact the Developer to determine any such prepayment terms. The Sublessee will also be required to pay to the Lessor any Additional Rent as may be set out in the Sublease including any applicable taxes assessed by the Federal or Provincial governments or by the TFN (if any).

The Common Costs and Operating Costs payable as Additional Rent are described in Article 2.1 (0) and 2.1 (kk) of the Sublease and are similar to monthly strata fees in a Strata Corporation and will be collected by the Homeowners Corporation to cover its cost of maintaining, repairing and replacing the Common Areas and Common Facilities, paying the Developments Operating Costs together with a contingency reserve.

3.7 Repayment Provisions:

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

Except as provided in Article 22.3 of the Sublease no portion of the Rent under the Sublease will be repaid to the Sublessee under any circumstances.

3.8 Registration:

Each Sublease, once signed by the Developer and the buyer will be submitted and registered in the Tzeachten Land Office and the First Nation Land Registry when the purchase of the Unit closes. The Sublease cannot be registered in the British Columbia Land Title Office.

3.9 Assignment and Subleasing:

1. Assignment of a Sublease

- (a) A Sublessee of a Unit may, if not in default under the Sublease, and subject to the Bylaws of AHC, sell and assign his or her interest under the Sublease by assignment to a third party upon payment of an administration fee to the Sublessor equal to one half of one percent (0.5%).

3.10 Common Costs and Operating Costs:

Attached as Exhibit "J" is the estimated operating budget for the Common Costs and Operating Costs for Phase 1 of the Development and attached as Exhibit "K" is the estimated monthly maintenance fees for each Unit in Phase 1 of the Development.

3.11 Encumbrances:

Other than the Developer's security for its financing with First West Credit Union, as of the date hereof there are no encumbrances registered against the Lands. It is anticipated that during the course of construction of the Development there may be right of way, easements and servicing agreements registered against the Lands prior to the registration of any subleases.

The Developer may itself, or may cause the AHC, to grant permits or easements over the Lands prior to conveyance of the Units or after conveyance of the Units to permit access over and use of common areas (such as roadways, parking areas, walkways, water lines, sewer lines, etc.) by future phases of the Development. All common areas (except those designated exclusive use areas) of all phases of the Development will be available for use by all Sublessees and occupiers of all phases of the Development.

The Developer may itself, or cause AHC, to enter into agreements, easements or rights of way or similar rights, as may be required, for public utilities or authorities, as may be required between the phases of the Development, and as required by the TFN to secure the payment of utilities, property taxes or other amounts due to TFN and as may be otherwise required for the Development of all phases of the Development.

AHC may designate parking spaces, storage lockers and limited common areas and

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

facilities, in areas designated as exclusive for Residential Units, for the exclusive use of a Sublessee or group of Sublessees.

3.12 Construction Financing:

The Developer has construction financing in place for the Development with First West Credit Union which is secured by a mortgage over the Lands. The present First West Credit Union mortgage or any mortgage replacing the present First West Credit Union mortgage shall be discharged on a per Unit basis as each Sublease for a Unit is registered.

3.13 Mineral Rights:

The Head Lease reserves the right for the Lessor to extract minerals from the lands.

3.14 Litigation:

There is no outstanding or anticipated litigation in respect of the Development or against the Developer which may affect the Development.

4. THE DEVELOPMENT

4.1. General Description of the Development:

Andmar is a mixed commercial and residential development (the “Development”) offering residential sublessees to buyers of all ages. The three phase Development will be constructed on ten acres of Federal Crown Land held in reserve for the Tzeachten First Nations in Chilliwack, B.C. The land is leased by the Developer for 109 years pursuant to two leases dated June 1, 2019 and ending on May 31, 2128. (hereinafter called the “Head Lease”).

The Development is located in Sardis on the corner of Promontory Road and Thomas Road. The Development will consist of 6 mixed use buildings and 5 residential buildings. The Development will have approximately 120,000 square feet of commercial space and up to 600,000 square feet of residential space consisting of approximately 750 residential units (“Residential Units”). An underground parking lot servicing the commercial and residential areas will be constructed on the entire ten acre site.

