

## INFORMATION STATEMENT

**FOR:** COPPER SKY  
3200 Block of Skyview Lane, West Kelowna, British Columbia

**DATE:** March 31, 2011

**DEVELOPER:** **COPPER SKY LIMITED PARTNERSHIP** BY ITS  
MANAGING GENERAL PARTNER REMPEL COPPER SKY  
DEVELOPMENT LTD., BY ITS COURT APPOINTED  
RECEIVER-MANAGER KPMG INC. (“**KPMG**”)

**MAILING ADDRESS:** KPMG Inc., Receiver-Manager, Copper Sky Limited Partnership, by  
its managing general partner Rempel Copper Sky Development Ltd.  
300 – 1674 Bertram Street  
Kelowna, BC V1Y 9G4  
Attention: James F. Gilcrest

**THIS INFORMATION STATEMENT WAS PREPARED BY THE DEVELOPER FOR THE COPPER SKY DEVELOPMENT. EXCEPT AS DISCLOSED HEREIN, KPMG DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES ABOUT THE PROJECT, AS DEFINED HEREIN. THE DEVELOPER NOR KPMG 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 COPPER SKY DEVELOPMENT ONLY AND DOES NOT AMEND OR MODIFY ANY OF THE AGREEMENTS RELATING TO THE DEVELOPMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THIS INFORMATION STATEMENT AND ANY AGREEMENTS RELATING TO THE DEVELOPMENT, THE AGREEMENTS WILL GOVERN. THE MONETARY VALUES REFERRED TO HEREIN MAY BE MODIFIED AT ANY TIME. INTERESTED PARTIES SHOULD CONSULT WITH THEIR LEGAL AND OTHER PROFESSIONAL ADVISORS PRIOR TO MAKING AN INVESTMENT IN THE DEVELOPMENT.**

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## INTRODUCTION

Copper Sky is a wood-frame apartment development intended to be comprised of up to ten buildings of three and four storeys to be constructed on the Westbank First Nation Reserve near West Kelowna, British Columbia. Copper Sky was planned to be built in five phases of two buildings each (the entire project is hereinafter referred to as the “**Project**”). The following represents the as built nature of the Development and the anticipated construction plans for the Project expected phasing plan:

<b>Phase</b>	<b>Building No.</b>	<b>No. Units</b>	<b>Status</b>
Phase 1	1 and 3	96 units	Complete
Phase 2	4 and 6, the Amenity Building	96 units	Under construction
Phase 3		136 units	To be determined
Phase 4		112 units	To be determined
Phase 5		96 units	To be determined

KPMG reserves the right to change the order in which the buildings will be constructed, to change the number and scheduling of any further buildings to be constructed, to elect not to build one or more phases or to sell to a new developer all or a portion of the undeveloped Developed Lands for the purposes of completing one or more of the undeveloped phases of the Project.

The Project will also include a 2-storey amenity building which will house a lounge, fitness centre, steam and sauna rooms, men’s and women’s change rooms, a games room with billiard table, children’s play area and meeting rooms. Barbeque areas, an outdoor pool and hot tub and two outdoor tennis courts will be built adjacent to the amenity building. The amenity building is being constructed in conjunction with Phase 2 of the Project.

The Project is situated on Westbank First Nation (the “**Westbank First Nation**”) land. COPPER SKY LIMITED PARTNERSHIP by its managing general partner Rempel Copper Sky Development Ltd. (the “**Developer**”) leased the land from Dave Russel Derrickson for a term of 99 years ending on July 30, 2106 pursuant to a lease registered in the Register of Westbank Lands, Ottawa (the “**Head Lease**”). Pursuant to the Head Lease, the Developer, by KPMG, will complete the construction of the units and then grant subleases for each individual unit. Purchasers will acquire a sublease for the unit being purchased.

As the Project is situate on Westbank First Nation land, the British Columbia condominium legislation, such as the *Strata Property Act* and *Real Estate Development Marketing Act*, does not apply to the Project. The Project has been structured, however, so that it will function in a manner similar to a strata-titled apartment development. When construction of each unit has been completed and the sublease for that unit issued to a purchaser, each purchaser will become a member of a society registered pursuant to the *Society Act* of BC. This society will function as an owner association to be known as Copper Sky Owner Association (the “**Owner Association**”), which will carry on

functions similar to a strata corporation for the Project. There will be one Owner Association for the entire Project. KPMG, and any successor developer, will retain control of the Owner Association during construction and thereafter until completion of the final phase of the Project or until such other event as may occur which causes substantial completion of the Project to happen, as determined by KPMG. In brief, the Project will be structured and operate as follows when all phases of the Project have been completed and all subleases issued by the Developer:

A. The board of directors of the Owner Association will be elected by the sublessees. A director must be a sublessee, or a nominee of a corporate sublessee. 1 vote per household.

B. The Owner Association, through its board of directors, will be responsible for those issues relating to the Project that a strata council would be responsible for under a typical apartment strata situation, including maintenance of the common areas of the Project, placing of insurance on the Project, setting of budgets, collection of maintenance and operating fees, arranging garbage collection and landscaping services and enforcement of the bylaws relating to the Project.

C. The holders of the subleases will be entitled to use the common areas, together with the other holders of subleases. They will have a right to stand for election as a member of the board of directors of the Owner Association and will be the parties who will be responsible for electing the board of the Owner Association. They will also have a right to vote on any changes in the bylaws which govern use of the Project.

## **1. LOCATION OF THE DEVELOPMENT**

### **1.1 The Lands**

The Project is being constructed on approximately 16.67 acres of land originally legally described as Lots 4-2-1 and 5-1, CLSR 66307, Lot 4-2-2, CLSR 67965 and Lot 5-7-1, CLSR 83372, Tsinstikeptum No. 9 near West Kelowna, British Columbia (as redescribed following the consolidation of the Project lands as Lot 371 CLSR 95128 Tsinstikeptum No. 9, the “**Lands**”). Plans indicating the location of the Lands and the general area of the Project are attached as Exhibit A. The exact area and location of the Lands, Project and access may vary from that shown on Exhibit A.

