

**RIVER'S CROSSING (West Lots)  
Cranbrook, British Columbia**

**SECOND AMENDED DISCLOSURE STATEMENT  
June 3, 2018**

**DEVELOPER:  
RIVER'S CROSSING LTD.**

**Business Address:** #201 - 1230 91 Street SW  
Edmonton, AB T6X 0P2

**Address for Service:** 202 – 1007 Fort Street  
Victoria, BC V8V 3K5

**PREPARED BY:  
REED POPE LAW CORPORATION  
202 – 1007 Fort Street  
Victoria, British Columbia V8V 3K5**

**This 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 Disclosure Statement, or whether 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.**

**The Developer intends to market the strata lots offered for sale under this Disclosure Statement using a combination of its own employees, a referral program for licensed realtors, and by listing certain strata lots for sale on the Multiple Listing Service. The Developer advises that its employees are not licensed under the *Real Estate Services Act* and are not acting on behalf of the purchaser. In addition, the Developer will engage Ritchie Bros. Auctioneers (Canada) Ltd., having a branch address of 1500 Sparrow Drive, Nisku, AB, to market in British Columbia certain strata lots by way of an unreserved bid auction process. Ritchie Bros. has engaged the following as their licensed realtor for the auction process: Tom Moran, Re/Max Dawson Creek Realty, 10224 – 10<sup>th</sup> St., Dawson Creek, BC, V1G 3T4, 250-782-8181 (o); 250-784-7090 (cell).**

#### RIGHT OF RESCISSION

Under section 21 of the *Real Estate Development Marketing Act*, the purchaser or lessee of a development unit may rescind (cancel) the contract of purchase and sale or contract to lease by serving written notice on the Developer or the Developer's brokerage, within 7 days after the later of the date contract was entered into or the date the purchaser or lessee received a copy of this Disclosure Statement.

The rescission notice may be served by delivering or sending by registered mail, a signed copy of the notice to:

1. the Developer at the address shown in the Disclosure Statement received by the purchaser;
2. the Developer at the address shown in the purchaser's purchase agreement;
3. the Developer's brokerage, if any, at the address shown in the Disclosure Statement received by the purchaser; or
4. the Developer's brokerage, if any, at the address shown in the purchaser's purchase agreement.

The Developer must promptly place purchasers' deposits with a brokerage, lawyer or notary public who must place the deposits in a trust account in a savings institution in British Columbia. If a purchaser rescinds their purchase agreement in accordance with the Act and regulations, the Developer or the Developer's trustee must promptly return the deposit to the purchaser.

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**EXHIBITS**

- Exhibit A-2 List of Strata Lots owned by the Developer and offered for sale
- Exhibit E-2 Zoning Bylaw - CD-3, Shadow Mountain Comprehensive District
- Exhibit G-2 Design Guidelines
- Exhibit H-2 Option to Purchase in favour of the Developer
- Exhibit I-2 Amended Form P - Phased Strata Plan Declaration
- Exhibit M-2 Approved Strata Corporation Budget and Allocation of Strata Fees:  
Phases 1 and 2
- Exhibit N-2 Description of Encumbrances and Legal Notations
- Exhibit O-2 Developer's Form of Contract of Purchase and Sale
- Exhibit R-2 Form of Contract of Purchase and Sale for Ritchie Bros. Auction
- Exhibit S-2 SMHOA Approved Budget for year ending 2018

**OVERVIEW OF THIS AMENDMENT**

The following disclosure statements have been filed in respect of the project known as River’s Crossing (West Lots):

- Disclosure Statement, dated April 22, 2014 (the “**Disclosure Statement**”)
- First Amended Disclosure Statement, dated September 26, 2014 (the “**First Amendment**”)

This Second Amended Disclosure Statement, dated June 3, 2018 (the “**Second Amendment**”) amends the Disclosure Statement and the First Amendment. Purchasers must receive and are advised to read the Disclosure Statement, the First Amendment, and the Second Amendment in their entirety.

