

IN THE MATTER OF THE REAL ESTATE DEVELOPMENT MARKETING ACT

- AND -

**CHANDLER KATSURA DEVELOPMENTS INC. and
HAMLIN MEWS INC. and
TRIBECA LOFTS YALETOWN INC. and
CHANDLER HOMER STREET VENTURES LTD. (Collectively "the Developers")
and
MARK CHANDLER and
RENNIE MARKETING SYSTEMS LTD.**

**ORDER UNDER SECTIONS 30(1) (a) and (b) and 32(1)
REAL ESTATE DEVELOPMENT MARKETING ACT**

Upon reviewing the Writ of Summons, Statement of Claim, Certificate of Pending Litigation and Notice of Motion in Supreme Court Action # S-064025, the Affidavits of Bob Rennie and George Dengin, the supporting materials attached to those Affidavits, the results of Corporate Registry company searches of the Developers, the results of Land Title Office searches of the registered titles of the properties being developed by Developers, excerpts of the disclosure statements filed by or on behalf of the Developers, and the supporting documents submitted by staff, I am of the opinion that:

1. Chandler Katsura Developments Inc. ("Katsura") was registered as a company in the Province of British Columbia on October 25, 2004. The registered and records office is 1100-505 Burrard Street, Vancouver, British Columbia, and the directors are Mark Chandler ("Chandler") and Rebecca Chandler, both of 502-1168 Hamilton Street, Vancouver, British Columbia.
2. Hamlin Mews Inc. ("Hamlin Mews") was originally registered as 661164 B.C. Ltd. in the Province of British Columbia on January 2, 2003. The name of the company was changed to Hamlin Mews on June 9, 2004. The registered and records office is 1100-505 Burrard Street, Vancouver, British Columbia, and the directors are Chandler and Rebecca Chandler, both of 502-1168 Hamilton Street, Vancouver, British Columbia.
3. Tribeca Lofts Yaletown Inc. ("Tribeca") was originally registered as 668059 B.C. Ltd. in the Province of British Columbia on April 16, 2003. The name of the company was changed to Tribeca on June 22, 2004. The registered and records office is 1100-505 Burrard Street, Vancouver, British Columbia, and the directors

are Chandler and Rebecca Chandler, both of 502-1168 Hamilton Street, Vancouver, British Columbia.

4. Chandler Homer Street Ventures Ltd. ("Homer Street Ventures") was originally registered as 683821 B.C. Ltd. in the Province of British Columbia on December 19, 2003. The name of the company was changed to Homer Street Ventures on July 28, 2004. The registered and records office is 1100-505 Burrard Street, Vancouver, British Columbia, and the directors are Chandler and Ted Freeman, both of 502-1168 Hamilton Street, Vancouver, British Columbia.
5. The *Real Estate Development Marketing Act* ("the Act") requires a developer who markets or intends to market a development to file with the Superintendent of Real Estate ("the Superintendent") a disclosure statement in the required form and with the required contents before the developer commences marketing the development. The disclosure statement must, without misrepresentation, plainly disclose all material facts. The developer must not enter into a purchase agreement with a purchaser unless a copy of the disclosure statement has been provided to the purchaser. If a developer becomes aware that a disclosure statement contains a misrepresentation, the developer must immediately file with the Superintendent a new disclosure statement or an amendment that clearly identifies and corrects the misrepresentation.
6. The Act also requires a developer who receives deposits on the sale of a development unit in a development property to promptly place the deposit with a brokerage, lawyer, notary public or prescribed person who in turn must hold the deposit as trustee in a trust account in a savings institution in British Columbia.
7. The applicable sections of the Act are reproduced below:

Definitions

1 In this Act:

"developer" means a person who, directly or indirectly, owns, leases or has a right to acquire or dispose of development property;

"development property" means any of the following:

- (a) 5 or more subdivision lots in a subdivision, unless each lot is 64.7 ha or more in size;
- (b) 5 or more bare land strata lots in a bare land strata plan;
- (c) 5 or more strata lots in a stratified building;
- (d) 2 or more cooperative interests in a cooperative association;
- (e) 5 or more time share interests in a time share plan;