### **1.2 Street Location**

The Project and the Lands are located at 2160 Old Okanagan Highway, West Kelowna, British Columbia.

## **2. THE DEVELOPER AND RECEIVER AND MANAGER**

### **2.1 The Developer, in Receivership**

(a) Name: The Developer is Copper Sky Limited Partnership by its managing general partner Rempel Copper Sky Development Ltd., a British Columbia company in receivership.

(b) Address for Service in British Columbia: 201-31234 Wheel Avenue,  
Abbotsford, BC V2T 6G9

- (c) Jurisdiction of Incorporation: British Columbia
- (d) Date of Incorporation of the Company: June 28, 2007
- (e) The Directors of Rempel Copper Sky Development Ltd. are: Henry Rempel and John Rempel

## 2.2 Receiver and Manager

By order of the Supreme Court of British Columbia made January 14, 2011 in proceeding number 88952, Kelowna Registry (the “**Order**”), KPMG was appointed Receiver and Manager, of the Developer. Pursuant to the Order, KPMG was granted the right to, among other things, complete the improvements associated with the Project and to list the Project Units and market the Project Units. The address for service in British Columbia of KPMG is 300 – 1674 Bertram Street, Kelowna, BC V1Y 9G4, Attention: James F. Gilchrist.

## 3. TITLE AND STRUCTURE OF THE DEVELOPMENT

### 3.1 Development

The Westbank First Nation has approved the Project.

### 3.2 Head Lease

The following is a description of some of the terms in the Head Lease. The Landlord under the Head Lease is Dave Russel Derrickson (“**Derrickson**”) and the Lessee is Rempel Copper Sky Development Ltd. on behalf of Copper Sky Limited Partnership. The material terms of the Head Lease include the following:

- (a) the term of the Head Lease is 99 years ending on July 30, 2106;
- (b) the rent under the Head Lease has been prepaid in full for the whole term;
- (c) the tenant under the Head Lease has certain ongoing obligations 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 subtenants with the terms of the Head Lease;
- (d) the Head Lease is registered in the Registry of Westbank Lands, Ottawa (the “**Registry**”). The Head Lease will not be registered under the British Columbia Land Title System; and
- (e) the Head Lease includes a mechanism whereby it can be severed and assigned to the Owner Association in connection with Subleases already issued, if there is a default by the Lessee. This mechanism is a protection to purchasers who have been issued a Sublease.

### 3.3 Sublease

KPMG will create individual subleases for each residential unit (a “**Unit**”) in the Project (a “**Sublease**” or “**Subleases**”). The Subleases will be granted to each purchaser. 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 (in the year 2106) subject to prior termination in the event of default;
- (b) each purchaser is obligated to maintain, repair and replace his or her Unit and pay their proportionate share of certain ongoing expenses relating to the common areas, during the term of the Sublease (in a similar fashion as an owner of a strata-titled apartment pays strata fees), including costs of insurance, costs of repairs, maintenance and upkeep;
- (c) a Sublease may be assigned or mortgaged but these must be registered in the Registry. Assignments may be subject to an assignment fee to the Developer as described in the Sublease; and,
- (d) the Sublease will be registered in the Registry. The Sublease will not be registered under the British Columbia Land Title System. The terms of the Sublease may be amended before issuance.

### 3.4 Owner Association

The Lands are Westbank First Nation lands which are not registered in the British Columbia Land Title System and therefore 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 Project in a manner similar to a strata-titled apartment development:

- (a) the Owner Association has been incorporated as a Society pursuant to the *Society Act* of British Columbia. The Owner Association will manage the common areas and will perform functions similar to those performed by a strata corporation under provincial condominium legislation;
- (b) however, KPMG, and any successor developer, will retain control of the Owner Association until 100% of the Units have been subleased (in this way, KPMG, and any successor developer, will retain control for a period sufficient to ensure that the Project is completed in an orderly fashion). The Constitution of the Owner Association will permit the Developer to retain such control. There is a mechanism to require KPMG, or any successor developer, to relinquish control after 50% of the Units have been subleased if KPMG, or any successor developer, is in default in the performance of management services;
- (c) the Owner Association will perform similar functions to those performed by a strata corporation under the *Strata Property Act* of British Columbia. In particular, the Owner Association, which will function through its board of directors, will be responsible for maintaining the common areas, placing insurance on the Project,

establishing budgets, collecting maintenance and operating fees and enforcing the Subleases and bylaws relating to the Project;

- (d) each holder of a Sublease is entitled to one vote in the Owner Association (one per household). Initially the Owner Association will be controlled by KPMG. After 100% of the Units have been subleased, the holders of the Subleases will be entitled to elect the board of directors (from their members only) and also to vote on any alteration or amendment of the bylaws which will govern the use of the Project;
- (e) upon the issuance or assignment of a Sublease to a purchaser, they will automatically become members of the Owner Association; and
- (f) the Developer has or KPMG will enter into a management contract with the Owner Association for management services by the Owner Association.

### 3.5 Encumbrances

The encumbrances appearing on the Parcel Abstract for the Lands issued by the Registry, indicates the following registrations:

- (a) Water Easement SG00416
- (b) the Head Lease No. SG02774;
- (c) Mortgages in favour of financial institutions and Travelers Canada; and,
- (d) Such other easements and rights of way as may be required for sewer, access, etc.

KPMG may itself, or may cause the Owner Association to, grant permits or easements over the Lands to permit access over and use of common areas (such as roadways, surface and underground parking areas, walkways, utilities, water lines, sewer lines, etc.) by other phases of the Project. As each additional phase of the Project is sold common areas of that phase are available for use by all owners and occupiers of previous phases, and the owners and occupiers of the completed phase may use all common areas in the Project. The common areas will be for the use of all owners and occupiers of the Project and will be administered by the Owner Association. KPMG may cause the Owner Association 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 separate phases of the Project, and as required by the Westbank First Nation to secure the payment of utilities, property taxes or other amounts due to the Westbank First Nation and as may be otherwise required for development of the Project in several phases. Common areas in the Project (except those designated for exclusive use) will be available for use by all occupiers of the Project.

