

DISCLOSURE STATEMENT

KOOCANUSA VILLAGE – LAKEVIEW TERRACE

OCTOBER 23, 2019

Developer:

KV Properties Inc.

Developer's Address for
Service:

**c/o Leffler Law Office
Box 1873
1361 7th Avenue
Fernie, British Columbia V0B 1M0
Attention: Gordon Leffler**

Developer's Business
Address:

**KV Properties Inc.
PO Box 1799, Fernie British Columbia, V0B 1M0
Attention: Reto Barrington**

or

**c/o Leffler Law Office
Box 1873
1361 7th Avenue
Fernie, British Columbia V0B 1M0
Attention: Gordon Leffler**

Developer's Real Estate
Broker and Brokerage
Address:

**The Developer has retained Fernie Real Estate
Company Ltd, a licensed real estate brokerage firm,
to market the strata lots. Contact information for the
firm is;**

**160 9 Avenue, Fernie B.C., V0B 1M0
Phone 250-423-2000**

DISCLAIMER

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.

RIGHT OF RESCISSION

Under section 21 of the *Real Estate Development Marketing Act* (the "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 the 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:

- (a) the developer at the address shown in the disclosure statement received by the purchaser,**
- (b) the developer at the address shown in the purchaser's purchase agreement,**
- (c) the developer's brokerage, if any, at the address shown in the disclosure statement received by the purchaser, or**
- (d) 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.

This Disclosure Statement relates to development units that are part of Strata Plan EPS 832, which was registered in the Kamloops Land Titles Office on January 24th, 2013. Please carefully review this Disclosure Statement for information on the items remaining to be completed.

AMENDED DISCLOSURE STATEMENT
KOOCANUSA VILLAGE – LAKEVIEW TERRACE
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KOOCANUSA VILLAGE LAKEVIEW TERRACE

1. THE DEVELOPER

1.1 Jurisdiction, Date of Incorporation and Incorporation Number

The developer is KV Properties Inc. (the "**Developer**"). The Developer was incorporated under the laws of British Columbia on June 21, 2018 under No. BC1169034.

1.2 Incorporated Specifically for Development/Other Assets

The Developer was not incorporated specifically for the purpose of developing the bare land strata lots, defined as the "**Remaining Strata Lots**" in Section 4.1, which are the subject of this Disclosure Statement. The Developer does own assets in addition to the Remaining Strata Lots.

1.3 Registered and Records Office Address

The Developer's registered and records office is:

**c/o Leffler Law Office
Box 1873
1361 7th Avenue
Fernie, British Columbia V0B 1M0
Attention: Gordon Leffler**

1.4 Directors

The director of the Developer required by section 14 of the *Real Estate Development Marketing Act* (the "**Act**") and section 9 of the Regulations thereto to sign this Disclosure Statement is Reto Barrington.

1.5 Developer's Background

- (a) On or about August 24, 2018, the Developer acquired the fee-simple ownership interests of 977230 Alberta Ltd. (the "**Previous Developer**") in the Development, and now wishes to complete the sales of the **Remaining Strata Lots** (as defined and legally described in Section 4.1 hereof). The Developer will retain, by contract, qualified development professionals with relevant real estate development expertise for the purposes of the offering and sale of the Remaining Strata Lots as described in this Disclosure Statement.
- (b) To the best of the Developer's knowledge, neither the Developer nor 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.

- (c) To the best of the Developer's knowledge, neither the Developer nor 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.
- (d) To the best of the Developer's knowledge, no director, officer or principal holder of the Developer, nor any director or officer of the principal holder, within the five years before the date of the Developer's declaration attached to this 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 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, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

1.6 Conflicts of Interest

There are no existing or potential conflicts of interest among the Developer, manager, any directors, officers, and principal holders of the Developer and manager, directors or officers of the principal holders, any person providing goods or services to the Developer, manager or holders of the development units in connection with the Development which could reasonably be expected to affect the purchaser's purchase decision except:

- (a) the Developer also owns the utility companies providing water and sewer to the Development; and
- (b) the Developer intends to develop other land adjacent to the Development.

2. GENERAL DESCRIPTION

2.1 General Description of the Development

The Developer is the registered owner of the "**Remaining Strata Lots**" as defined and legally described in Section 4.1 of this Disclosure Statement. This Disclosure Statement relates only to the offering and sale by the Developer of the Remaining Strata Lots.