Phase 1 of the Residential Development, which is currently being marketed by the Developer, will contain 245 Residential Units and approximately 86,000 square feet of commercial retail space. The proposed five residential towers in Phase 1 will be constructed with wood frame above a concrete first floor retail area with the exception of building 5 which will be concrete construction of which floors 1, 5 & 6 will be commercial Phase 2 will contain five residential buildings. Pursuant to the Head Lease the Developer will grant subleases for each Residential Unit as each building is constructed.

As the Development is located on Federal Crown First Nations land, the British Columbia *Strata Property Act* does not apply to the Development. The Development has been structured, however, so that it will function in a manner similar to a development

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

authorized pursuant to the *Strata Property Act*. When construction of each Unit has been completed and the sublease for that Unit has been granted to a Buyer, the Developer will also transfer to the Buyer a non voting share in a British Columbia company called " Andmar Homeowners' Corp. " ("AHC"), which will carry on functions similar to a strata corporation for the Development. There will be one Homeowners' Corp. for the first two phases of the Development and a separate Homeowners' Corp. for Residential Units located in Phase 3 of the Development. The Developer will retain control of AHC during construction and thereafter for six months after the last Unit of the Phase 1 of the Development has been sold and the sublease for that last Unit has been registered in the First Nations Land registry ("FNLR"). In brief, the Development will be structured and operate as set out in Article 3.3 above.

The Developer will attempt to minimize disruption to Sublessees in a prior constructed buildings as Phase 1 construction is proceeding however, some disruption is unavoidable. The Developer reserves the right to delay or not proceed with the construction of remaining buildings in Phase 1 and/or Phase 2 of the Development but presently estimates Phase 2 construction will commence on or around 2025/2026. The Developer reserves the right to change the configuration, number and type of Units that may be constructed in unconstructed buildings in Phase 1 and in Phase 2 of the Development. The timing and specifications for construction of the balance of buildings in Phase 1 and Phase 2 will be determined from time to time by the Developer.

4.2 Use:

All residential Units are intended for residential use only which may include home office uses. Home office uses must not cause noise or nuisance to other Sublessees and must operate in accordance with the Bylaws. The Developer may use unsold Units for marketing purposes.

4.3 Plans:

Exhibit "A" to this Information Statement is the site plan for the Development, the location of the proposed Residential Units in Phase 1 and the proposed floor plans for Phase 1 Residential Units. All dimensions will be measured by the standard method for measuring strata units where the *Strata Property Act* has application.

4.4 Common Areas:

The common property of the Development, whether sublet to the AHC or otherwise, consists of roads, parking areas, garden areas, boulevards, utilities outside of Units, common areas of residential buildings such as lobbies, hallways, washing rooms, patios, roofs, elevators and exterior walls, underground parking area, storage lockers, courtyards, common mail box shelter, garbage enclosure and amenity areas. The Developer has no present intention of developing an amenity centre but if one is developed in the future it will be available for the use and enjoyment of all Sublessees and occupants of Residential Units in the Development. However, the Developer may

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

designate limited common areas and facilities for the exclusive use of a Sublessee or group of Sublessee. In the future if there are external patios adjacent to a ground floor Residential Unit they will be for the exclusive use of the adjacent ground floor Unit.

4.5 Proportionate Share:

The proportionate share of each Residential Unit (the "Proportionate Share") is akin to unit entitlement in a strata corporation and is used to calculate a Sublessee's contribution to the expenses of AHC. Proportionate Share is based on the habitable area (excluding any nonliving areas such as balconies decks or patios) of the Residential Unit as compared to the habitable area of all of the Residential Units, in the phases of the Development that will be controlled by AHC and for areas of the entire Development that are used by the Residential Units which require a contribution by the AHC such as roads and parking areas ("Operating Costs"). Proportionate Share is to be finally settled by the Developer. The Proportionate Share will be used to determine the Sublessee's share of the costs for Common Costs and Operating Costs as described in the Sublease. A schedule of the Proportionate Share for the Phase 1 of the Development is included as Exhibit "E". The Proportionate Share calculation may change in the Developer's sole discretion if more Residential Units are added in the Development.