KPMG will retain the right to use the common areas, the amenity building and one or more Units for marketing purposes.

### 3.6 Mineral Rights

The Head Lease reserves the right for the Crown and Lessor to extract minerals from the Lands.

### 3.7 Litigation

Except with respect to the Order and other orders relating thereto in respect of the Developer, KPMG, without having made any further inquiries, is not aware of any outstanding or anticipated litigation in respect of the Project or against the Developer which may affect the Project.

## 4. **THE PROJECT**

### 4.1 General Description of the Project

The total Project is comprised of approximately 536 units, of which 96 units have been constructed (Phase 1 – Buildings 1 and 3) and 96 units are presently under construction (Phase 2 – Buildings 4 and 6). KPMG will attempt to minimize disruption to completed phases of the Project while subsequent phases are constructed, however some disruption is unavoidable. KPMG reserves the right to change the configuration, phasing, number and type of units that may be constructed in the Project. The timing and specifications for remaining construction will be determined from time to time by KPMG. KPMG reserves the right to not proceed with any further phases or to sell to a third party developer the leasehold interest in all or a portion of the Lands designated for the remaining phases for the purposes of such developer constructing one or more of Phases 3 to 5.

### 4.2 Use

All Units are intended for residential use only, which may include unit office uses. Office uses must be ancillary to dwelling in the Unit, must not cause noise or nuisance to other owners, and must be operated in accordance with the Bylaws. KPMG may use Units and the common areas for marketing purposes including the amenity building.

### 4.3 Plans

Exhibit A to this Information Statement is the proposed plan of Copper Sky and Exhibit B contains plans of the types of units that KPMG intends to cause to be constructed. Dimensions and areas have been measured from the outside of the Unit walls. The final built size, location, specifications, finishes and details of the Units may vary from those set out in Exhibit B.

### 4.4 Common Areas

The common areas of Copper Sky consist of the amenity building, swimming pool, hot tub, tennis courts, roads, surface and underground parking areas, landscape areas, hallways, boulevards and utilities outside of the buildings. Common areas are defined in the Sublease. Common areas within the Project are available for the use and enjoyment of all occupants of Units in the Project and their invitees.

### 4.5 Exclusive Use Areas

The Developer has allocated patios, decks and underground parking stalls for the exclusive use of specific Units.

#### 4.6 Unit Entitlement

The unit entitlement (“**Unit Entitlement**”) of each Unit is the figure indicating its owner’s contribution to the expenses of the Owner Association. The Unit Entitlements are based on the Purchaser’s proportionate share of the total habitable area of the Project. The Unit Entitlement of each Unit is set out in Exhibit D, which may be amended when other phases are complete. Each sublessee will be required to contribute their proportionate share of common expenses based upon their Unit Entitlement.

#### 4.7 Voting Rights

Each Unit shall have one vote in the Owner Association.

#### 4.8 Construction Completion

Phase 1 of the Project is complete. The estimated date for completion of Phase 2 is for Building 4, April 15, 2011 and for Building 6, June 15, 2011. The anticipated date for the completion of the amenity building is September 2011.

#### 4.9 New Home Warranty

The Units are covered by a 2-5-10 third party warranty coverage provided by Travelers’ Guarantee Company of Canada for the Project covering:

Workmanship and Material Defects	Two years
Water Penetration	Five years
Structural Defects	Ten years

#### 4.10 Development Particulars

##### 4.10.1 Development Approval

The Developer has received all necessary approvals from the Westbank First Nation.

##### 4.10.2 Building Inspections

The Project will comply with all requirements of all applicable building codes and of the Westbank First Nation. Occupancy Permits for substantially completed Units will be obtained from the Westbank First Nation.

##### 4.10.3 Utilities and Other Services

4.10.3.1 Services - The Project will be provided with the following services, namely domestic water, sanitary sewer, street access and fire and police protection. Services are provided by the Westbank First Nation in many areas and are contracted out to 3rd party suppliers in others. Westbank First Nation services include water, sanitary and storm sewer, public works, recreation areas, bylaw

enforcement and administration. The RCMP enforces provincial and federal laws. Through contract the Regional District supplies some 18 services such as rescue, 911, crimestoppers, Transit, sanitary landfill, regional hospital, Johnson Bentley pool, dog control, etc. Westside Fire Protection provides contract fire protection.

4.10.3.2 Hydro - The Project is provided with electricity by British Columbia Hydro.

4.10.3.3 Gas - The Project is provided with natural gas by Terasen Multi-Utilities Services.

4.10.3.4 Telephone - The Project is provided with telephone service by Telus.

4.10.3.5 Television - The Project is provided with television service by Shaw Cable.

4.10.3.6 Water - The Project is provided with water by the Westbank First Nation Water Utility.

As with a strata-titled development, the day-to-day charges for the above utilities and services will be charged directly to the holders of the Subleases or determined by sub-metering, proration or Unit Entitlement, as the case may be. Service providers may change from time to time.

#### 4.11 Changes from Natural State

The Lands were previously used as part of a water slide business and will be landscaped upon completion of the Project.

#### 4.12 Soil Conditions and Flooding Dangers

Based on professional examinations 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

Access to the Project is by way of Old Okanagan Highway which is administered by the Ministry of Transportation.

### **5. THE OFFERING**

#### 5.1 Terms of Offering

##### 5.1.1 Offering

Purchasers will be granted a sublease of their Unit and will become members of the Owner Association.

### 5.1.2 Equipment in Unit

Each Unit will include a dishwasher, fridge, range, washer and dryer, microwave/range hood combination, and blinds on all the windows.

### 5.1.3 Parking

Each Unit will have one parking space in the underground parking. Additional parking spaces may be available for purchase from the KPMG. A limited number of visitor parking stalls are located throughout the site. Sublessees may only park vehicles on their designated parking space(s). Parking stalls will be allocated in the discretion of KPMG.