A brief summary of the Exhibits attached to the Disclosure Statement, the First Amendment, and the Second Amendment is set out below:

<b>Disclosure Statement</b>	<b>First Amendment</b>	<b>Second Amendment</b>
Exhibit A – deleted		Exhibit A-2
Exhibit B		
Exhibit C		
Exhibit D		
Exhibit E – deleted	Exhibit E-1 – deleted	Exhibit E-2
Exhibit F		
Exhibit G – deleted		Exhibit G-2
Exhibit H – deleted		Exhibit H-2
Exhibit I – deleted		Exhibit I-2
Exhibit J		
Exhibit K		
Exhibit L		
Exhibit M – deleted		Exhibit M-2
Exhibit N – deleted		Exhibit N-2
Exhibit O – deleted		Exhibit O-2
Exhibit P		
Exhibit Q		
		Exhibit R-2
		Exhibit S-2

## 1. THE DEVELOPER

### 1.3 Developer's Registered and Records Office

The Developer's registered and records office is located at:

202 – 1007 Fort Street  
Victoria, BC V8V 3K5

### 1.5 Developer's Background

Section 1.5 of the Disclosure Statement and First Amendment are deleted in their entirety and replaced by the following:

In accordance with Policy Statement No. 15 under the *Real Estate Development Marketing Act*, the Developer is required to provide certain disclosure respecting the previous 5 to 10 years as to its background as well as the background of its directors, officers and principal holders. This information is set out below.

To the best of the Developer's knowledge:

- (a) **River's Crossing Ltd.** does not have any history of involvement in real estate development other than its involvement with the Development. The Developer acquired the lands comprising the Development in December 2013.
- (b) **Munir Virani**, sole director and officer of the Developer, has nine years experience as a lender providing funding to various construction and development projects in Alberta and British Columbia. Mr. Virani has also had over 14 years experience in real estate investment ventures, primarily in the residential rental market in Edmonton, Alberta. Mr. Virani has also served as the Director of Finance for a large national retailer during which time he was responsible for taxation, treasury and financial reporting of a consolidated group of companies with revenues in excess of \$1 billion per annum.
- (c) Neither the Developer, any principal holder of the Developer, nor any director or officer of the Developer or principal holder, within the ten years before the date of the Developer's declaration attached to the Disclosure Statement, has been subject to any penalties or sanctions imposed by a court or regulatory authority, relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud.
- (d) Neither the Developer, any principal holder of the Developer, nor any director or officer of the Developer or principal holder, within the five years before the date of the Developer's declaration attached to the Disclosure Statement, was

declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

- (e) No director, officer or principal holder of the Developer, or any director or officer of the principal holder, within the five years prior to the date of the Developer's declaration attached to the Disclosure Statement, has been a director, officer or principal holder of any other developer that, while that person was acting in that capacity, that other developer:
- i. was subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud, or
  - ii. was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangements or compromises with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

In this section 1.5, the term "**principal holder**" means any person holding directly or indirectly more than 10% of any class of voting securities of the issuer of those securities.

## 2. GENERAL DESCRIPTION

### 2.1 General Description of the Development

Section 2.1 of the Disclosure Statement is deleted in its entirety and replaced with the following:

The development is a phased bare land strata plan development located on the west side of Highway 95A within the city limits of Cranbrook, British Columbia. It is the Developer's intention that the development will, when fully constructed, include 395 residential bare land strata lots (collectively the "**Strata Lots**", and individually a "**Strata Lot**"), together with the common property of the strata plan (the "**Common Property**") (collectively, the "**Development**"). The Developer is offering for sale the Strata Lots it owns in Phases 1 and 2 of the Development.

**Exhibit A-2** lists the Strata Lots in Phases 1 and 2 owned by the Developer that are being marketed for sale.

The Development is situated on Lot 2, which has been subdivided from the West Parent Parcels (as each of those terms is defined in section 4.1), as shown on subdivision plan EPP4579 (the “**Subdivision Plan**”). A copy of the Subdivision Plan is attached as **Exhibit B**. The Developer intends to register a seventeen (17) phase strata plan (see section 2.4) of Lot 2 at the Kamloops Land Title Office (the “**Land Title Office**”). Phases 1 and 2 of the strata plan are already registered creating the strata corporation known as The Owners, Strata Plan EPS136 (the “**West Strata Corporation**”). A copy of the registered strata plans for Phases 1 and 2 showing the Strata Lots and Common Property created in those phases, is attached as **Exhibit C**.

