

**IN THE MATTER OF THE REAL ESTATE DEVELOPMENT MARKETING ACT  
SBC 2004, Chapter 41**

**-AND-**

**TIMBERSTONE LODGE PROPERTIES LTD., FRED MEHL, TRENT  
KOEHLER, LLOYD JOHNSON, LAVERN ARNDT, and IRENE BARNES**

**CONSENT ORDER**

The following agreement has been reached between Timberstone Lodge Properties Ltd. ("Timberstone"), Fred Mehl ("Mehl"), Trent Koehler ("Koehler"), Lloyd Johnson ("Johnson"), Lavern Arndt ("Arndt"), Irene Barnes ("Barnes") and the Superintendent of Real Estate ("the Superintendent"):

**A. ORDERS:**

Timberstone, Mehl, Koehler, Johnson, Arndt and Barnes consent to and the Superintendent makes the following orders:

1. That Timberstone, Mehl, Koehler, Johnson, Arndt and Barnes will not market any development units in the development known as Timberstone Lodge Spa Resort located at 1301 Gerry Sorenson Way, Kimberley, British Columbia ("the Development") until amendments to the filed disclosure statement satisfactory to the Superintendent are filed with the Superintendent with respect to Phases 1 through 4.
2. That Timberstone will not market Phases 5 through 9 of the Development until a new disclosure statement satisfactory to the Superintendent is filed with the Superintendent.
3. That Timberstone pay an administrative penalty in the amount of \$40,000.00 immediately upon execution of this Order, pursuant to section 30(1) (d) (i) of the *Real Estate Development Marketing Act* ("REDMA").
4. That Timberstone pay partial costs of the investigation in the amount of \$2,000.00 immediately upon execution of this Order, pursuant to sections 30(1) (c) and 31 (1)
5. That the Order of the Superintendent pursuant to sections 30(1) (a) and 32(1) of the *REDMA* dated December 18, 2007 against Timberstone, Mehl, Koehler, Johnson, Arndt and Barnes is hereby revoked.

**B. FACTS AND ADMISSIONS:**

As a basis for these Orders, Timberstone, Mehl, Koehler, Johnson, Arndt and Barnes acknowledge the following facts as correct and make the following admissions:

1. Timberstone was registered as a company in Saskatchewan on September 15, 2000. The directors are Mehl, Koehler, Johnson, and Arndt. Timberstone was registered on December 22, 2000 as an extraprovincial company in British Columbia.
2. Timberstone is the named developer of the Development. A disclosure statement was filed with the Superintendent by Timberstone for the Development on January 18, 2007 ("the Disclosure Statement").
3. Timberstone had not obtained building permits for Phases 3 and 4 of the Development when the Disclosure Statement was filed. The Superintendent allowed Timberstone to market Phases 3 and 4 of the Development pursuant to the Superintendent's Policy Statement 5, which allows for early marketing of units in a development for a period of time before a revised disclosure statement is required. In accordance with this policy, Timberstone was required to file an amendment to the Disclosure Statement by October 18, 2007, indicating receipt of a building permit for Phases 3 and 4. Timberstone was advised that if an amendment to the Disclosure Statement was not filed by that date, all marketing of Phases 3 and 4 must cease.
4. Timberstone did not file an amendment to the Disclosure Statement by October 18, 2007, nor did it cease all marketing of Phases 3 and 4. In marketing development units in Phases 3 and 4 after this date, Timberstone failed to comply with the terms or conditions of a policy statement issued under section 10(4) (b) of the *REDMA*, and was therefore noncompliant with the *REDMA*.
5. On or about November 19, 2007, Timberstone entered into an undertaking with the Superintendent to cease and refrain from marketing any and all development units in the Development, save and except for those contained in Phases 1 and 2, until Timberstone had filed an amendment or a new disclosure statement which set out the details of the building permit that had been obtained. Timberstone agreed to give a copy of the undertaking to anyone who was marketing the Development on its behalf.
6. Timberstone has advised the office of the Superintendent that Barnes is an employee of Timberstone. Barnes marketed development units in the Development on behalf of Timberstone. Barnes continued to market development units in Phases 3 and 4 of the Development after Timberstone entered into its undertaking with the Superintendent on November 19, 2007 and prior to the filing of an amendment or a new disclosure statement.

7. Timberstone breached its undertaking to the Superintendent to cease and refrain from marketing specified development units in the Development. Timberstone was therefore noncompliant by failing to comply with the terms and conditions of an undertaking given under section 36 of the *REDMA*.
8. Barnes also marketed development units in the Development for Phases 5 and 6. No disclosure statement has been filed by Timberstone for those phases. By marketing development units for Phases 5 and 6, Timberstone contravened section 14(4) of the *REDMA*, which requires a developer to file with the Superintendent an amendment to the disclosure statement submitted in respect of the previous phases before marketing. Timberstone was therefore noncompliant with the *REDMA*.
9. Timberstone accepted deposits in relation to development units in Phases 5 and 6 of the Development. Those deposits were not promptly placed with a brokerage, lawyer, notary public or a prescribed person to hold the deposit as trustee in a trust account in a savings institution in British Columbia, contrary to section 18(1) of the *REDMA*. Timberstone was therefore noncompliant with the *REDMA*.

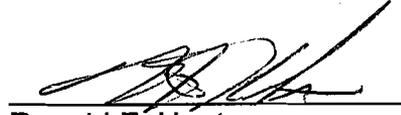
**C. WAIVER:**

Timberstone, Mehl, Koehler, Johnson, Arndt and Barnes waive their right to appeal under section 37 of the *REDMA*.

Dated at Surrey, British Columbia, this 17<sup>th</sup> day of January, 2008.

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

Dated at VICTORIA, British Columbia, this 10<sup>th</sup> day of January, 2008.

  
 Ronald F. Hunter  
 Duly authorized signatory for:  
 Timberstone Lodge Properties Ltd.  
 Fred Mehl  
 Trent Koehler  
 Lloyd Johnson  
 Lavern Arndt  
 Irene Barnes