

**THIRD AMENDMENT TO
DISCLOSURE STATEMENT**

OF

704315 B.C. Ltd.

For the

"Sentinel Ridge" Development

DATE OF DISCLOSURE STATEMENT: September 27, 2006

DATE OF FIRST AMENDMENT TO DISCLOSURE STATEMENT: December 12, 2006

DATE OF SECOND AMENDMENT TO DISCLOSURE STATEMENT: March 23, 2007

DATE OF THIRD AMENDMENT TO DISCLOSURE STATEMENT: June 5, 2007

NAME OF DEVELOPER: 704315 B.C. LTD.

ADDRESS FOR SERVICE: 1626 Garnet Road
Victoria, BC
V8P 3A8

MAILING ADDRESS
OF DEVELOPER: 1626 Garnet Road
Victoria, BC
V8P 3C8

This Amendment to the Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Amendment to the Disclosure Statement, or whether the Amendment to the Disclosure Statement contains a misrepresentation or otherwise fails to comply with the requirements of the *Real Estate Development Marketing Act*. It is the responsibility of the developer to disclose plainly all material facts, without misrepresentation.

1. First Amendment

To delete the existing Exhibit C1 – Plan of Statutory Right of Way (including Easement and Covenant areas) through Lots 19, 34, 35, 36, 39, 40, 49 and 50 and to substitute the attached Exhibit C1 – Plan of Statutory Right of Way (including Easement and Covenant areas) through Lots 3, 4, 8, 9, 19, 20, 27, 28, 29, 30, 34, 35, 36, 39, 46, 49 and 50, District Lot 80, Malahat District.

2. Second Amendment

To delete the existing Exhibit C2 – Plan of Statutory Right of Way through the Remainder of District Lot 80 and to substitute the attached Exhibit C2 – Plan of Statutory Right of Way (including Easement area) through the Remainder of District Lot 80 and Lot 57, Plan VIP _____, District Lot 80, Malahat District.

3. Third Amendment

To delete Clause 2.2 and to substitute the following:

2.2 Permitted Use

Each subdivision lot is intended for single-family residential use. The occupation and use of the subdivision lots are governed by the bylaws of the Cowichan Valley Regional District (CVRD).

The zoning for the Development is R-3A Urban Residential Limited Height, in accordance with CVRD Bylaw No. 2788 – Area A – Mill Bay/Malahat Zoning Amendment Bylaw (R-3A Limited Height Zone), 2006. A copy of CVRD Bylaw No. 2788 is attached hereto as Exhibit F.

4. Fourth Amendment

4.4 (i) Proposed Legal Notations:

To delete Paragraph b. of the Proposed Legal Notations and to substitute the following:

- b. Statutory Right of Way over the remainder of District Lot 80 in favour of the Mill Bay Waterworks District for domestic water lines over Area 1 shown on the Plan of Statutory Right of Way attached as Exhibit C2.

5. Fifth Amendment

4.4 (ii) Proposed Legal Encumbrances:

To delete the words “[See Proposed Plan of Statutory Right of Way (including Easement and Covenant areas) through Lots 19, 34, 35, 36, 39, 40, 49 and 50 attached hereto as Exhibit C1.]” and to substitute the following:

[See Proposed Plan of Statutory Right of Way (including Easement and Covenant areas) through Lots 3, 4, 8, 9, 19, 20, 27, 28, 29, 30, 34, 35, 36, 39, 46, 49 and 50 attached hereto as Exhibit C1.]

6. Sixth Amendment

4.4 (ii) Proposed Legal Encumbrances:

To delete Paragraph b. of the Proposed Legal Encumbrances and to substitute the following:

- b. Statutory Rights of Way to be registered as follows:
- (i) Statutory Right of Way over Lot 19 in favour of CVRD for sewer pipe in Area 1 (see Exhibit C1);
 - (ii) Statutory Right of Way over Lots 3, 4, 8, 9, 20, 27, 28, 29, 30, 46 and 49 in favour of Mill Bay Waterworks District for fire hydrants and pipes in Areas 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20 (see Exhibit C1) and over the Remainder of District Lot 80 and Lot 57 for domestic water lines in Area 1 (see Exhibit C2);
 - (iii) Statutory Right of Way over the Remainder of District Lot 80 and Lot 57 in favour of Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Transportation for storm drainage in Areas 3 and 4 (see Exhibit C2).