- (f) 2 or more shared interests in land in the same parcel or parcels of land;
- (g) 5 or more leasehold units in a residential leasehold complex;

"development unit" means any of the following in a development property:

- (a) a subdivision lot;
- (b) a bare land strata lot;
- (c) a strata lot;
- (d) a cooperative interest;
- (e) a time share interest;
- (f) a shared interest in land;
- (g) a leasehold unit;

"market" means

- (a) to sell or lease,
- (b) to offer to sell or lease, and
- (c) to engage in any transaction or other activity that will or is likely to lead to a sale or lease;

"material fact" means, in relation to a development unit or development property, any of the following:

- (a) a fact, or a proposal to do something, that affects, or could reasonably be expected to affect, the value, price, or use of the development unit or development property;
- (b) the identity of the developer;
- (c) the appointment, in respect of the developer, of a receiver, liquidator or trustee in bankruptcy, or other similar person acting under the authority of a court;
- (d) any other prescribed matter;

"misrepresentation" means

- (a) a false or misleading statement of a material fact, or
- (b) an omission to state a material fact;

"purchase agreement" means a contract of purchase and sale or a contract to lease;

"purchaser" means

- (a) a purchaser, from a developer, of a development unit,
- (b) a lessee, from a developer, of a development unit, and
- (c) a prospective purchaser or lessee, from a developer, of a development unit;

Marketing of development property

3 (1) A developer who markets or intends to market a development unit must

...

(c) file and provide a disclosure statement in accordance with Division 4 *[Disclosure Statements]*.

Filing disclosure statements

14 (1) A developer must not market a development unit unless the developer has

(a) prepared a disclosure statement respecting the development property in which the development unit is located, and

(b) filed with the superintendent

(i) the disclosure statement described under paragraph (a), and

(ii) any records required by the superintendent under subsection (3).

(2) A disclosure statement must

(a) be in the form and include the content required by the superintendent,

(b) without misrepresentation, plainly disclose all material facts,

(c) set out the substance of a purchaser's rights to rescission as provided under section 21 *[rights of rescission]*, and

(d) be signed as required by the regulations.

(3) A developer must provide to the superintendent any records the superintendent requires to support any statement contained in the disclosure statement filed under subsection (1).

(4) Without limiting section 16 [*non-compliant disclosure statements*], if a developer markets development units in phases, the developer, before marketing each successive phase, must file with the superintendent an amendment to a disclosure statement submitted in respect of the previous phase.

(5) On a person's payment of the prescribed fee, the superintendent must

(a) permit the person to inspect, at the superintendent's office and during regular business hours, a disclosure statement filed under this section, and

(b) provide a copy of a disclosure statement filed under this section, or a copy of part of it, to a person who requests it.

Providing disclosure statements to purchasers

15 (1) A developer must not enter into a purchase agreement with a purchaser for the sale or lease of a development unit unless

(a) a copy of the disclosure statement prepared in respect of the development property in which the development unit is located has been provided to the purchaser,

(b) the purchaser has been afforded reasonable opportunity to read the disclosure statement, and

(c) the developer has obtained a written statement from the purchaser acknowledging that the purchaser had an opportunity to read the disclosure statement.

(2) A developer must

(a) retain a written statement obtained under subsection (1) (c) for a period of 3 years or a longer period prescribed by regulation, and

(b) produce the written statement for inspection by the superintendent on the superintendent's request.

Non-compliant disclosure statements

16 (1) If a developer becomes aware that a disclosure statement does not comply with the Act or regulations, or contains a misrepresentation, the developer must immediately

(a) file with the superintendent, as applicable under subsection (2) or (3),

(i) a new disclosure statement, or

(ii) an amendment to the disclosure statement that clearly identifies and corrects the failure to comply or the misrepresentation...