Access to and through the Development will be by way of Highway 95A, Wycliffe Park Road, a common lot road situated within the Development (the “**Common Lot Road**”) and a private roadway (the “**Common Property Road**”) that is Common Property of the West Strata Corporation. The Common Lot Road is shown labeled as Lot 1 on the Subdivision Plan.

The Development is part of the Community located on both sides of Highway 95A, along the south banks of the St. Mary River in the northwest corner of the city of Cranbrook, British Columbia (the “**City**”). The Community, when fully constructed, is intended to comprise a 19-hole championship golf course (the “**Shadow Mountain Golf Course**”), clubhouse and training facilities, parks and all-season trails, residential zoned developments (including multi-family developments), commercial retail property, and natural landscaping. The zoning for this Development is described in more detail at section 2.2. Shadow Mountain Golf Course and related golf facilities are owned by 0983495 B.C. Ltd. (the “**Golf Course Owner**”), who is at arm’s length to the Developer. Shadow Mountain Golf Course was opened to the public on July 1, 2009.

All references in the Disclosure Statement and First Amendment to the “**Golf Course**” are replaced by “**Shadow Mountain Golf Course**”.

**Exhibit A** is deleted and replaced with **Exhibit A-2** attached to the Second Amendment.

**Exhibit B** is attached to the Disclosure Statement.

**Exhibit C** is attached to the Disclosure Statement.

## 2.2 Permitted Use

Section 2.2 of the Disclosure Statement and the First Amendment are deleted in their entirety and replaced with the following:

The zoning bylaw applicable to the Development is the City’s Zoning Bylaw No. 3737, 2012 (the “**Zoning Bylaw**”) and Part 7.28.3 Comprehensive Development Zone 3: CD-3 Shadow Mountain (the “**CD-3 Zone**”) applies to the Development. A consolidated version of the CD-3 Zone is attached as **Exhibit E-2** (note that the underlined words in **Exhibit E-2** are definitions that are defined in the Zoning Bylaw).



The Strata Lots are located in the “Single Family Dwelling District – Estate” (the “SFD Estate District”) (see page 8 of Exhibit E-2). In the SFD Estate District, only one single-family detached residential home can be constructed on each Strata Lot. The Developer intends the Strata Lots to be used for single-family dwellings, a permitted use within the SFD Estate District.

The SFD Estate District allows certain permitted uses and accessory uses beyond single family dwellings including home based business, residential office, secondary suite, and certain other uses that are accessory to a permitted use.

The SFD Estate District also sets out the requirements for parcel area dimensions, density, siting, and also the size and dimensions of buildings and structures. Purchasers are advised to review and be familiar with these requirements. In addition, purchasers are advised to review the Development Regulations set out in part 7.28.3.5 on pages 2 and 3 of Exhibit E-2.

For further information regarding the City’s Zoning Bylaw, purchasers may contact the City at:

**Cranbrook City Hall**  
40 – 10th Avenue South  
Cranbrook, British Columbia  
V1C 2M8

Telephone: (250) 426-4211  
Toll free: 1-800-728-2726  
Fax: (250) 246-4026  
Email: [info@cranbrook.ca](mailto:info@cranbrook.ca)  
Website: <http://cranbrook.ca/contact/>

All references in the Disclosure Statement and the First Amendment to “CD Zone” are replaced with “CD-3 Zone”. Exhibit E-2 is attached to the Second Amendment.

### **2.3 Building Construction**

The paragraphs at the heading titled Purchaser’s Construction Obligations at section 2.3 of the Disclosure Statement and the First Amendment are deleted in their entirety and replaced with the following:

**Purchaser’ Construction Obligations** - The Developer will require each purchaser of a Strata Lot to obtain:

- within three (3) years of the date on which the Developer transfers title to the purchaser, a building permit from the City for the construction of a single family home on the purchaser’s Strata Lot; and

- within one (1) year after the issuance of the building permit, a final occupancy permit from the City in respect of the single family home for which the building permit was issued

(collectively, the “Purchaser’s Construction Obligations”).