DEEMED RELIANCE

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

DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of June 5, 2007.



DATE Signed: June 5, 2007.

704315 B.C. Ltd.

Per Authorized Signatories:

All Directors in their Personal Capacity


WILLIAM ERNEST BEADLE


WILLIAM ERNEST BEADLE

HERBERT SMITH (by PofA)

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DATE Signed: June 5, 2007.

704315 B.C. Ltd.

Per Authorized Signatories:

All Directors in their Personal Capacity

WILLIAM ERNEST BEADLE

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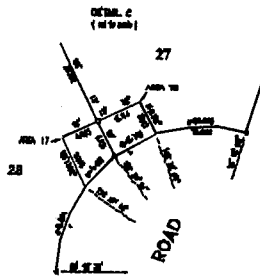
HERBERT SMITH

Exhibit "C1"

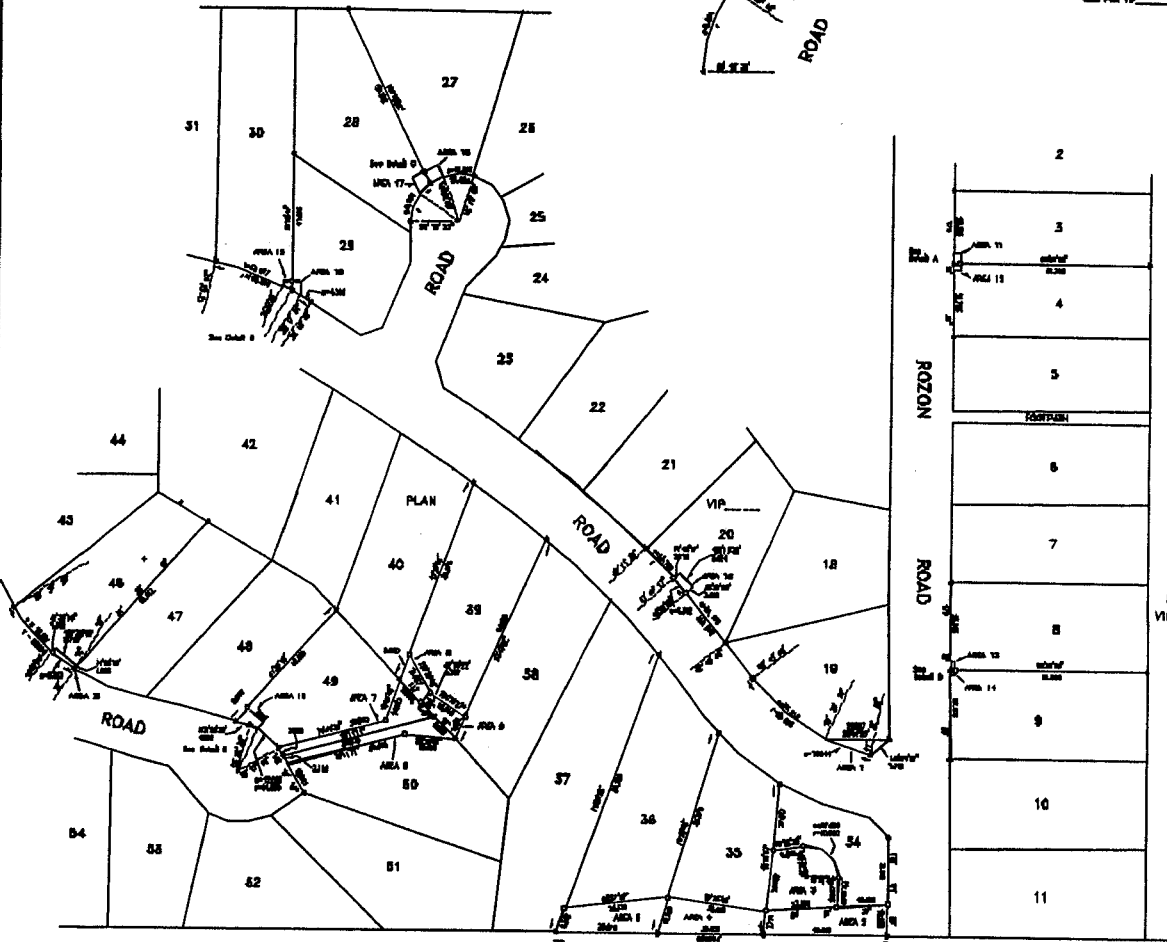
PLAN OF STATUTORY RIGHT OF WAY THROUGH
 LOTS 3, 4, 8, 9, 19, 20, 27, 28, 29, 30,
 34, 35, 36, 38, 46, 49 and 50,
 PLAN VIP _____, DISTRICT LOT 80, MALAHAT DISTRICT
 (PREPARED PURSUANT TO SECTION 120 OF THE LAND TITLE ACT)