The strata development (the "**Development**") includes a total of 64 bare land strata lots (the "**Strata Lots**") created upon the filing of Strata Plan EPS832 which was registered in the Nelson Land Title Office January 24, 2013. A copy of filed Strata Plan EPS832 is attached as Exhibit "A" hereto (the "**Strata Plan**").

As background information, former Lot 2, District Lot 10348, Kootenay District, Plan 8226 (PID 013-359-517), was subdivided previously into Lots 1 to 4, inclusive (the "**Parent Parcels**") by Subdivision Plan EPP14443 which was registered on June 26, 2012, a copy of which is attached as Exhibit "B" hereto. One of the Parent Parcels, then known as Lot 3, District Lot 10348, Kootenay District, Plan EPP14443 was further subdivided by the filing of the Strata Plan, creating the Strata Lots.

The original developer registered reciprocal access easement agreements (the "**Access Easements**") for and against each of the Parent Parcels, prior to the registration of any strata plans, and such Access Easements are currently registered as follows:

	Parent Parcel 1* Easement No. CA2648356	Parent Parcel 2 Easement No. CA2648357	Parent Parcel 3** Easement No. CA2648358	Parent Parcel 4 Easement No. CA2648359
Benefit / Legal Notation	Parent Parcel 2 Parent Parcel 3 Parent Parcel 4	Parent Parcel 1 Parent Parcel 3 Parent Parcel 4	Parent Parcel 1 Parent Parcel 2 Parent Parcel 4	Parent Parcel 1 Parent Parcel 2 Parent Parcel 3
Burden / Charge	Common Property EPS771 (partially discharged so this is now only registered against the CP EPS771)	Parent Parcel 2	Remainder Parent Parcel 3 And SL 1 to 64, EPS832 CP, EPS832	Parent Parcel 4

*Parent Parcel 1 now: Strata Lots 1 to 122 inclusive, EPS771.

**Parent Parcel 3 now: (Phase 1) Strata Lots 1 to 64 inclusive, Strata Plan EPS 832 and Remainder Parcel 3.

The Developer currently owns a fee simple interest in Parent Parcel 2, and Remainder of Parent Parcel 3 (which was created upon the subsequent filing of Phase 1 Strata Plan EPS832) and intends to register further strata plans or subdivision plans over such remaining Parent Parcels in the future. It is intended that such strata subdivisions will result in a sharing of common property and common expenses relating to such strata property developments with the owners of the Strata Lots (but the implementation of that intention is not certain and may not occur). Each strata corporation created by any such future strata subdivisions may ultimately share common property and common expenses

relating to same with owners of the Strata Lots, but the implementation of such processes is not certain and may not occur.

Some of the Strata Lots in the Development have been sold previously and the Developer is only marketing the fee simple interests in the unsold Remaining Strata Lots (as defined in Section 4.1 below). The owner of a Remaining Strata Lot will be responsible for constructing a home in compliance with the building requirements for the Development as described in Section 2.3 of this Disclosure Statement. Each owner of a Remaining Strata Lot will own an equal share in the Common Property of the Strata Corporation for Strata Plan EPS832, including common facilities, if any, and other assets of the Strata Corporation.

Strata Lots 60 and 61 are not being marketed and will not be marketed until restrictive covenant CA2967205 is removed from title.

A community association, named Kooconusa Village Community Association (the "**Community Association**"), was created previously for the Development and manages the collective common property in the Development. A rent charge is registered in favour of the Community Association against titles to the Strata Lots to secure payment of Community Association fees. A copy of the Community Association Rent Charge which was registered in the Land Title Office on July 11, 2012 under number CA2651891 with respect to, inter alia, the Development, is attached as Exhibit "C" hereto.

2.2 Permitted Use

The Remaining Strata Lots are currently zoned by the Regional District of East Kootenay (the "**RDEK**") under Bylaw No. 2127, 2009 as amended by Bylaw No. 2226 (the "**Zoning Bylaws**"). The Zoning Bylaws can be accessed and reviewed on the RDEK website

http://www.rdek.bc.ca/bylaws/ocp_zoning_landuse/zoningbylaws/sweetwaterzoning/

The Development is zoned R-1B (Single Family Residential - Medium Lot Zone). The permitted use for the Development is limited to single family dwellings. Home-based businesses, secondary suites and uses, buildings and structures accessory to a permitted use are also permitted. Any other use is prohibited. Each Strata Lot may contain one dwelling unit. No Strata Lot may be used for any commercial or other purpose which is not accessory to residential purposes. The Zoning Bylaws set out, among other things, the minimum parcel sizes, maximum height, maximum parcel coverage and front, rear and side yard setback requirements.