Handling deposits

18 (1) A developer who receives a deposit from a purchaser in relation to a development unit must promptly place the deposit with a brokerage, lawyer, notary public or prescribed person who must hold the deposit as trustee in a trust account in a savings institution in British Columbia.

8. Katsura is the named developer of a development property marketed under the name "Garden City, Residences on a Park", Phases 1 and 2. A disclosure statement was filed with the Superintendent by Katsura for Phase 1 of this development on March 31, 2005. An amendment to that statement was subsequently filed on December 22, 2005. A disclosure statement was filed with the Superintendent by Katsura for Phase 2 of this development on September 19, 2005. The registered owner of the property is Cook and Katsura Homes Inc. The legal description of the development property is as follows:

PID: 026-216-337
Lot 1, Section 10
Block 4 North, Range 6 West
New Westminster District
Plan BCP15647

9. The disclosure statements filed with the Superintendent for both Phase 1 and Phase 2 of the development state that "there is no outstanding or contingent litigation or liabilities in respect of the Property or against the Developer that may affect the Strata Corporation or Strata Lot Owners".
10. The disclosure statements further stipulate that "all purchasers' deposits and all monies received from a purchaser will be held in trust by Kornfeld Mackoff Silber, a Vancouver law firm in the manner required by the Act." Exhibit "H" to the disclosure statements attaches a copy of the form of purchase agreement Katsura intends to use and further stipulates that all deposit payments will be held in trust by Kornfeld Mackoff Silber ("Kornfeld").
11. Hamlin Mews is the named developer of a development property marketed under the name "Hamlin Mews". A disclosure statement was filed with the Superintendent by Hamlin Mews on October 6, 2004. An amended disclosure statement was filed on April 14, 2005. At the time the amended disclosure statement was filed, the registered owner of the property was Hamlin Mews. The legal description of the development property was as follows:

PID: 026-032-333
Parcel A, Block 864, District Lot 526
Group 1, NWD, Plan BCP13115

12. The amended disclosure statement filed with the Superintendent states that "there is no outstanding or contingent litigation or liabilities in respect of the Property or against the Developer that may affect the Strata Corporation or Strata Lot Owners". The disclosure statement discloses two mortgages registered against title: one in favour of Ted and Susan Freeman; and the other in favour of MCAP Service Corporation. No pending builder's liens were disclosed.
13. The disclosure statement further stipulates that "all purchasers' deposits and all monies received from a purchaser will be held in trust by Kornfeld Mackoff Silber, a Vancouver law firm in the manner required by the Act." Exhibit "H" to the disclosure statement attaches a copy of the form of purchase agreement Hamlin Mews intends to use and further stipulates that all deposit payments will be held in trust by Kornfeld.
14. Tribeca is the named developer of a development property marketed under the name "Tribeca Lofts". A disclosure statement was filed with the Superintendent by Tribeca on August 20, 2004. An amended disclosure statement was filed on February 1, 2005. At the time the amended disclosure statement was filed, the registered owner of the property was Tribeca. The legal description of the development property was as follows:

PID: 026-086-000
Parcel 1, Block 75, District Lot 541
Group 1, NWD, Plan LMP35528

15. The amended disclosure statement filed with the Superintendent states that "there is no outstanding or contingent litigation or liabilities in respect of the Property or against the Developer that may affect the Strata Corporation or Strata Lot Owners". The disclosure statement discloses three mortgages registered against title: one in favour of Ted and Susan Freeman; one in favour of MCAP Service Corporation; and one in favour of Canadian Western Trust Company et al. No pending builder's liens were disclosed.
16. The disclosure statement further stipulates that "all purchasers' deposits and all monies received from a purchaser will be held in trust by Kornfeld Mackoff Silber, a Vancouver law firm in the manner required by the Act." Exhibit "H" to the disclosure statement attaches a copy of the form of purchase agreement Tribeca intends to use and further stipulates that all deposit payments will be held in trust by Kornfeld.