PLAN _____

Prepared to the Land Title Office at Victoria, B.C. on
 day of _____, 2007



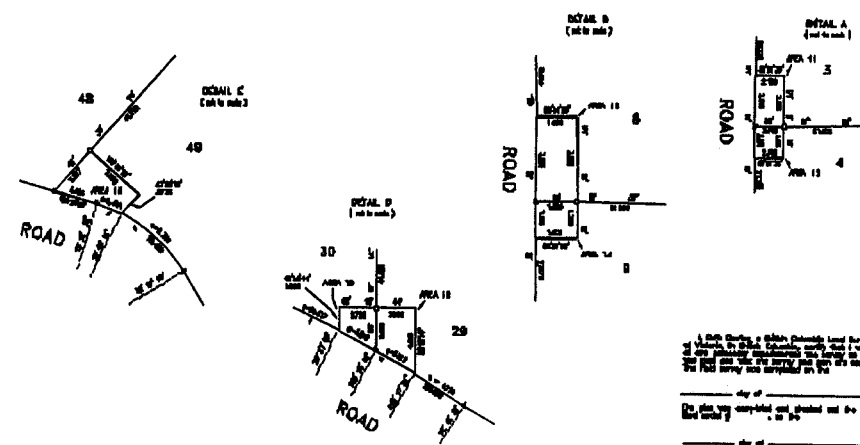
Legend
 □ Standard for Foot path
 ▨ Standard for Foot Road
 50.00 METERS EQUALS FEET
 All distances shown are to center
 Storage and easements are defined
 under Plan VP _____



PARCEL A (DD 58099-1) OF DISTRICT LOTS 77 AND 80

BOOK OF REFERENCE

AREA NO.	KEY NO.	BOOK
1	1	1
2	2	2
3	3	3
4	4	4
5	5	5
6	6	6
7	7	7
8	8	8
9	9	9
10	10	10
11	11	11
12	12	12
13	13	13
14	14	14
15	15	15
16	16	16
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79	79	79
80	80	80



A plan showing a statutory right of way through
 lots 3, 4, 8, 9, 19, 20, 27, 28, 29, 30, 34, 35, 36, 38, 46, 49 and 50,
 PLAN VIP _____, DISTRICT LOT 80, MALAHAT DISTRICT
 The plan was prepared and checked and the statistics
 are correct as of _____, 2007.

Prepared by _____
 Checked by _____
 Date of preparation _____, 2007

**PLAN OF STATUTORY RIGHT OF WAY THROUGH
THE REMAINDER OF DISTRICT LOT 80 AND LOT 57,
PLAN VIP _____, DISTRICT LOT 80, MALAHAT DISTRICT**
(PREPARED PURSUANT TO SECTION 120 OF THE LAND TITLE ACT)