2.3 Building Construction

Construction of all improvements on each Remaining Strata Lot will be the sole responsibility of the owner of that Remaining Strata Lot. Each owner of a Remaining Strata Lot will be required to obtain a building permit from the RDEK.

Before obtaining a building permit from the RDEK, an owner must comply with the Zoning Bylaws, the Statutory Building Scheme registered against title to the Strata Lots on January 24, 2013 under No. CA2967193, a copy of which is attached as Exhibit "D" hereto, as well as the Design Guidelines, a copy of which is attached as Exhibit "E"

hereto. The Design Guidelines, as amended from time to time, provide a comprehensive process an owner must go through to obtain approval to build, including obtaining the consent of the Design Review Coordinator ("**DRC**") as set out in the Design Guidelines.

The Design Guidelines permit modular homes, provided that they comply with the relevant requirements under the Design Guidelines. The Design Review Coordinator will charge a administration charge fro for complete design guideline review. Such administration charges shall be \$1,250.00.

At the time of the filing of this Disclosure Statement, the Developer is of the view that the Statutory Building Scheme, as currently existing, should be amended to change the definitions of "Grantor", "Developer" and "Design Review Coordinator" (as defined therein) to reflect the name of the current Developer or designated agent of Developer. The Developer will endeavour to obtain any requisite approvals for such proposed amendment. Descriptions in this Disclosure Statement of requirements under the Statutory Building Scheme reflect the current requirements of the Statutory Building Scheme.

2.4 Phasing

The Development will not be a phased development.

3. STRATA INFORMATION

3.1 Unit Entitlement

The unit entitlement of a Strata Lot is a figure representing the share of that Strata Lot's:

- (a) common property and common assets of the Development; and
- (b) contribution to the liabilities and expenses of maintaining and repairing the common property of the Owners, Strata Plan EPS832 (the "**Strata Corporation**").

In accordance with the *Strata Property Act*, the unit entitlement of each Strata Lot is expressed as a whole number that is equal for each of the Strata Lots. The unit entitlement for each of the Remaining Strata Lots is that which is shown on the Form V, Schedule of Unit Entitlement which was filed in the Land Title Office (with Strata Plan EPS832) on January 24, 2013 under No. CA2967190 and which is attached as Exhibit "F" hereto.

3.2 Voting Rights

Each Strata Lot owner is allocated one (1) vote in the proceedings of the Strata Corporation.

3.3 Common Property and Facilities

The Common Property of Strata Plan EPS832 is comprised of those areas not included within the boundaries of the Strata Lots and which are shown as “Common Property” or “CP” on the Strata Plan. Restrictions and privileges relating to use of the Common Property are contained in the **By-Laws** of the Strata Corporation (defined in Section 3.5 below, which By-Laws are attached as Exhibit “G” hereto). There are no common facilities in the Strata Plan. Common assets in the Development are:

- (a) common access roads;
- (b) pathways; and
- (c) green spaces.

As set out in Section 2.1 above, Easement No. CA2648358 is registered against the Common Property of Strata Plan EPS832 in favour of the registered owners of the other Parent Parcels to effect the sharing of Common Property in different strata corporations. Likewise, Easement Nos. CA2648356, CA2648357 and CA2648359 are registered against Parent Parcels 1, 2 and 4 in favour of the owners of the Strata Lots so that the owners of the Strata Lots can utilize the common areas of other strata corporations, which may be created on those Parent Parcels.

3.4 Limited Common Property

At the time Strata Plan EPS832 was filed in the Land Title Office, there was no designation of Limited Common Property in favour of any owner of a Strata Lot and no amendment has been filed in the Land Title Office as of the date of this Disclosure Statement designating any Common Property as Limited Common Property on Strata Plan EPS832.

3.5 Bylaws

The Strata Corporation's By-Laws (the "**By-Laws**") are those registered in the Land Title Office on January 13, 2013 under No. CA2967192, a copy of which is attached as Exhibit "G" hereto.