17. Homer Street Ventures is the named developer of a development property marketed under the name "H + H Yaletown". A disclosure statement was filed with the Superintendent by Homer Street Ventures on March 6, 2006. At the time the disclosure statement was filed, the registered owner of the property was Homer Street Ventures. The legal description of the development property was as follows:

PID:

008-350-353 Lot 29 Block 95 District Lot 541 Plan 210
008-350-361 Lot 30 Block 95 District Lot 541 Plan 210
008-350-370 Lot 31 Block 95 District Lot 541 Plan 210
008-350-388 Lot 32 Block 95 District Lot 541 Plan 210
008-350-396 Lot 33 Block 95 District Lot 541 Plan 210
008-350-400 Lot 34 Block 95 District Lot 541 Plan 210
015-481-174 Lot 35 Block 95 District Lot 541 Plan 210
015-481-191 Lot 36 Block 95 District Lot 541 Plan 210
015-481-239 Lot 37 Block 95 District Lot 541 Plan 210
015-481-247 Lot 38 Block 95 District Lot 541 Plan 210

18. The disclosure statement filed with the Superintendent states that "there is no outstanding or contingent litigation or liabilities in respect of the Property or against the Developer that may affect the Strata Corporation or Strata Lot Owners". The disclosure statement discloses two mortgages registered against title: one in favour of MCAP Service Corporation; and the other in favour of Christopher Capital Funding Ltd. No pending builder's liens were disclosed.
19. The disclosure statement further stipulates that "all purchasers' deposits and all monies received from a purchaser will be held in trust by Kornfeld Mackoff Silber, a Vancouver law firm in the manner required by the Act." Exhibit "H" to the disclosure statement attaches a copy of the form of purchase agreement Homer Street Ventures intends to use and further stipulates that all deposit payments will be held in trust by Kornfeld.
20. Bob Rennie ("Rennie"), a Vancouver realtor, attended at the offices of the Financial Institutions Commission on June 21, 2006. Rennie advised the staff of the Superintendent that his company, Rennie Marketing Systems Ltd., was contracted to market the four development projects listed above. Rennie advised the staff of the Superintendent that a court action had been commenced in the British Columbia Supreme Court against Chandler and the Developers and/or the owners of the development property listed above ("the Lawsuit"). Rennie also advised the staff of the Superintendent that he believed deposits were taken on the purchase and sale of certain development units in the above-noted development properties which were not placed in a trust account with a lawyer or other prescribed person as required under the Act. Further, Rennie was of the
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opinion that two development units in the Tribeca development had been sold to more than one purchaser.

21. The Superintendent first became aware of the Lawsuit on June 21, 2006, the date on which the Lawsuit was filed. On June 27, 2006, the staff of the Superintendent obtained a copy of the Writ of Summons, Statement of Claim, Certificate of Pending Litigation and Notice of Motion in Action number S-064025. Named defendants in this action include: Cook and Katsura Homes Inc., the registered owner of the property being developed by Katsura; Hamlin Mews; Tribeca; and Homer Street Ventures.
 22. A review of the land title records pertaining to Hamlin Mews indicates two mortgages registered against title of the development property which had not been disclosed in the original or amended disclosure statements filed with the Superintendent: one in favour of 636455 B.C. Ltd. registered on June 28, 2005; and one in favour of Gibralt Capital Corporation registered on April 21, 2006. The land title records also indicate that there are two pending applications for builder's liens, which were also not disclosed in the filed disclosure statements.
 23. A review of the land title records pertaining to Tribeca indicates two mortgages registered against title of the development property which had not been disclosed in the original or amended disclosure statements filed with the Superintendent: one in favour of 636455 B.C. Ltd. registered on June 28, 2005; and one in favour of Christopher Capital Funding Ltd. registered on December 9, 2005. The land title records also indicate that there is a pending application for a builder's lien, which was also not disclosed in the filed disclosure statements.
 24. A review of the land title records pertaining to Homer Street Ventures indicates three mortgages registered against title of the development property which had not been disclosed in the original or amended disclosure statements filed with the Superintendent: one in favour of Strand Financial III Corp. registered on December 12, 2005; one in favour of BCIMC Construction Fund Corporation registered on April 28, 2006; and one in favour of Cooper Pacific II Mortgage Investment Corporation registered on April 28, 2006. The land title records also indicate that there is a certificate of pending litigation registered against title, which was also not disclosed in the filed disclosure statements.
 25. As at the date of this Order, the Superintendent has not received a new disclosure statement or an amendment to the filed disclosure statement from any of Katsura, Hamlin Mews, Tribeca or Homer Street Ventures that clearly identifies and corrects the misrepresentation that Katsura, Hamlin Mews, Tribeca or Homer Street Ventures are not subject to outstanding litigation. The Superintendent has not received a new disclosure statement or an amendment to the filed disclosure statement from any of Hamlin Mews, Tribeca or Homer Street Ventures that discloses the mortgages, applications for builder's liens and
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pending litigation which were not previously disclosed as referenced in paragraphs 22-24 above.