4.6 Interest on Destruction:

Should there be a loss of a building(s) that cannot be restored, reconstructed or replaced then in such case the Sublessee will share in the insurance proceeds as provided in the Head Lease and the Sublease. In order to determine the Sublessee's share of the insurance proceeds in such case the Developer will determine the Sublessee's interest on destruction ("Interest on Destruction").

Interest on Destruction is based on the estimated market value of the Residential Units that are sold and controlled by AHC. Prior to completion of all the Residential Units controlled by AHC the Developer may amend the Interest on Destruction calculations as Residential Units are completed and sold. Once all of the Residential Units in Phase 1 are completed and sold the final numbers for Interest on Destruction will be finalized. If a loss occurs prior to all the Residential Units in Phase 1 being completed and sold the Sublessee's Interest on Destruction calculation shall be determined based only on the Residential Units actually completed and sold at the time of the loss.

4.7 Construction Commencement:

Construction of Phase 1 has already commenced.

4.8 Construction Completion:

Construction completion of Andmar 1 and Andmar 2 is anticipated to be July 31, 2026. Completion of the balance of Phase 1 is anticipated to be approximately on or before December 31, 2027.

4.9 Approvals and Finances:

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

The Developer's construction financing is in place. It is anticipated First West Credit Union will provide the financing for all phases of the Development or it may syndicate the construction financing of subsequent phases of the Development.

4.10 Development Approval:

(a) The overall development master plan for the Development has been approved by the TFN.

(b) Building Permit

Permits for the construction will be obtained from the TFN in accordance with the Head Lease and the TFN Building Bylaw

(c) Building Inspections

The Development will comply with BC Building Code and all requirements of the Head Lease. Construction will be inspected by qualified professionals and building inspectors retained by the Developer. Inspection certificates will be obtained from trade professionals or inspectors designated by the Developer and occupancy permits will be provided by the TFN.

(d) Utilities and Other Services

The Development will be provided with the following Utilities and Services:

(i) Services – domestic water, sanitary sewer, street access and fire and police protection will be supplied by the City of Chilliwack pursuant to a servicing agreement entered into between the City of and TFN.

(ii) Hydro – The Development will be provided with electricity by British Columbia Hydro.

(iii) Gas – The Development will be serviced with natural gas.

(iv) Telephone – The Development will be provided with telephone service by Telus or Rogers.

(v) Television – The Development will be provided with television service by Rogers or Telus.

The day-to-day charges for the above utilities and services are charged directly to the Sublessees and are determined by sub-metering or by Proportionate Share if sub-metering is not applicable. Services providers may change from time to time.

4.11 Changes from Natural State:

There have been no changes from the natural state of the Lands other than normal

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

clearing, excavation and landscaping,

4.12 Soil Conditions and Flooding Dangers:

Based on a physical examination of the Lands, the Developer is not aware of any hazards or dangers to the Lands with regard to soil conditions or flooding.

4.13 Access:

Primary access to the Development is by way of Thomas Road which connects with Promontory Road. There will also access to the Development from Promontory Road.

5. THE OFFERING

5.1 Terms of Offering:

(a) Offering

Purchasers will be granted a sublease of their Unit and will acquire one share in the capital of AHC.

(b) Equipment in Unit Each Unit will include a builder's appliance package, an underground garage door opener and cooling + heating P-tac units

(c) Parking

There will be surface and underground parking for both the commercial tenants and Residential Units. Residential Units shall have a gated area in the underground parking lot. Each Residential Unit will be allotted one parking space in the gated area of the underground parking lot. Guests of Residential Units may park in the public parking area of the underground parking lot or in the surface parking as designated by signage and as determined by the Developer. No parking will be allowed on the common roads. Sublessees may only park vehicles in their parking stall, and must abide by all Bylaws regarding parking of vehicles.

(d) Warranties

The Developer has provided what is commonly known as 2-5-10 New Home Warranty. It is anticipated that the New Home Warranty will be provided by National Home Warranty as described in Exhibit "G". The Developer reserves the right to provide the New Home Warranty through another warranty provider.