### 5.1.4 Leasing of Units

KPMG does not presently intend to retain the Subleases for any Units in the Project for rental (except the caretaker's suite) but reserves the right to retain Subleases for Units and to lease those Units on terms and conditions determined by KPMG. KPMG may retain one or more Units for use as display suites as part of KPMG's marketing activities in the Project, or for marketing units in projects in the vicinity of the Project. Owners of the Units are not prevented from subleasing units.

### 5.1.5 Assignment of Subleases

An administration fee established by the Developer, may be charged for each Sublease assignment, as described in the Sublease. If the Sublease is in good standing, without default, it may be assigned without Lessor's consent.

## 5.2 Deposits

All deposits and other monies received from a purchaser shall be held in accordance with the rules set out by the *Real Estate Services Act* of British Columbia.

## 5.3 Property Taxes and Utility Rates

### 5.3.1 Unit Taxes

Each Unit holder shall be responsible for property taxes for his or her Unit. The Westbank First Nation has enacted a taxation and assessment bylaw as authorized by federal law. Property taxes will be collected by the Westbank First Nation. The Sublease requires each Unit holder to abide by the laws of the Westbank First Nation. Further information on taxes is available at [www.WFN.ca](http://www.WFN.ca).

### 5.3.2 Expenses

The following utilities will be separately metered or assessed to each Unit and are the responsibility of each Unit owner:

Electricity;  
Cablevision; and  
Telephone.

### 5.3.3 Other Expenses

The Owner Association will pay the costs and expenses related to common areas including, but not limited to, the following:

Water and Sewer for the common areas and the units (these are bulk metered)  
Electricity for common areas  
Insurance  
Sewer for common areas  
Garbage collection and recycling for the Project  
Janitorial costs, snow removal, repair and maintenance for common areas in the Project  
Property Management for the Project  
Landscape maintenance for the entire Project

The costs will be prorated to the sublessees of the Units and included in monthly assessments.

### 5.4 Common Expenses

5.4.1 Exhibit C to this Information Statement is a pro forma budget as prepared by the Developer, for a typical full year of operating expenses of Copper Sky. The budget is subject to variation by the Owner Association and will change. The pro forma budget is in respect of the current phase only, and does not reflect the costs of the Project as fully completed.

5.4.2 The estimated costs are based on costs experienced by existing comparable projects.

5.4.3 Exhibit D to this Information Statement is the schedule of the anticipated monthly assessment for each Unit. This is an estimate only as prepared by the Developer.

5.4.4 As additional phases of the Project are completed common costs for all completed phases of the Project will be allocated among the owners of completed phases.

### 5.5 Fire and Liability Insurance

5.5.1 Course of construction insurance at least equal to the costs of improvements and general liability insurance on the Lands in the amount of \$5,000,000 has been obtained in respect of the Phase 2 Units.

5.5.2 The Developer caused the Owner Association to arrange insurance coverage to replace the insurance coverage set out above with an all risk, all property insurance for full replacement value of the Project, including general liability of at least \$2,000,000. Terms of the insurance are described in the Sublease.

5.5.3 The purchaser will be responsible for insuring the contents of his or her Unit and any deductible under the policy of the Owner Association.

**6. FINANCING**

Not applicable.

**7. RESTRICTIONS ON USAGE OF DEVELOPMENT**

7.1 Use of the Units

No Units will be retained or alienated for non-residential purposes, except for use of certain Units by KPMG for marketing purposes for the Project. Owners may use Units for unit office uses in accordance with Section 4.2 of this Information Statement.

7.2 Sublease, Bylaws

The form of Sublease and bylaws will be made available for review by prospective Purchasers.

**8. MISCELLANEOUS**

8.1 Material Contracts

No material contracts are in existence or contemplated affecting the Project which would bind the Developer and/or the Owner Association, or a purchaser except those disclosed herein and those that will be required in the maintenance and operation of the Project in respect of:

Property Management dated July 8, 2010 between the Owner Association and Gateway Property Management Corporation;  
Landscape Maintenance;  
Waste collection; and  
Cablevision.

KPMG has binders containing copies of relevant documents such as the Head Lease, Constitution and Bylaws of the Owner Association, form of Sublease and bylaws, which will be made available for inspection at locations designated by KPMG.