Under the By-Laws, Strata Lot owners are required to keep their respective Strata Lot in good repair and to use the Common Property and the Strata Lot in a manner that will not negatively impact other owners or their rights to use their Strata Lots or the Common Property.

The By-Laws provide that any dwelling cannot be used for any other purpose other than a private residence or vacation home for a single family. The By-Laws restrict parking of trailers, boats and recreational equipment except in areas not visible from roads or another Strata Lot.

The By-Laws provide that domestic pets are permitted on a Strata Lot but the owner must ensure that such pets do not damage Common Property or interfere with other owners.

3.6 Parking

Parking for the Remaining Strata Lots shall be located on each Remaining Strata Lot. The Zoning Bylaws dictates certain requirements for parking, one of which is that two off-street parking spaces will be provided for each Strata Lot. There will not be public or visitor parking located on the Common Property of the Development.

3.7 Budget

The estimated annual operating costs and budget of the Strata Corporation for the 2018/2019 are as set forth in the "**2019-2020 Budget**" attached as Exhibit "H" hereto. This sets out the monthly assessments for each of the Strata Lots in the Development during the operating year ending February 28, 2020.

Strata Lot owners will be responsible for paying for utilities and any other services provided to their Strata Lots. Services provided to the Common Property of the Strata Corporation will be paid through strata fees.

3.8 Utilities and Services

3.8.1 Water

The Remaining Strata Lots have been connected to their respective lot lines to a private water system owned and operated by 0938534 BC Ltd. (the "**Water Utility**"). The Water Utility has obtained a Certificate of Public Convenience and Necessity which was issued on June 7, 2012 under Certificate No. 1442.

A Statutory Right of Way has been granted in favour of the Water Utility and is registered against the Common Property of Strata Plan EPS832 under number CA2652033.

A copy of the Statutory Right of Way can be obtained from the Land Title Office.

Waterlines connecting a Remaining Strata Lot to the water system shall be, to the extent the lines are located on the Remaining Strata Lot, the responsibility of the Remaining Strata Lot owner and the costs associated with connecting the dwelling on the Remaining Strata Lot to the lot line connection will be borne by the Remaining Strata Lot owner. Prior to connection, there will be a standby fee and a connection fee charged by the Water Utility.

The Developer confirms that as of the date of this Disclosure Statement, the power source for the pumps connecting to the supply wells for the water supply is temporarily being provided by a gas-powered generator, managed by the Water Utility.

3.8.2 Electricity

Domestic power is not available to each Remaining Strata Lot at the lot line. Installation of domestic power will be the responsibility of each Remaining Strata Lot owner. The costs of connecting the service to the panel on any Strata Lot will also be at the cost of

the Remaining Strata Lot owner. Installation of electrical service must be coordinated with the local service provider, B.C. Hydro.

Typical service size is designed for 200 amps, but additional supply is available upon request.

3.8.3 Sewerage

The Remaining Strata Lots are connected at the lot line to a private sewer system owned and operated by 0938522 BC Ltd. (the "**Sewer Utility**"). The Sewer Utility has obtained a Municipal Wastewater Regulation (MWR) Registration No. 105466. Servicing of the Strata Lots with sewer has been completed. Unless and until the treatment plant is fully operational, the Sewer Utility reserves the right to continue to pump effluent out of the cisterns and to truck effluent/sewer discharge from receptacles to off-site locations rather than treating it. Sewer lines, along with works ancillary thereto, necessary for the servicing of the Development, are located on the Common Property as well as on certain portions of some of the Strata Lots.

A Statutory Right of Way has been granted in favour of the Sewer Utility and is registered against the Common Property of Strata Plan EPS832 under number CA2652034

A copy of the Statutory Right of Way can be obtained from the Land Title Office.

Sewer lines connecting a Remaining Strata Lot to the sewer system shall be, to the extent the lines are located on the Remaining Strata Lot, the responsibility of the Remaining Strata Lot owner and any costs associated with connecting any dwelling on the Remaining Strata Lot to lot line connection will be borne by the Remaining Strata Lot owner. Prior to connection, a standby fee charged and a connection fee will be charged by the Sewer Utility.

3.8.4 Natural Gas

There is currently no natural gas service provided in the Development.