PLAN _____

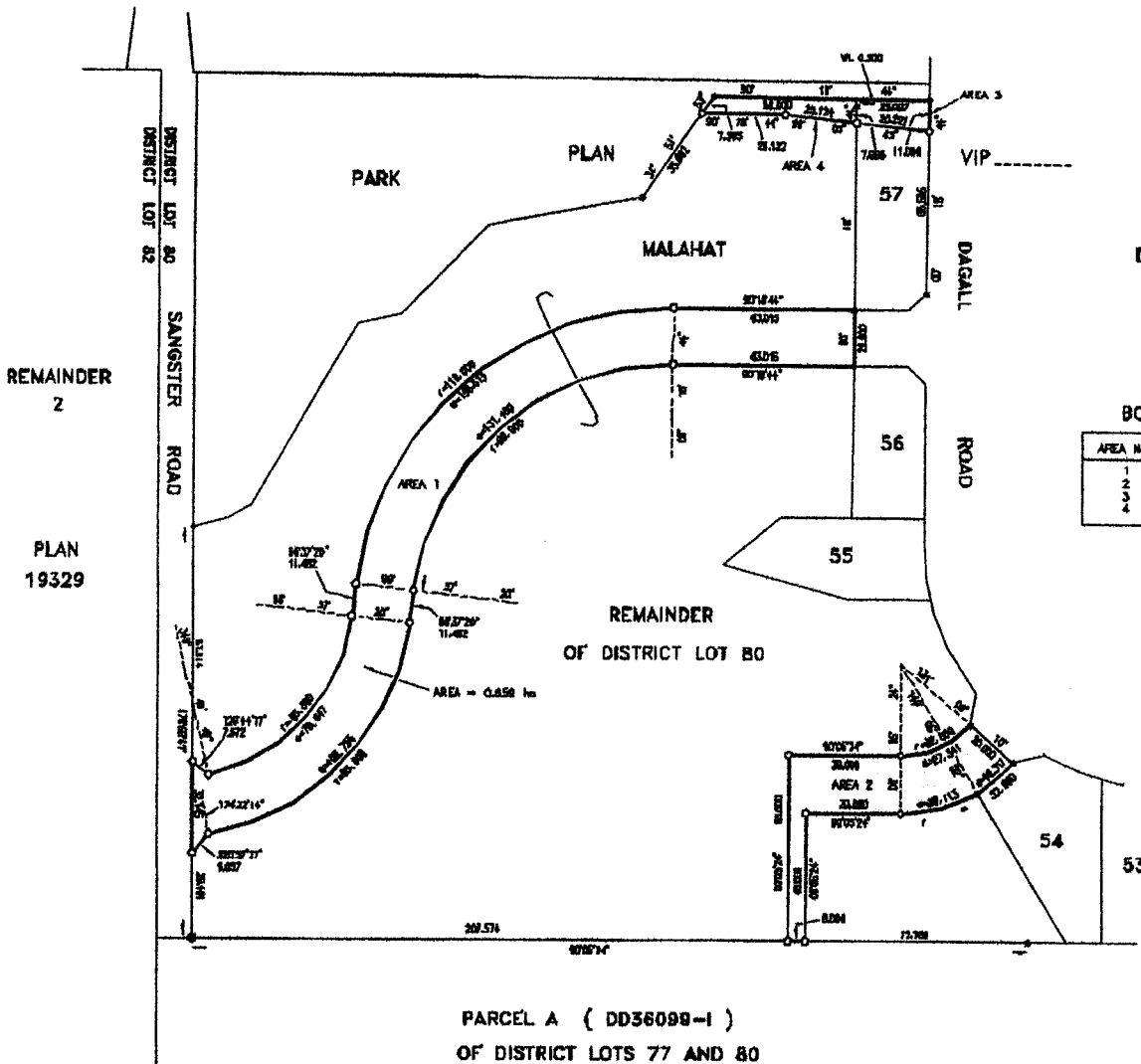
Deposited by the Land Title Office at Victoria, B.C., this
_____ day of _____, 2007.

Registrar

S.C.A.S. 025.063



Legend _____
 O Standard Iron Post set
 * Standard Iron Post found
 All distances shown are in metres
 Bearings are magnetic and derived from Plan VIP _____



BOOK OF REFERENCE

AREA No.	LOT No.	SIZE
1	REM. D.L. 80	0.829 ha
2	REM. D.L. 80	0.177 ha
3	87	244.8 Sq. M.
4	REM. U.L. 80	343.8 Sq. M.

I, D.S. Carter, a British Columbia Land Surveyor, of Victoria, in British Columbia, certify that I was present at and personally supervised the survey as represented by this plan and that the survey and plan are correct. The field survey was completed on the

_____ day of _____, 2007.
 The plan was completed and checked and the checklist filed under # _____ on the _____ day of _____, 2007.