(e) Developer's Subletting of Units

The Developer does not presently intend to retain the Subleases for any Residential Units in the Development for subletting but reserves the right to retain Subleases for Residential Units and to sublet those Residential Units. The Developer may retain one or more Residential Units for use as display suites as part of the Developer's marketing activities in the Development.

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

5.2 Deposits:

The Deposits shall be dealt with as provided in the Sublease Article 1 and 1(a) of the Purchase Contract..

5.3 Purchase Contract:

The Developer intends to use its own form of Purchase Contract, which is attached hereto as Exhibit "H". The Developer reserves the right, in its sole discretion, to revise the Purchase Contract from time to time. The Purchase Contract provides in part:

(a) Restrictions on Assignment

There are restrictions on a Buyer selling, assigning or disposing of a Buyer's interest in the Purchase Contract or interest in the Residential Unit. The restrictions are set out in Article 12 of the Purchase Contract. The Buyer is not permitted to sell, assign or dispose of the buyer's interest until;

(i) the Buyer has paid the deposit due under the Purchase Contract; and

(ii) the Developer has sold all of the Units in the building.

In addition, an assignment fee equal to one half of one percent (0.5%) of the Purchase Price is payable to the Developer at the time of the sale, assignment or disposition. Prior to the issuance of a sublease interest pursuant to a Purchase Contract, the assignment fee will be reduced to three hundred dollars (\$300.00) if a Buyer wishes to exercise a one time right to assign the Buyer's interest in the Purchase Contract to the Buyer's spouse, parent, child, grandparent or grandchild.

(b) Buyers Default

If the Buyer fails to complete the purchase of the Residential Unit in accordance with the terms of the Purchase Contract the Deposit, in the sole discretion of the Developer, may be paid to the Developer without prejudice to the Developer's other rights and remedies under the Purchase Contract or at law generally.

5.4 Property Taxes and Utility Rates:

(a) Unit Taxes

Each Unit holder is responsible for property taxes for his or her Unit. TFN has enacted a taxation and assessment bylaw as authorized by the *Indian Act*, which has been approved by the Minister of Indian Affairs and Northern Development and which is typically based on the City of Chilliwack's model for property taxation. Property taxes will be collected by TFN. The Sublease requires each Unit holder to abide by the TFN bylaws. The TFN has issued a policy statement regarding taxation, a copy of which is attached as Exhibit "I".

(b) Expenses

Electricity, cablevision and telephone are separately metered or assessed to each Unit and are the responsibility of each Sublessee:

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

Each Sublessee shall pay to AHC their Proportionate Share of the Common Costs and Operating Costs as described in the definition section of the Sublease, which will include but not be limited to the following:

Gas, Water, Sewer, Hot Water for the common areas and the homes
(these are bulk metered.)
Electricity for common areas.
Sewer for common areas.
Garbage collection and recycling for the Development
Janitorial costs, repair and maintenance for common areas in the
Development
Property Management for the Development
Landscape maintenance for the entire Development
Such other costs as may reasonably be considered common costs in the
Development.

5.5 Common Expenses:

- (a) Exhibit "J" to this Information Statement is an estimated pro forma budget as of the date hereof for a typical full year of operating expenses for Common Costs and Operating Costs for Phase 1 only of the Development. The budget is subject to variation by the Developer and/or AHC.
- (b) The estimated costs are based on costs experienced by existing comparable developments however, the costs contained in the proforma budgets are estimates only.
- (c) Exhibit "K" to this Information Statement is the schedule of the anticipated monthly maintenance assessment for Common Costs and Operating Costs for each Residential Unit in Phase 1 when Phase 1 of the Development is completed. The anticipated monthly maintenance costs will vary as the Residential Units in Phase 1 are completed. The monthly maintenance costs will also vary when Residential Units in Phase 2 are completed and sold.