26. The Lawsuit was brought by Dengin Family Limited Partnership, the principal in that partnership being George Dengin ("Dengin"). In support of the lawsuit, both Dengin and Rennie filed Affidavits, both of which contained supporting documents attached as schedules to their respective Affidavits.
27. The Notice of Motion brought in the Lawsuit seeks to place the Developers into receivership, among other things.
28. According to Dengin's Affidavit, he formed a partnership with Chandler to invest in real estate. The actual partnership agreement was between their respective companies, with Chandler Development Group Inc. ("Chandler Development") being the company used by Chandler. According to Rennie's Affidavit, Rennie has a contractual interest in the above-noted developments as well as an equity interest in the Hamlin Mews development.
29. Rennie has deposed that he received financial information in the form of a spreadsheet relating to the above mentioned developments from Chandler Development's solicitors, Kornfeld, which purportedly shows an accounting of the units sold, including the names of the purchasers, the sale price and the deposits held in trust by Kornfeld.
30. Dengin has deposed that Chandler advised him that a number of units were sold in each of the developments noted which neither he nor Rennie has an accounting for. Using the financial information supplied by Kornfeld and relying on the information supplied by Chandler as to which units have been sold, Rennie has determined that 36 development units have been sold in the Homer Street Ventures development for which Kornfeld holds no deposits in trust.
31. Rennie has further deposed that Chandler has failed to account for five development units sold in the Hamlin Mews development, 17 development units sold in the Katsura development and nine development units sold in the Tribeca development.
32. Dengin has deposed that he was advised by Chandler that the Hamlin Mews development and the Tribeca development will likely lose at least \$3.8 million between them.
33. Attached to Rennie's Affidavit are two purchase agreements evincing the sales of Strata Lots 7 and 8 in the Hamlin Mews development to [REDACTED]. Both agreements indicate that a deposit equal to the purchase price had been "paid in full" and received by the vendor. Both purchase agreements were signed by Chandler as the authorized signatory for Hamlin Mews, and both offers were accepted by Chandler on January 15, 2005.

34. The spreadsheet attached to Rennie's Affidavit evincing the deposits held by Kornfeld indicates that the records pertaining to the Hamlin Mews development were updated as at June 13, 2006. According to the aforementioned purchase agreements, deposits of [REDACTED] and [REDACTED] for Strata Lots [REDACTED] and [REDACTED] respectively were received by the developer Hamlin Mews. Although the trust provisions in the purchase agreement have been crossed out, by law and in accordance with the disclosure statement filed by Hamlin Mews, any deposits received by Hamlin Mews from a purchaser must be held in a trust account with Kornfeld. The spreadsheet indicates that no deposits are being held in trust by Kornfeld for either of those units.
35. Rennie deposed that he was advised by the lawyer for [REDACTED] that [REDACTED] had entered into a purchase agreement with Chandler for Strata Lots [REDACTED] and [REDACTED] in the Tribeca development. Rennie further deposed that Chandler had confirmed these sales. Attached to Rennie's Affidavit are copies of two purchase agreements provided by Kornfeld. One of the purchase agreements evinces the sale of Strata Lot [REDACTED] in the Tribeca development to [REDACTED] for a purchase price of [REDACTED]. It appears that Chandler has accepted the offer as authorized signatory for Tribeca. The other purchase agreement evinces the sale of Strata Lot [REDACTED] in the Tribeca development to [REDACTED] for a purchase price of [REDACTED]. It appears that Chandler has accepted the offer as authorized signatory for Tribeca.