8.2 Management

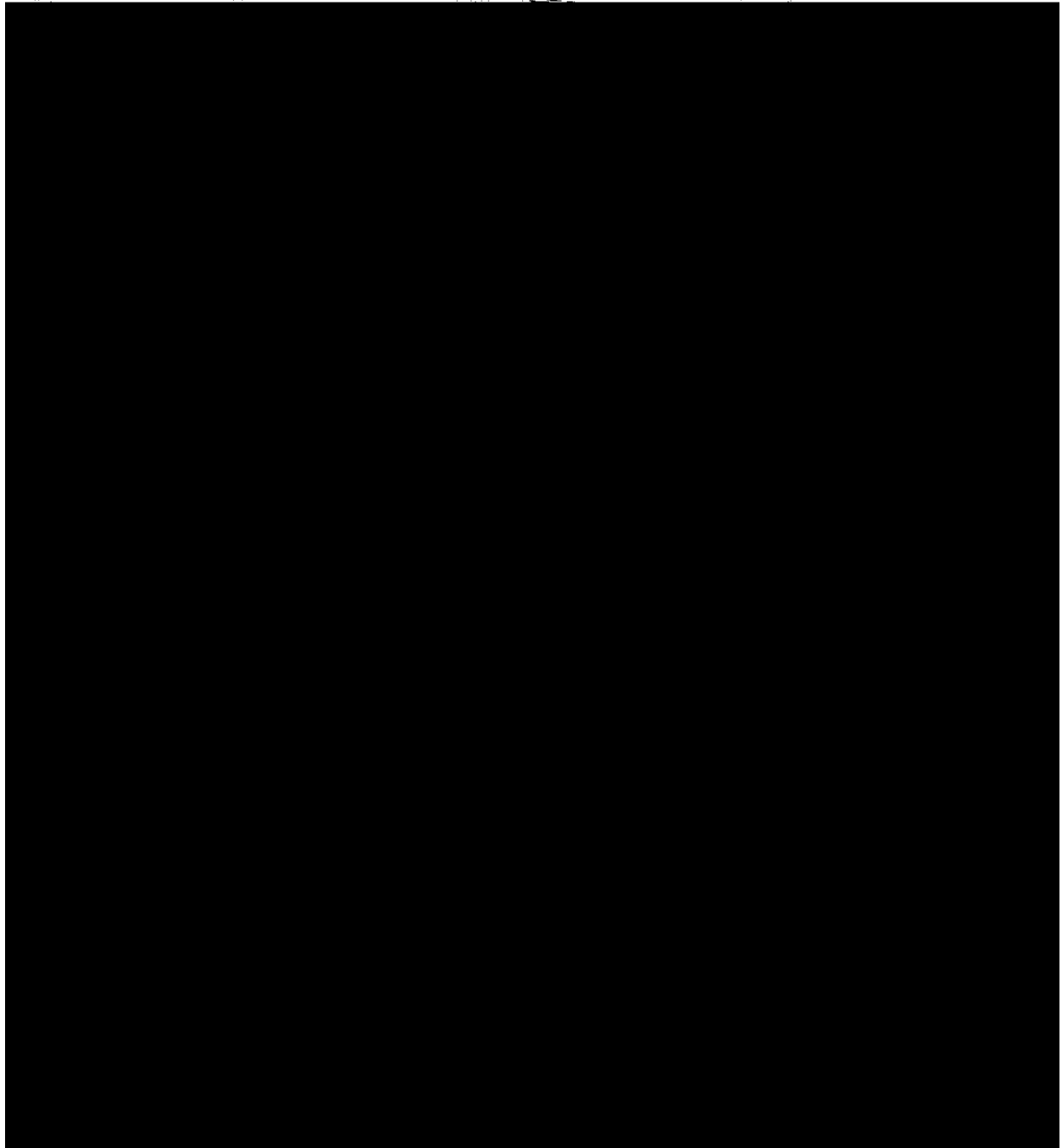
KPMG may cause the Owner Association to enter into a management agreement with Gateway Property Management Ltd. and such agreement will provide that it can be terminated on six months' notice.

8.3 Caretaker

There will be a full-time caretaker living at the Project and employed by the Owner Association. The Owner Association will sublease a one bedroom suite in Phase 1 of the Project to be used as the caretaker's residence. The caretaker will pay rent for the unit and will be paid a salary by the Owner Association. The Budget attached as Exhibit C includes the Owner Association's obligation to pay to the Developer's lender the fair market value of the caretaker's suite.