5.6 Fire and Liability Insurance:

- (a) The Developer will arrange insurance coverage as required by the Head Lease which insurance will be all risk, all property insurance for the full replacement value of all of the improvements on the Land and which policy will provide for general liability insurance of at least \$5,000,000.
- (b) When the common property is subleased to the AHC the Developer will cause the AHC to arrange liability insurance coverage on the common areas of at least \$5,000,000.
- (c) The Developer and/or AHC shall arrange all peril replacement insurance during the construction period and thereafter when the Development has been completed.

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

- (d) The Buyer will be responsible for insuring the contents of his or her Unit including public liability insurance in an amount of not less than \$2,000,000 and said insurance must also provide insurance that will cover the deductible of the Developer or AHC if an event occurs in the Residential Unit that damages other Residential Units. The public liability insurance policy must name as additional insureds the Developer and the Lessor under the Head Lease.
- (e) Each Owner will be required pay to the Sublessor and or AHC his/her proportionate share of the insurance arranged by the Developer, as provide in 5.6 (a), (b) & (c) above.

6. Restrictions on Usage of Development

6.1 Use of Units:

No Units will be retained or alienated for non-residential purposes (other than home office use), except for use of certain Units by the Developer for marketing purposes for the Development, or for marketing units in developments in the vicinity of the Development in which the Developer and/or the principals of the Developer have an interest.

6.2 Bylaws

The form of Bylaws is attached hereto as Exhibit "L".

7. Control Relinquishing Agreement

- 7.1 Prior to registration of a Sublease in the FNR and the FNLR a Sublessee must execute the Control Relinquishing Agreement referred to in Article 3.3 (b) of this Information Statement. A copy of the Control Relinquishing Agreement is attached hereto as Exhibit "M".

8. Miscellaneous

8.1 Material Contracts:

No material contracts are yet in existence which would bind the Developer and/or AHC or a Buyer except those required for orderly operation of the Development. Examples of such contracts are described in the non exclusive list below:

- Property Management;
- Common area maintenance;
- Landscape Maintenance;
- Cablevision
- Telus
- Waste Collection

The Developer reserves the right, acting reasonably, to enter into all material contracts necessary to reasonably operate the Development and the Residential Units.

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

8.2 Construction Activities:

During construction of further phases of the Development, normal construction activities will take place on the Development, and will result in certain levels of noise, dust and disturbance. The Developer will follow prudent construction practices in carrying out its work, but shall have no liability for any claims relating to noise, dust, disturbance, inconvenience or other disruptions during constructions. The Developer's construction guidelines will restrict the Developer's construction working hours to 7:00 a.m. to 5.30 p.m. weekdays, 8.00 a.m. to 4:00 p.m. Saturdays and Sundays.

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBITS

LIST OF EXHIBITS TO THE INFORMATION STATEMENT

- A. Preliminary Site Plan, Unit locations and Floor Plans Andmar 1 and Andmar 2;
- B. Head Lease;
- C. Sublease;
- D. Equitable Charge;;
- E. Proportionate Share Schedule;
- F. Interest on Destruction Schedule (to be provided at a later date when the Residential Units in Phase 1 have been marketed)
- G. New Home Warranty;
- H. Purchase Contracts for Phase 1 and Phase 2;
- I. Tzeachten First Nation Tax Policy;
- J. Estimated Operating Budget
- K. Estimated - Monthly Costs;
- L. Bylaws of AHC;
- M. Control Relinquishing Agreement.

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "A"

Preliminary Site Plan, Unit locations and Floor Plan

-see attached-

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "B"

Head Lease

-see attached-

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "C"

Sublease

-see attached-

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "D"

Equitable Charge Agreement

-see attached-

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "E"

Proportionate Share Schedule

-see attached-

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "F"

Interest on Destruction Schedule

-see attached-

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "G"

New Home Warranty

-see attached-

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "H"

Purchase Contract

-see attached-

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "I"

Tzeachten First Nation Tax Policy

-see attached-

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "J"

Estimated Operating Budget

-see attached-

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "K"

Estimated Monthly Cost

-see attached-

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "L"

Bylaws of Andmar Homeowners' Corp.

-see attached-

ANDMAR DEVELOPMENT INFORMATION STATEMENT PHASE 1

EXHIBIT "M"

Control Relinquishing Agreement

-see attached-