**Option to Purchase** - The Developer will secure the Purchaser’s Construction Obligations by requiring purchasers to grant the Developer, concurrently with the transfer of title to the Strata Lot from the Developer to the purchaser, an option to purchase (the “**Option to Purchase**”) the purchaser’s Strata Lot for an amount equal to 85% of the gross purchase price for the Strata Lot, which option to purchase may be exercised by the Developer if the purchaser does not fulfill the Purchaser’s Construction Obligations. The form of the Option to Purchase is attached hereto as **Exhibit H-2**.

**Exhibit G** (Design Guidelines) is deleted and replaced with **Exhibit G-2** attached to the Second Amendment. All references to **Exhibit G** in the Disclosure Statement are deleted and replaced with **Exhibit G-2**.

**Exhibit H** (Option to Purchase) is deleted and replaced with **Exhibit H-2** attached to the Second Amendment. All references to **Exhibit H** in the Disclosure Statement are deleted and replaced with **Exhibit H-2**.

**Exhibit N** (Description of Encumbrances and Legal Notations) is deleted and replaced with **Exhibit N-2** attached to the Second Amendment. All references to **Exhibit N** in the Disclosures Statement are deleted and replaced with **Exhibit N-2**.

## 2.4 Phasing

Section 2.4 of the Disclosure Statement is deleted in its entirety and replaced with the following:

This Development is proceeding by way of a Phased Strata Plan. A Phased Strata Plan is a development that is constructed and completed in parts, but all parts will become one strata corporation. An approved Form P Declaration of Intention to Create a Strata Plan by Phased Development pursuant the *Strata Property Act* (the “**Form P**”) is required for each such strata plan. The location and area of each phase is set out on the sketch plan attached to the Form P. The Form P also shows the unit entitlement and number of Strata Lots to be constructed in each phase, as well as the dates for construction.

The approving officer has approved a Form P for the Development. The Developer registered an amended the Form P at the Land Title Office on July 13, 2017. The amended Form P is attached as **Exhibit I-2**.

The Development will be constructed in seventeen (17) phases in accordance with the currently registered amended Form P. The Development is intended to comprise a total of 395 Strata Lots allocated among the phases as follows:

Phase	Strata Lots
1	53
2	74
3	13
4	20
5	12
6	19
7	10
8	20
9	14
10	20
11	12
12	15
13	13
14	27
15	9
16	31
17	33
<b>TOTAL</b>	<b>395</b>

Under the provisions of the *Strata Property Act* and in accordance with paragraph 3 of the registered amended Form P, the Developer is deemed to have elected to proceed with Phases 1 through 17 inclusive.

As declared in the amended Form P, the Developer is not currently planning to construct any common facilities (as that term is defined in Part 13 of the *Strata Property Act*) as part of the Development.

The Developer is offering for sale the Strata Lots it owns in Phases 1 and 2 of the Development.

**Exhibit I** is deleted and replaced with **Exhibit I-2** attached to the Second Amendment.

### **3. STRATA INFORMATION**

#### **3.7 Budget**

Section 3.7 of the Disclosure Statement is deleted in its entirety and replaced with the following:

The Annual General Meeting of the West Strata Corporation was held on December 17, 2017. The West Strata Corporation Budget approved at the last Annual General Meeting is attached as **Exhibit M-2**. **Exhibit M-2** includes the amount of strata fees for each Strata Lot in Phase 1 and 2.

Purchasers are referred to section 7.4(d) which sets out a comprehensive explanation of the purposes, functions and funding of the SMHOA.

Purchasers will note that many of the expenses required to properly service the West Strata Corporation (and which are set out in **Exhibit M-2**) are shown as being dealt with by the SMHOA. The Developer anticipates that, in due course, when the SMHOA is fully functioning, the West Strata Corporation Budget will evolve further as the SMHOA responsibilities and the West Strata Corporation responsibilities are clarified and further delineated. As noted, many of the services and expenses set out in **Exhibit M-2** are shown as being dealt with by the SMHOA and there is one line item representing the West Strata Corporation's contribution, as a member of the SMHOA, to the SMHOA budget. In short, in due course, when the SMHOA is fully functioning, instead of the West Strata Corporation paying directly for certain services (as represented now for certain items in West Strata Corporation Budget) it will pay indirectly for those services by paying the SMHOA for performing them.