**EXHIBIT A**

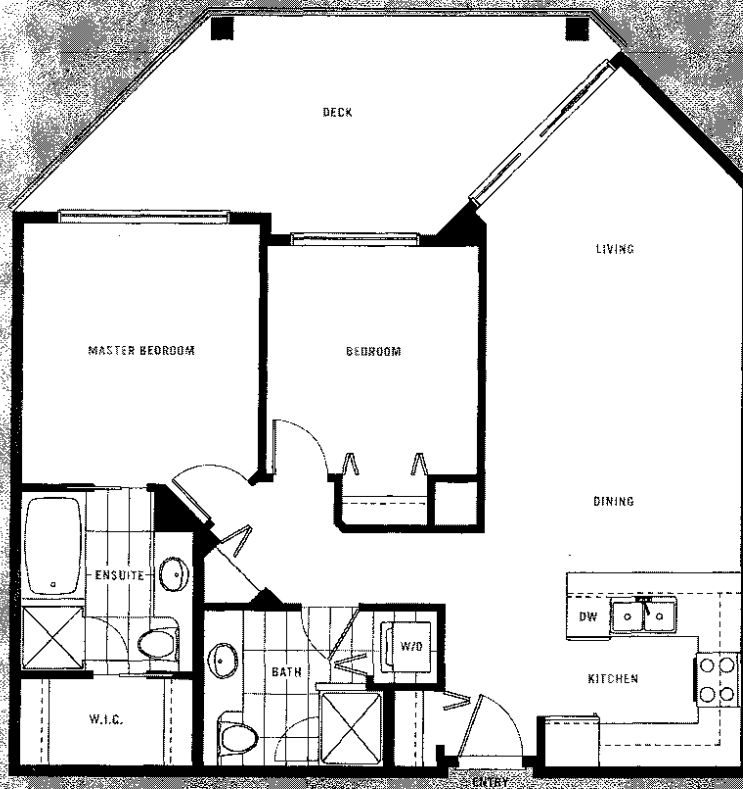
**SITE PLAN**



**EXHIBIT B**  
**UNIT PLANS**

# COPPER SKY

PLAN C2 929 sq ft | 2 BEDROOM

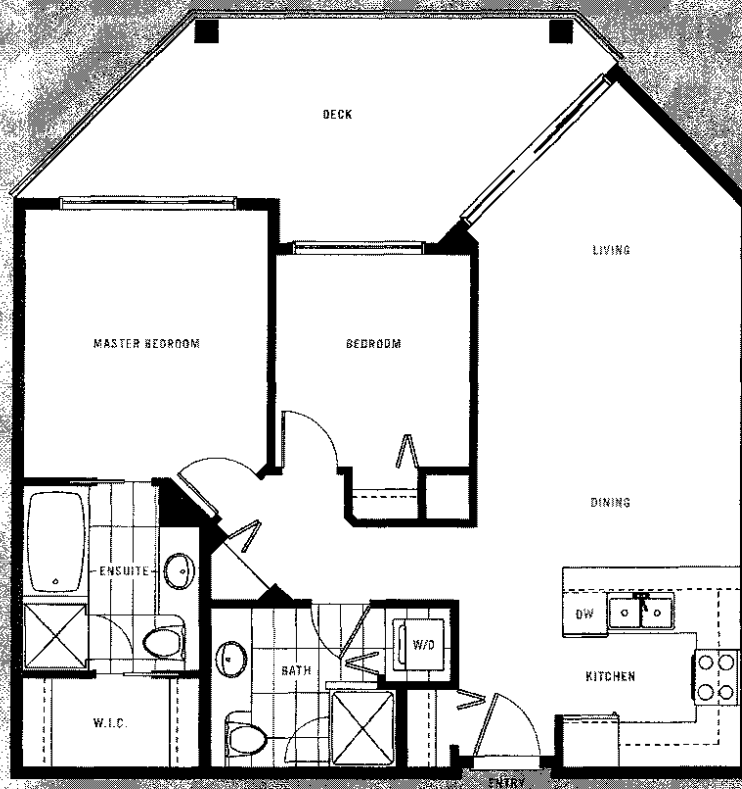


2160 Oki Grande Highway, Westbank, BC V1A 1A8 TEL: 1-877-775-1705 CopperSkyLiving.com

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# COPPER SKY

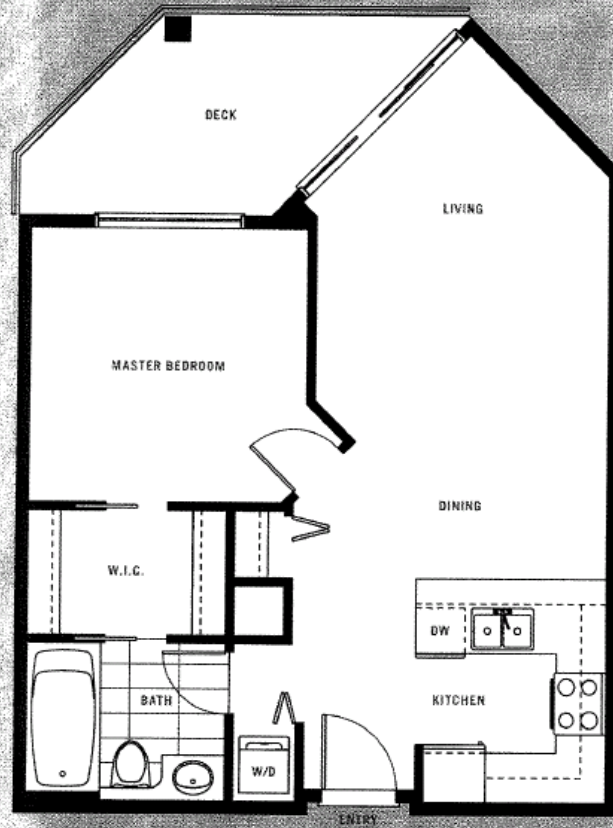
PLAN B1 - 876 sq ft | 2 BEDROOM



2160 Old Okanagan Highway, West Kelowna, BC V2Y 7G8 | 250.768.1705 | 250.7279.1706 | [CopperSkyLiving.com](http://CopperSkyLiving.com)  
The measurements shown are for the interior of the house. They do not include the area of the deck, porch, or other outdoor spaces.

# COPPER SKY

PLAN A1 636 sq ft | 1 BEDROOM



2160 Old Okanagan Highway, Westbank, BC T 250.768.1795 TF 1.877.775.1795 [CopperSkyLiving.com](http://CopperSkyLiving.com)

The developer reserves the right to make changes to this floor plan, product design, specifications and features. Sales F.O.B.

# COPPER SKY

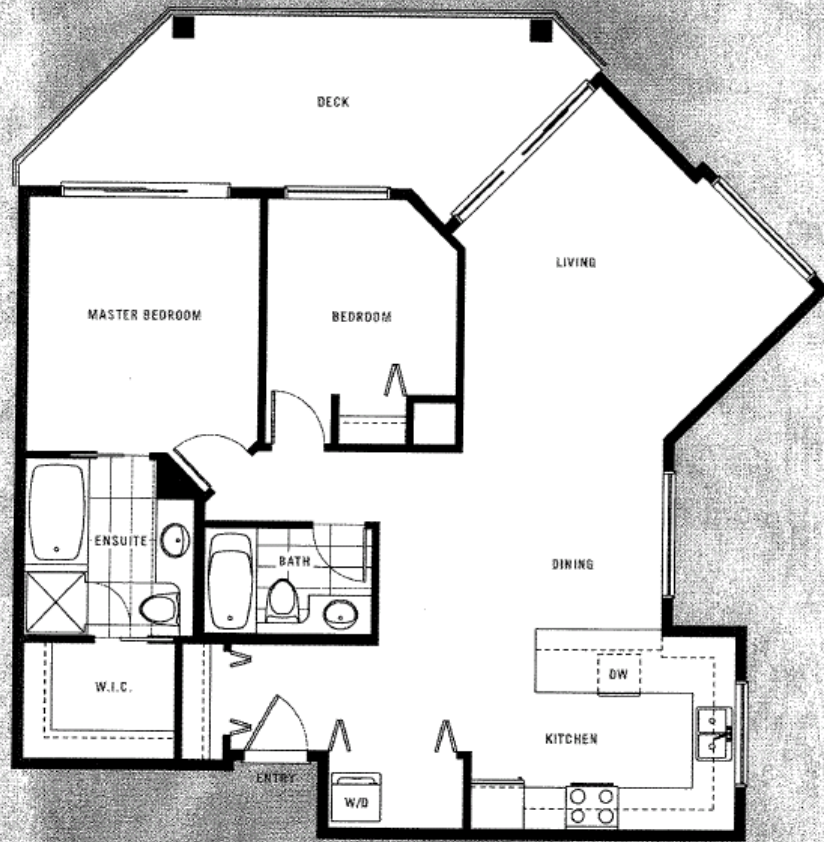
PLAN D1 1,005 sq ft | 2 BEDROOM



2160 Old Okanagan Highway, Westbank, BC V1 2S0 768-1708 • TF 1-877-775-1709, CopperSkyLiving.com  
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# COPPER SKY

PLAN E1 1,000 sq ft | 2 BEDROOM



2160 Old Okanagan Highway, Westbank, BC T 250.768.1705, TF 1.877.775.1705 [CopperSkyLiving.com](http://CopperSkyLiving.com)  
The developer reserves the right to make changes to the floor plans, project designs, specifications and features, 5448 C&A1