The Statutory Rights of Way in favour of the Sewer Utility also allow it to install propane distribution lines in the Right of Way area to service the Development with propane in future. The Developer or the Sewer Utility may create a propane tank farm on the Common Property, to service the Strata Lots. If created, such propane tank farm shall distribute the propane throughout the Development across the Common Property of Strata Plan EPS832.

3.8.5 Fire protection

The Development is outside of established fire protection boundaries for local fire departments. If fire protection districts were expanded, fire protection could be provided by volunteer fire departments in the nearby communities of Baynes Lake or Jaffray. Baynes Lake and Jaffray are located approximately 20 kilometers and 34 kilometers respectively from the Development.

3.8.6 Telephone

There is no telephone service provided in the Development. The Statutory Rights of Way in favour of the Sewer Utility do allow telecommunications cabling to be placed within the Right of Way areas. All costs associated with the provision of telephone service to the Remaining Strata Lots are costs of the Remaining Strata Lot owners.

3.8.7 Access

Legal access to the Development is provided by a publicly-dedicated road known as Marcer Drive.

Within the Development, access to the Strata Lots is provided by a road located on the Common Property of the Strata Corporation. The road is currently not completed. The cost of such completion is the responsibility of the Strata Corporation who will seek payment for a proportionate share of such cost from all strata lot owners by way a special levy. Once completed, the Strata Corporation is responsible for the internal road on the Common Property of the Strata Corporation. Each Remaining Strata Lot owner will be responsible for the development costs of driveways on each respective Remaining Strata Lot.

3.9 Strata Management Contracts

As of March 1, 2018, the Strata Corporation has entered into a management agreement with a professional property management company, Snow Valley Strata Management (with whom the Developer deals at arm's length and which is not related to the Developer or its directors) to provide property management services to the Strata Corporation. A copy of the management agreement is attached hereto as Exhibit "I".

3.10 Insurance

The Strata Corporation has obtained the following insurance coverage with respect the Strata Corporation:

- (a) General liability insurance in the amount of Five Million Dollars (\$5,000,000.00);
- (b) Bodily injury and property damage in the amount of Five Million Dollars (\$5,000,000.00);
- (c) Personal & advertising injury liability in the amount of Five Million Dollars (\$5,000,000.00).

Purchasers of Remaining Strata Lots must obtain their own construction and all-risk property insurance coverage with respect to any buildings on their Remaining Strata Lots and contents thereof and liability insurance for their Remaining Strata Lots, as well as any other insurance such owners deem appropriate.

3.11 Rental Disclosure Statement

Section 139 of the *Strata Property Act* of the Province of British Columbia provides that a developer must disclose to any purchaser the developer's intention to rent or lease strata lots. It was the intention of the Previous Developer to sell all of the bare land strata lots in the Development to individuals for their own use. However, the Previous Developer reserved the right to rent or lease Strata Lots which are not sold. A copy of the Rental Disclosure Statement filed previously with the Superintendent of Real Estate is attached hereto as Exhibit "J".

4. TITLE AND LEGAL MATTERS

4.1 Legal Description

The legal descriptions for those Strata Lots in Strata Plan EPS832 owned by the Developer and in respect of which this Disclosure Statement relates (the “**Remaining Strata Lots**”) are as follows:

PID	Legal Descriptions
029-003-008	Strata Lot 7, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-091	Strata Lot 16, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-113	Strata Lot 18, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-172	Strata Lot 24, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-181	Strata Lot 25, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-199	Strata Lot 26, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-253	Strata Lot 32, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-261	Strata Lot 33, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-270	Strata Lot 34, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-300	Strata Lot 37, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-342	Strata Lot 41, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-351	Strata Lot 42, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-369	Strata Lot 43, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-377	Strata Lot 44, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-385	Strata Lot 45, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-393	Strata Lot 46, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-407	Strata Lot 47, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-415	Strata Lot 48, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-423	Strata Lot 49, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-431	Strata Lot 50, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-440	Strata Lot 51, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-466	Strata Lot 53, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-474	Strata Lot 54, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-491	Strata Lot 56, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-504	Strata Lot 57, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-512	Strata Lot 58, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-521	Strata Lot 59, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-539	Strata Lot 60, District Lot 10348, Kootenay District, Strata Plan EPS832

PID	Legal Descriptions
029-003-547	Strata Lot 61, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-555	Strata Lot 62, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-563	Strata Lot 63, District Lot 10348, Kootenay District, Strata Plan EPS832
029-003-571	Strata Lot 64, District Lot 10348, Kootenay District, Strata Plan EPS832
	All together with an Interest in the Common Property in Proportion to the Unit Entitlement of the Strata Lot as Shown on Form V.