**Exhibit M** is deleted and replaced with **Exhibit M-2** attached to the Second Amendment. Any references to **Exhibit M** in the Disclosure Statement are deleted and replace by **Exhibit M-2**.

### **3.8 Utilities and Services**

Section 3.8(f) of the Disclosure Statement is deleted and replaced with the following:

- (f) **Telephone, Cable and Internet** - Telephone, cable, and internet service will be underground and will be provided by Telus Communications Inc. ("**Telus**") and/or Shaw Communications Inc. ("**Shaw**") on application and on payment by an owner of a Strata Lot of the usual application, hook-up and usage charges. Shaw and Telus currently provide fibre optic telecommunication lines to the Development. The owner of each Strata Lot will be responsible for any fees for connecting to telecommunication services provided through Telus or Shaw.

### **3.11 Rental Disclosure Statement**

Section 3.11 is deleted and replaced with the following:

The Developer has not filed a Rental Disclosure Statement with the Superintendent of Real Estate for British Columbia. Therefore, rentals are governed by the West Strata Corporation bylaws and the City's Zoning Bylaw. The Developer may construct improvements on one or more Strata Lots and rent such improvements.

#### 4. TITLE AND LEGAL MATTERS

##### 4.3 Existing Encumbrances and Legal Notations

Section 4.3 of the Disclosure Statement is deleted in its entirety and replaced with the following:

The existing encumbrances and legal notations registered against title to the Strata Lots and the Common Property are described in **Exhibit N-2**. Purchasers are recommended to obtain a title search of the Strata Lot they wish to purchase and to review title and satisfy themselves as to the charges registered against such Strata Lot.

**Exhibit N-2** is attached to the Second Amendment. All references to **Exhibit N** in the Disclosure Statement are deleted and replaced with **Exhibit N-2**.

#### 5. CONSTRUCTION AND WARRANTIES

##### 5.1 Construction Dates

Section 5.1 of the Disclosure Statement is deleted in its entirety and replaced with the following:

The current commencement of construction and completion of construction for the Strata Lots in each Phase of the Development are set out in the table below:

Phase Number	Actual Date of Commencement of Construction	Actual Date of Completion of Construction
Phase 1	2009	December 15, 2009
Phase 2	2009	December 15, 2009

In this section 5.1, the following definitions apply:

“Actual Date of Commencement of Construction” means the date of commencement of excavation in respect of construction of an improvement that will become part of a development unit within the development property, and where there is no excavation it means the date of commencement of construction of an improvement that will become part of the common property or part of a development unit within the development property; and

“Actual Date of Completion of Construction” means the date the bare land strata plan is deposited in a land title office.

#### 6. APPROVALS AND FINANCES

No amendments.

## **7. MISCELLANEOUS**

### **7.1 Deposits**

Section 7.1 of the Disclosure Statement is deleted in its entirety and replaced with the following:

All deposits and other money received from a purchaser of a Strata Lot will be held in trust by the Developer's solicitors in the manner required by the *Real Estate Development Marketing Act* and the British Columbia *Real Estate Services Act*. Such deposits will be held in trust until the strata plan for the subject phase is deposited in the Land Title Office, the Strata Lot purchased is capable of being occupied and an instrument evidencing the interest of the purchaser in the Strata Lot has been registered in the Land Title Office, or until otherwise paid out by operation of law.

### **7.2 Purchase Agreement**

**Exhibit O** is deleted and replaced with **Exhibit O-2**. All references to **Exhibit O** in the Disclosure Statement are deleted and replaced with **Exhibit O-2**.

The following section **7.2.1 Form of Auction Purchase Agreement** is added to the Disclosure Statement after section 7.2:

#### **7.2.1 Form of Auction Purchase Agreement**

The form of purchase agreement to be used by the Developer in respect of any sales made by the auction of Strata Lots by Ritchie Bros. Real Estate Services Ltd. and Ritchie Bros. Auctioneers (Canada) Ltd. is substantially that form of purchase agreement attached hereto as **Exhibit R-2**. Purchasers are referred to section 7.4(e) of the Disclosure Statement for more information.