**EXHIBIT C**  
**PRO FORMA BUDGET**

**COPPER SKY**  
**PROJECTED OWNER ASSOCIATION OPERATING COSTS**

For the period July 1, 2011 - June 30, 2012

(Based on estimates provided by Gateway Property Management, as at March 2011, no provision has been made in this budget for hotel/concierge service)

**Schedule 1**

	<b>Budget (96 units) Phase 1</b>	<b>Budget (96 units) Phase 2</b>	<b>Budget (192 units) Phases 1 &amp; 2</b>
<b>REVENUE</b>			
Owner's Contributions	\$ 333,880.25	\$ 327,280.25	\$ 661,160.50
Developer Contribution - 5%	-	12,238.88	12,238.88
	<u>333,880.25</u>	<u>339,519.13</u>	<u>673,399.38</u>
<b>Expenses</b>			
Administration	\$ 2,500.00	\$ 2,500.00	\$ 5,000.00
Bank Charges	180.00	180.00	360.00
Electrical (common areas)	10,000.00	10,000.00	20,000.00
Elevator Maintenance	5,860.00	5,860.00	11,720.00
Fire & Safety	3,600.00	3,600.00	7,200.00
Garbage & Recycling	5,600.00	5,600.00	11,200.00
Gas (Domestic Hot Water)	11,500.00	11,500.00	23,000.00
Grounds & Gardens	36,000.00	30,000.00	66,000.00
Heating, Ventilation service and maintenance	10,000.00	10,000.00	20,000.00
Insurance (excludes clubhouse)	26,500.00	26,500.00	53,000.00
Janitorial (common areas)	11,800.00	11,800.00	23,600.00
Management Fees	23,500.00	23,500.00	47,000.00
Repairs & Maintenance (common areas)	2,500.00	2,500.00	5,000.00
Security & Enterphone Maintenance Costs	5,000.00	5,000.00	10,000.00
Snow Removal/Street Parkade cleaning	7,500.00	7,500.00	15,000.00
Telephones (elevator monitoring & enterphone)	2,000.00	2,000.00	4,000.00
Water and sewer	49,000.00	49,000.00	98,000.00
<b>Total Expenses</b>	<u>213,040.00</u>	<u>207,040.00</u>	<u>420,080.00</u>
<b>Total Caretaker and Caretaker Suite Costs (net of rent recovery) - Schedule 2</b>	<u>37,737.50</u>	<u>37,737.50</u>	<u>75,475.00</u>
<b>Total Operating Expenses</b>	<u>250,777.50</u>	<u>244,777.50</u>	<u>495,555.00</u>
<b>Contingency Reserve Fund (CRF)</b>			
Statutory CRF Contribution - 10%	25,077.75	24,477.75	49,555.50
Developer Contribution - 5%	-	12,238.88	12,238.88
<b>Total CRF Contribution</b>	<u>25,077.75</u>	<u>36,716.63</u>	<u>61,794.38</u>
Amenity Centre			
Operations - Schedule 3			105,500.00
Statutory CRF Contribution - 10%			10,550.00
			<u>116,050.00</u>
<b>Total Expenses</b>	<u>\$ 275,855.25</u>	<u>\$ 281,494.13</u>	<u>\$ 673,399.38</u>

**COPPER SKY****PROJECTED OWNER ASSOCIATION OPERATING COSTS - Caretaker**

For the period July 1, 2011 - June 30, 2012

(Based on estimates provided by Gateway Property Management, as at March 2011, no provision has been made in this budget for hotel/concierge service)

**Schedule 2**

	<b>Budget</b>
	<b>Phases 1 &amp; 2</b>
<b>Caretaker Salary</b>	
Wages & Benefits Resident Caretaker	\$ 60,000.00
Employer costs	6,000.00
Rent recovery	(12,000.00)
<b>Total Expenses</b>	<b>54,000.00</b>
 <b>Caretaker Suite Costs</b>	
Caretaker Suite 1st. Mortgage	12,510.00
Repayment of Mtge Down Payment	5,000.00
Strata Fees for Caretaker Suite	2,640.00
Taxes on Caretaker Suite	1,325.00
<b>Total Caretaker Suite Costs</b>	<b>21,475.00</b>
 <b>Total Operating Expenses</b>	<b>75,475.00</b>
 <b>Contingency Reserve Fund (CRF)</b>	
Statutory CRF Contribution - 10%	7,547.50
Developer Contribution - 5%	3,773.75
<b>Total CRF Contribution</b>	<b>11,321.25</b>
 <b>Total Expenses</b>	<b>\$ 86,796.25</b>

**COPPER SKY**  
**PROJECTED OPERATING COSTS - AMENITY CENTRE**

**For the period July 1, 2011 - June 30, 2012**

**(Based on estimates provided by Gateway Property Management, as at March 2011, no provision has been made in this budget for hotel/concierge service)**

**Schedule 3**

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	<b>Budget</b>
Administration	\$ 2,500.00
Electricity	30,000.00
Elevator Contract	2,900.00
Fire & Safety	1,800.00
Garbage & Recycling	2,800.00
Gas	10,000.00
Grounds & Gardens	10,000.00
Heating, Ventilation service and maintenance	5,000.00
Insurance	10,000.00
Janitorial (daily)	33,000.00
Pool/Hot Tub Maintenance and chemicals	9,000.00
Repair & Maintenance/Miscellaneous	12,000.00
Security & Enterphone Leasing Costs	2,500.00
Snow Removal	8,000.00
Telephones (elevator monitoring & enterphone)	1,000.00
Water and sewer	30,000.00
	<u>105,500.00</u>
Contingency Reserve Fund @ 10%	10,550.00
<b>TOTAL OPERATING BUDGET</b>	<u><u>\$ 116,050.00</u></u>

**EXHIBIT D**

**ANTICIPATED MONTHLY ASSESSMENTS**

**COPPER SKY****PROJECTED COPPER SKY OWNER ASSOCIATION ANNUAL AND MONTHLY FEES**

For the period July 1, 2011 - June 30, 2012

(Based on estimates provided by Gateway Property Management, as at March 2011, no provision has been made in this budget for hotel/concierge service)