AND WHEREAS I recognize that both Dengin and Rennie have a financial stake in the above-noted developments and cannot be considered unbiased in this matter, I also recognize that both Dengin and Rennie are intimate with Chandler and the developments and as such are privy to information not available to the public.

AND WHEREAS I am satisfied based on the Writ of Summons and Statement of Claim filed in Supreme Court action # S-064025 and advice from my staff that the Developers are subject to a lawsuit filed by Dengin Family Limited Partnership and that none of the Developers has filed a new or amended disclosure statement disclosing that fact.

AND WHEREAS I am satisfied based on the title search documents and the disclosure statements that the development properties being developed by the Developers have been encumbered by various mortgages and builder's liens which were not disclosed in the disclosure statements filed by the Developers and that none of the Developers has filed a new or amended disclosure statement disclosing those encumbrances.

AND WHEREAS the information contained in the Affidavits of Rennie and Dengin along with the materials attached thereto raises a serious concern and a likelihood that Chandler, acting on behalf of the Developers, has received deposits from purchasers in relation to development units in the Developers' developments and has not placed those deposits in trust with his lawyer as he was required to do under the Act and pursuant to his disclosure statement.

AND WHEREAS the information contained in the Affidavits of Rennie and Dengin along with the materials attached thereto raises a serious concern and a likelihood that Chandler, acting on behalf of the Developers, has sold one or more development units in the Developers' developments to more than one purchaser.

I AM THEREFORE OF THE OPINION that CHANDLER KATSURA DEVELOPMENTS INC., HAMLIN MEWS INC., TRIBECA LOFTS YALETOWN INC., CHANDLER HOMER STREET VENTURES LTD. and MARK CHANDLER are, or have been, non-compliant with the *Act*.

I AM FURTHER OF THE OPINION that the length of time that would be required to complete an investigation or hold a hearing, or both, would be detrimental to the public interest. The Developers are marketing development units in their developments to potential purchasers without providing accurate disclosure which the purchasers are entitled to receive and the Developers are required to provide. The fact that a lawsuit has been filed against the Developers could very well impact on the value or price of the development units and on the decision by the potential purchaser on whether to purchase the unit.

IN ADDITION, there is an application in the Lawsuit to put the Developers into receivership. It would appear from information contained in Dengin's Affidavit that at least two of the developments, Tribeca's development and Hamlin Mews' development, may suffer serious financial losses. All but one of the Developers had further encumbrances placed on the property they are developing. There is a serious risk that one or more of the developments may be at risk of not completing. Even if the developments are completed, the Developers' financial difficulties are likely to negatively impact the quality of construction and the quality of the finishing of the individual development units. If this happens, this would impair the value, price and use of the development units.

FURTHER, because there is the real possibility that purchasers' deposits are not being placed in trust accounts as required, any new purchasers are at risk of losing any deposit money they put down to purchase a development unit in the Developers' developments. New purchasers would also be placed at risk because there is the possibility that they would be providing monies for property that has already been sold to someone else.

I CONSIDER IT in the public interest to make the following Orders pursuant to sections 30(1) (a) and (b) and 32(1) of the *Act*.