**Exhibit R-2** is attached to the Second Amendment.

### **7.3 Developer's Commitments**

Section 7.3 of the Disclosure Statement is deleted in its entirety and replaced with the following:

As set out in section 2.4, the Development is a phased development and the Developer is deemed to have elected to proceed with Phases 1 through 17 inclusive.

As set out in subsections 3.8(c), the Developer intends to install 'hard' line connections for sewer services (as distinct from the sewer systems constructed to date) and the Developer has posted security with and to the satisfaction of the City to complete such work.

#### 7.4 Other Material Facts

The material at subsection 7.4(d) of the Disclosure Statement from the paragraph beginning with the heading “Membership” to the end of subsection 7.4(d) is deleted in its entirety and is replaced with the following:

**Current Governance** – The annual general meeting of the SMHOA was held August 29, 2017 and the current directors are Matt Oberle (president), Rick O’Neil (vice president), Norm Chauvette (treasurer), and Shirley Organ (secretary). A directors meeting was subsequently held on November 21, 2017 followed immediately by a members meeting. The purposes of these November 21, 2017 meetings were for the directors and members to approve several SHMOA bylaws amendments and also to approve the SMHOA budget. Both the proposed bylaw amendments and the SMHOA budget were unanimously approved. The following is a summary of the unanimously approved bylaw amendments:

Section Reference	Change
Recitals	Amend Recital A to change name of Developer from “Shadow Mountain Properties Ltd.” to “River’s Crossing Ltd.” Amend Recital B to delete “and construct the Golf Course”.
2.1	In the second sentence, replace “four or more Members who are Strata Corporations” with “two or more Members who are Strata Corporations”.
4.7	Delete “, and not more than 15 months after the holding of the last preceding annual general meeting”.
9.1	In the second line, replace “offices” with “officers”.
9.7	Replace the two references to “director” with “officer”.
17.1	In sub-paragraph (1) under “Speed Limit” replace “25 km per hour” with “30 km per hour”.

The SMHOA is in the process of completing the steps required to finalize its transition under the new *Societies Act* of British Columbia. The finalization of this transition is expected to be completed imminently and once completed the SMHOA bylaw amendments which were unanimously approved at the November 21, 2017 members meeting will be duly registered. The SMHOA governance is proceeding under the unanimously approved bylaw amendments and budget. The current members of the SMHOA are the following: the Developer; the West Strata Corporation (which became a member on its creation on December 15, 2009); The Owners, Strata Plan EPS153 (the “**East Strata Corporation**”) (the strata corporation forming part of the Community on the east side of Highway 95A which became a member on its creation on June 10, 2010); Shirley Organ (as owner of a subdivided lot on the east side of Highway 95A; and, the Golf Course Owner.

As the Community lands are subdivided by way of strata plan, the strata corporations created thereby will automatically become members of the SMHOA and each strata corporation within the Community will, in accordance with the SMHOA Bylaws, appoint one individual to the Board to serve as an appointed director for a term of one year. The term of each director appointed to the Board will terminate at the close of each annual meeting of the SMHOA, and the members in existence at that time, including the West Strata Corporation, will appoint, in accordance with the SMHOA Bylaws, one person to the Board to serve as an appointed director for a term of one year.

**Budgets/Rent Charge/Shared Areas and Facilities** – The SMHOA budget was unanimously approved at the members meeting of November 21, 2017. A copy of the SMHOA budget is attached as **Exhibit S-2**. The primary purpose of this budget is to manage shared Community costs and to establish a contingency fund to cover expenditures for any required non-annual repairs and maintenance. Member strata corporations, including the West Strata Corporation, collect the funds from their strata lot owners as part of their common expenses to cover the amounts to be contributed to the current operating account and the contingency fund as set out in the annual SMHOA budget. The obligation of each strata corporation to pay dues to the SMHOA will be secured by the Rent Charge (defined below) registered against title to each Strata Lot.

The SMHOA will be responsible for maintaining the Shared Areas and Facilities. The SMHOA will recover the costs for such obligations from the members of the SMHOA pursuant to a rent charge (the “**Rent Charge**”), in the form attached to this Disclosure Statement as **Exhibit K**. The Rent Charge is or will be registered against titles to the lands comprising the Community that will benefit from the Shared Areas and Facilities and will secure payment by the Strata Lot owners of all amounts owing from time to time to the SMHOA, including operating costs and other amounts, fees, costs and reimbursable expenses payable by the owners of the lands (the “**Secured Amounts**”), as more particularly set out in the SMHOA Bylaws.