J.C. ANDERSON & ASSOCIATES
 B.C. Land Surveyors - Consulting Engineers
 Victoria and Nanaimo, B.C., phone 721-2314
 FTX : 22375

This plan lies with the Cowichan Valley Regional District

B.C.L.S.

EXHIBIT "F"



COWICHAN VALLEY REGIONAL DISTRICT

BYLAW NO. 2788

**A Bylaw For The Purpose Of Amending Zoning Bylaw No. 2000
Applicable To Electoral Area A - Mill Bay/Malahat**

WHEREAS the *Local Government Act*, hereafter referred to as the "*Act*", as amended, empowers the Regional Board to adopt and amend zoning bylaws;

AND WHEREAS the Regional District has adopted a zoning bylaw for Electoral Area A - Mill Bay/Malahat that being Zoning Bylaw No. 2000;

AND WHEREAS the Regional Board wishes to more closely control the height of residential buildings in defined portions of Mill Bay, to minimize the visual impact of newly-constructed buildings;

AND WHEREAS the Regional Board voted on and received the required majority vote of those present and eligible to vote at the meeting at which the vote is taken, as required by the *Act*;

AND WHEREAS after the close of the public hearing and with due regard to the reports received, the Regional Board considers it advisable to amend Zoning Bylaw No. 2000;

NOW THEREFORE the Board of Directors of the Cowichan Valley Regional District, in open meeting assembled, enacts as follows:

1. CITATION

This bylaw shall be cited for all purposes as "CVRD Bylaw No. 2788 - Area A - Mill Bay/Malahat Zoning Amendment Bylaw (R-3A Limited Height Zone), 2006".

2. AMENDMENTS

Cowichan Valley Regional District Zoning Bylaw No. 2000, as amended from time to time, is hereby amended in the following manner:

CVRD Bylaw No. 2788

- a) That Section 6.1 "Creation of Zones" be amended by adding R-3A (Urban Residential Limited Height) to the list of zones;
- b) That Section 3.1 - Definitions - be amended by deleting the existing definition of "natural grade", and replacing it with the following:

"natural grade" means the elevation of the ground surface in its natural state, before alterations, as it would adjoin each face of a structure;

- c) That the following be added after Section 8.4(o)(3):

8.4.A R-3A ZONE - URBAN RESIDENTIAL (LIMITED HEIGHT)

Subject to compliance with the general requirements detailed in Parts 4 and 5 of the Bylaw, the following regulations apply in the R-3A Zone:

(a) Permitted Uses

The following uses and no others are permitted in an R-3A Zone:

- (1) One single family dwelling;
- (2) Bed and breakfast accommodation;
- (3) Daycare, nursery school accessory to a residential use;
- (4) Home occupation;
- (5) Horticulture;
- (6) Secondary suite or small suite.

(b) Conditions of Use

For and parcel in an R-3A Zone:

- (1) The parcel coverage shall not exceed 25 percent for all buildings and structures;
- (2) The height of all buildings and structures shall not exceed 7.5 m, except accessory buildings, which shall not exceed a height of 6 m;
- (3) The following minimum setbacks apply:

COLUMN I Type of Parcel Use	COLUMN II Residential Buildings & Structures	COLUMN III Buildings and Structures Accessory to Residential Use
Front	7.5 metres	7.5 metres
Interior Side	3.0 metres	3.0 metres
Exterior Side	4.5 metres	4.5 metres
Rear	4.5 metres	3.0 metres

CVRD Bylaw No. 2758

Page 3

(c) Minimum Parcel Size

Subject to Part 13, the minimum parcel size in the R-3 Zone is:

- (1) 0.1675 ha for parcels served by community water and community sewer systems;
- (2) 0.2 ha for parcels served by a community water system only;
- (3) 1.0 ha for parcels served by neither a community water system nor community sewer system.

- d) That Schedule B (Zoning Map) be amended by adding R-3A Urban Residential -- Limited Height to the legend;
- e) Schedule B (Zoning Map) to Electoral Area A - Mill Bay/Malahat Zoning Bylaw No. 2000 is further amended by rezoning the parcels of land covered by the area shown in grey shading on Schedule A, attached hereto and forming part of this Bylaw, numbered Z-2758, from R-3 Urban Residential to R-3A Urban Residential (Limited Height).