**Schedule 4**


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Gross Operating Budget - Phase I	\$ 250,777.50	25,077.75
Amenity Centre - Phase I	\$ 52,750.00	5,275.00
Total Allocable Costs	\$ 303,527.50	\$ 30,352.75

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**Phase I - Bldgs 1 & 3**

# of Units	Unit Type	Unit Size	Projected Annual Fees Copper Sky Owner Association			Projected Monthly Fees Copper Sky Owner Association		
			Operating	CRF	Total	Operating	CRF	Total
			Fund	Portion		Fund	Portion	
32	A1	636	\$ 2,380.90	\$ 238.09	\$ 2,618.99	\$ 198.41	\$ 19.84	\$ 218.25
16	B1	876	\$ 3,279.35	\$ 327.94	\$ 3,607.29	\$ 273.28	\$ 27.33	\$ 300.61
8	C1	900	\$ 3,369.20	\$ 336.92	\$ 3,706.12	\$ 280.77	\$ 28.08	\$ 308.84
8	C2	929	\$ 3,477.76	\$ 347.78	\$ 3,825.54	\$ 289.81	\$ 28.98	\$ 318.79
16	D1	1005	\$ 3,762.27	\$ 376.23	\$ 4,138.50	\$ 313.52	\$ 31.35	\$ 344.88
16	E1	1000	\$ 3,743.56	\$ 374.36	\$ 4,117.91	\$ 311.96	\$ 31.20	\$ 343.16

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Gross Operating Budget - Phase II	\$ 244,777.50	24,477.75
Amenity Centre - Phase II	\$ 52,750.00	5,275.00
Total Allocable Costs	\$ 297,527.50	\$ 29,752.75

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**Phase II - Bldgs 4 & 6**

# of Units	Unit Type	Unit Size	Projected Annual Fees Copper Sky Owner Association			Projected Monthly Fees Copper Sky Owner Association		
			Operating	CRF	Total	Operating	CRF	Total
			Fund	Portion		Fund	Portion	
32	A1	636	\$ 2,333.84	\$ 233.38	\$ 2,567.22	\$ 194.49	\$ 19.45	\$ 213.94
16	B1	876	\$ 3,214.53	\$ 321.45	\$ 3,535.98	\$ 267.88	\$ 26.79	\$ 294.67
8	C1	900	\$ 3,302.60	\$ 330.26	\$ 3,632.86	\$ 275.22	\$ 27.52	\$ 302.74
8	C2	929	\$ 3,409.02	\$ 340.90	\$ 3,749.92	\$ 284.08	\$ 28.41	\$ 312.49
16	D1	1005	\$ 3,687.90	\$ 368.79	\$ 4,056.69	\$ 307.33	\$ 30.73	\$ 338.06
16	E1	1000	\$ 3,669.55	\$ 366.96	\$ 4,036.51	\$ 305.80	\$ 30.58	\$ 336.38

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**COPPER SKY****PROJECTED COPPER SKY OWNER ASSOCIATION MONTHLY FEES**

For the period July 1, 2011 - June 30, 2012

(Based on estimates provided by Gateway Property Management, as at March 2011, no provision has been made in this budget for hotel/concierge service)

*\* For illustrative purposes, projected monthly fees have been listed assuming construction of future phases of Copper Sky (on a phase by phase basis). At the date of this Information Statement, construction of these phases has not been confirmed. The amounts set out below are based on the 2011 budget assumptions.*

**Schedule 5**

	<i>*CONSTRUCTION NOT CONFIRMED</i>			
	Upon Completion Phases 1&2	Upon Completion Phase III	Upon Completion Phase IV	Upon Completion Phase V
<b>Phase I</b>				
A1	\$ 218.25	\$ 187.74	\$ 181.66	\$ 175.72
B1	\$ 300.61	\$ 258.59	\$ 250.22	\$ 242.04
C1	\$ 308.84	\$ 265.67	\$ 257.07	\$ 248.67
C2	\$ 318.79	\$ 274.23	\$ 265.36	\$ 256.68
D1	\$ 344.88	\$ 296.67	\$ 287.06	\$ 277.68
E1	\$ 343.16	\$ 295.19	\$ 285.64	\$ 276.30
<b>Phase II</b>				
A1	\$ 213.94	\$ 187.74	\$ 181.66	\$ 175.72
B1	\$ 294.67	\$ 258.59	\$ 250.22	\$ 242.04
C1	\$ 302.74	\$ 265.67	\$ 257.07	\$ 248.67
C2	\$ 312.49	\$ 274.23	\$ 265.36	\$ 256.68
D1	\$ 338.06	\$ 296.67	\$ 287.06	\$ 277.68
E1	\$ 336.38	\$ 295.19	\$ 285.64	\$ 276.30
<b>Phase III</b>				
A1	n/a	\$ 162.09	\$ 156.01	\$ 150.07
B1	n/a	\$ 223.25	\$ 214.88	\$ 206.70
C1	n/a	\$ 229.37	\$ 220.77	\$ 212.36
C2	n/a	\$ 236.76	\$ 227.88	\$ 219.20
D1	n/a	\$ 256.13	\$ 246.52	\$ 237.14
E1	n/a	\$ 254.85	\$ 245.30	\$ 235.96
<b>Phase IV</b>				
A1	n/a	n/a	\$ 169.23	\$ 163.29
B1	n/a	n/a	\$ 233.08	\$ 224.90
C1	n/a	n/a	\$ 239.47	\$ 231.06
C2	n/a	n/a	\$ 247.19	\$ 238.51
D1	n/a	n/a	\$ 267.41	\$ 258.02
E1	n/a	n/a	\$ 266.08	\$ 256.74
<b>Phase V</b>				
A1	n/a	n/a	n/a	\$ 182.91
B1	n/a	n/a	n/a	\$ 251.94
C1	n/a	n/a	n/a	\$ 258.84
C2	n/a	n/a	n/a	\$ 267.18
D1	n/a	n/a	n/a	\$ 289.04
E1	n/a	n/a	n/a	\$ 287.60