The lands comprising the Shadow Mountain Golf Course and its related facilities are also charged by the Rent Charge.

The Rent Charge provides that payments due to the SMHOA are payable as and when they become due to the address of the SMHOA. The amounts payable to the SMHOA are to be allocated among the owners of lands charged by the Rent Charge in the manner set out in the following formula (also set out in the SMHOA Bylaws):

$$\text{The Shared Expenses} \quad \times \quad \frac{\text{Aggregate total of all Strata Lots in the SHMOA member's strata plan}}{\text{Aggregate total of all strata lots in all SMHOA members' strata plans}}$$



Provided that with respect to the Shadow Mountain Golf Course, for the purposes of the foregoing formula, it is deemed to have an aggregate total of 56 strata lots, allocated to the two legal parcels that comprise the Shadow Mountain Golf Course as follows: 50 strata lots to the Shadow Mountain Golf Course parcel to the west of Highway 95A and 6 strata lots to the Shadow Mountain Golf Course parcel to the east of Highway 95A.

**SMHOA – Holder of Covenants and Statutory Rights of Way** - The SMHOA has received a British Columbia Ministerial Designation under sections 218 and 219 of the *Land Title Act* permitting it to hold registered covenants and statutory rights of way that are charges against the Strata Lots, the Common Property and other lands located in the Community. The charges registered against the Strata Lots and Common Property are described in **Exhibit N-2**. These charges permit the SMHOA to control and deal with such matters as, but not limited to, the construction, installation, alteration, repair, maintenance and replacement of the Shared Areas and Facilities; snow clearing and snow storage; community mailbox; street lighting; storm water infrastructure; protection of certain ecological features; building restrictions and installation of water meters.

A copy of Statutory Right of Way CA1384501 in favour of the SMHOA is attached hereto as **Exhibit P**, and a copy of Covenant CA1384505 in favour of the SMHOA is attached hereto as **Exhibit Q**. Both of these charges are described in **Exhibit N-2**. The Statutory Right of Way sets out the rights and obligations of the SMHOA respecting the Shared Areas and Facilities and of the SMHOA to provide utility-type services. The Covenant requires owners to install a water meter to their Strata Lot at their expense, to use their Strata Lot in compliance with the SMHOA Bylaws, and in addition to complying with the Statutory Building Scheme and the Design Guidelines, to comply with any “improvement restrictions” imposed by the SMHOA.

**Exhibits K, P and Q** are attached to the Disclosure Statement.

**Exhibit N-2** and **Exhibit S-2** are attached to the Second Amendment.

Section 7.4(e) regarding Marketing by Auction is added to the Disclosure Statement as follows:

**(e) Marketing by Auction**

The Developer has made arrangements with Ritchie Bros. Auctioneers (Canada) Ltd. to market and auction by an unreserved bid certain selected Strata Lots with the assistance of Tom Moran, licensed realtor in British Columbia with the brokerage of RE/Max Dawson Creek Realty.

The auction is scheduled for June 13, 2018. The Developer will provide to interested purchasers the details of the auction event. In addition, interested purchasers may learn more about the auction at

[www.rbauktion.com/real-estate/cranbrook-bc-2018223](http://www.rbauktion.com/real-estate/cranbrook-bc-2018223)

Purchasers are on notice that additional fees related to the auction process may be payable over and above the purchase price of the particular auctioned Strata Lot.

The Developer's regular sales program for the Strata Lots will continue before, during and after the auction event and any of the selected auction Strata Lots remaining after the auction event will return to the Developer's inventory for continued marketing in the usual course.

**SIGNATURES**

**Deemed Reliance**

Section 22 of the *Real Estate Development Marketing Act* provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this 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 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 3, 2018.

SIGNED THIS 6th DAY OF june, 2018.

RIVER'S CROSSING LTD.

Per:

  
\_\_\_\_\_  
Authorized Signatory

  
\_\_\_\_\_  
Munir Virani  
Director