3. FORCE AND EFFECT

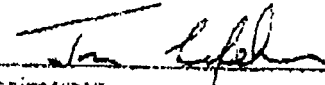
This bylaw shall take effect upon its adoption by the Regional Board.

READ A FIRST TIME this 12th day of April, 2006

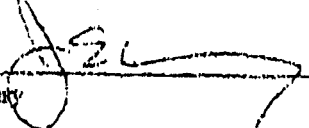
READ A SECOND TIME this 12th day of April, 2006.

READ A THIRD TIME this 16th day of June, 2006.

ADOPTED this 13th day of September, 2006.



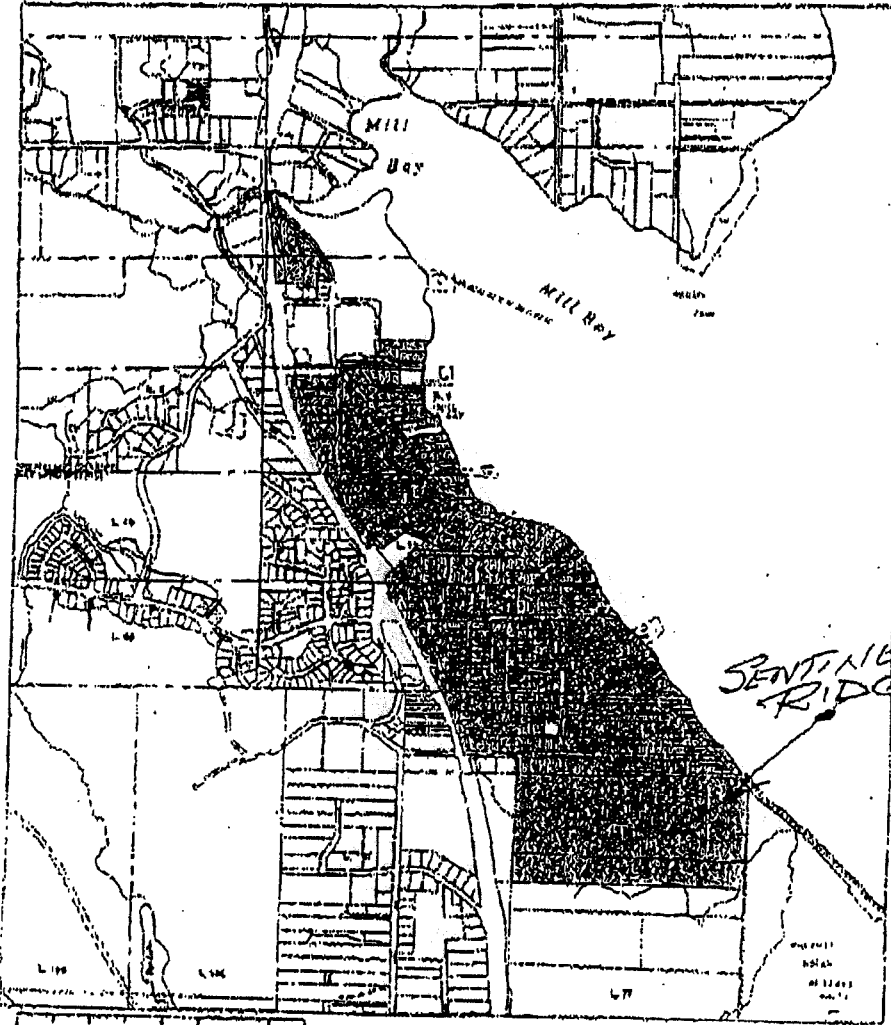
Chairperson



Secretary

PLAN NO. Z-2788

SCHEDULE "A" TO ZONING AMENDMENT BYLAW NO. 2788
OF THE COWICHAN VALLEY REGIONAL DISTRICT



THE AREA SHOWN IN GREY SHADING IS REZONED FROM

R-3 Urban Residential

TO

R-3A Urban Residential (Limited Lots)

APPLICABLE

TO ELECTORAL AREA A