I THEREFORE MAKE the following Orders:

1. CHANDLER KATSURA DEVELOPMENTS INC. shall cease and refrain from marketing any and all development units under the name Garden City, Residences on a Park, Phases 1 and 2, and more particularly any development

units in the development property legally described as follows or any derivation thereof:

PID: 026-216-337
Lot 1, Section 10
Block 4 North, Range 6 West
New Westminster District
Plan BCP15647

2. HAMLIN MEWS INC. shall cease and refrain from marketing any and all development units under the name Hamlin Mews, and more particularly any development units in the development property legally described as follows or any derivation thereof:

PID: 026-032-333
Parcel A, Block 864, District Lot 526
Group 1, NWD, Plan BCP13115

3. TRIBECA LOFTS YALETOWN INC. shall cease and refrain from marketing any and all development units under the name Tribeca Lofts, and more particularly any development units in the development property legally described as follows or any derivation thereof:

PID: 026-086-000
Parcel 1, Block 75, District Lot 541
Group 1, NWD, Plan LMP35528

4. CHANDLER HOMER STREET VENTURES LTD. shall cease and refrain from marketing any and all development units under the name H + H Yaletown, and more particularly any development units in the development property legally described as follows or any derivation thereof:

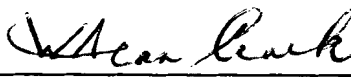
PID:

008-350-353 Lot 29 Block 95 District Lot 541 Plan 210
008-350-361 Lot 30 Block 95 District Lot 541 Plan 210
008-350-370 Lot 31 Block 95 District Lot 541 Plan 210
008-350-388 Lot 32 Block 95 District Lot 541 Plan 210
008-350-396 Lot 33 Block 95 District Lot 541 Plan 210
008-350-400 Lot 34 Block 95 District Lot 541 Plan 210
015-481-174 Lot 35 Block 95 District Lot 541 Plan 210
015-481-191 Lot 36 Block 95 District Lot 541 Plan 210
015-481-239 Lot 37 Block 95 District Lot 541 Plan 210
015-481-247 Lot 38 Block 95 District Lot 541 Plan 210

5. MARK CHANDLER shall cease and refrain from marketing any and all development units in the development properties being developed by CHANDLER KATSURA DEVELOPMENTS INC., HAMLIN MEWS INC., TRIBECA LOFTS YALETOWN INC. and CHANDLER HOMER STREET VENTURES LTD.
6. RENNIE MARKETING SYSTEMS LTD. shall cease and refrain from marketing any and all development units in the development properties being developed by CHANDLER KATSURA DEVELOPMENTS INC., HAMLIN MEWS INC., TRIBECA LOFTS YALETOWN INC. and CHANDLER HOMER STREET VENTURES LTD.
7. CHANDLER KATSURA DEVELOPMENTS INC., HAMLIN MEWS INC., TRIBECA LOFTS YALETOWN INC., CHANDLER HOMER STREET VENTURES LTD., MARK CHANDLER and RENNIE MARKETING SYSTEMS LTD. shall place all deposits received from purchasers of a development unit with a brokerage, lawyer, notary public or prescribed person, and instruct that brokerage, lawyer, notary public or prescribed person to hold the deposit as trustee in a trust account in a savings institution in British Columbia.

TAKE NOTICE that CHANDLER KATSURA DEVELOPMENTS INC., HAMLIN MEWS INC., TRIBECA LOFTS YALETOWN INC., CHANDLER HOMER STREET VENTURES LTD., MARK CHANDLER and/or RENNIE MARKETING SYSTEMS LTD. may, pursuant to section 37(1) (f) of the *Act*, appeal the Orders pertaining to each to the Financial Services Tribunal, or require a hearing before the Superintendent pursuant to section 32(4) of the *Act*.

Dated at the City of Surrey,
Province of British Columbia
this 30th day of June, 2006.



W. Alan Clark
Superintendent of Real Estate
Province of British Columbia

TO: Chandler Katsura Developments Inc.
1100-505 Burrard Street
Vancouver, British Columbia

Hamlin Mews Inc.
1100-505 Burrard Street
Vancouver, British Columbia

Tribeca Lofts Yaletown Inc.
1100-505 Burrard Street
Vancouver, British Columbia

Chandler Homer Street Ventures Ltd.
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Mark Chandler
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