Note: Lots 60 and 61 are subject to a Covenant more particularly described in section 4.3(b)(ix) which prevents these lots from being marketed until such time as the structure which straddles the common lot line shared by these two lots is demolished.

4.2 Ownership

The Developer is the registered owner of the Remaining Strata Lots.

4.3 Existing Encumbrances and Legal Notations

As of the date of this Disclosure Statement (based on Land Title Office searches for each of the Remaining Strata Lots and the Common Property of Strata Plan EPS832, the following legal notations and liens, charges and interests are registered against, *inter alia*, the Remaining Strata Lots and/or the Common Property of Strata Plan EPS832 (complete copies of which are available to the public at the Land Title Office, unless otherwise indicated as being attached as an Exhibit hereto), and are briefly described as follows:

(a) Legal Notations:

- (i) Easement CA2648356 over Lot 1 Plan EPP14443 (for the benefit of, *inter alia*, the Remaining Strata Lots and the Common Property of Strata Plan EPS771) for the purpose of access over Lot 1 Plan EPP14443
- (ii) Easement CA2648357 over Lot 2 Plan EPP14443 (for the benefit of, *inter alia*, the Remaining Strata Lots and the Common Property of Strata Plan EPS771) for the purpose of access over the common property of Lot 2 Plan EPP14443;
- (iii) Easement CA2648359 over Lot 4 Plan EPP14443 (for the benefit of, *inter alia*, the Remaining Strata Lots and the Common Property of Strata Plan EPS771) for the purpose of access over the common property of Lot 4 Plan EPP14443;

(b) Charges, Liens and Interests

- (i) Easement CA2648358 (for the benefit of, *inter alia*, the Remaining Strata Lots and Lots 1, 2 and 4 Plan EPP14443) for the purpose of access over the common property of Strata Plan EPS832 Lot 3 Plan EPP14443;

- (ii) Rent Charge registered under number CA2967201 in favour of Water Utility (charging, *inter alia*, the Remaining Strata Lots) to secure the annual water availability of service charge;
- (iii) Rent Charge registered under number CA2967199 in favour of Sewer Utility (charging, *inter alia*, the Remaining Strata Lots) to secure the annual sewer availability of service charge;
- (iv) Rent Charge registered under number CA2651891 in favour of Koocansa Village Community Association (charging, *inter alia*, the Remaining Strata Lots) to secure the annual service charge for the maintenance of the Sweetwater Community Association's administration, facilities and the provision of its services;
- (v) Section 219 Covenant registered under number CA2967194 in favour of Water Utility (charging, *inter alia*, the Remaining Strata Lots) restricting water usage on the Strata Lots, and providing in particular, no more than 325 imperial gallons may be used per Strata Lot per day for irrigation of water supplied by the Water Utility;
- (vi) Statutory Building Scheme registered under number CA2967193, charging *inter alia* the Remaining Strata Lots, and restricting and providing for the use of the Strata Lots to ensure that each Strata Lot within the Development is developed, maintained and preserved for high quality residential use and enjoyment. The Statutory Building Scheme includes *inter alia* certain land use rules and regulations, site planning guidelines, architectural guidelines, and landscape guidelines. A copy of the Statutory Building Scheme is attached as Exhibit "D" hereto;
- (vii) Mortgage CA7021396 (as Modified by CA7663641) and Assignment of Rents CA7021397 (as Modified by CA7663642) in favour of 977230 Alberta Ltd., in respect of which partial release arrangements are in place upon the sale of each of the Remaining Strata Lots.
- (viii) Mortgage CA7663643 and Assignment of Rents CA7663644 in favour of 1213904 B.C. Ltd., in respect of which partial release arrangements are in place upon the sale of each of the Remaining Strata Lots.
- (ix) Covenant CA2967205 in favour of the Regional District of East Kootenay against Strata Lots 60 and 61 stating that these 2 Strata Lots shall not be sold or otherwise transferred separately as at the time of the Covenant (January 24, 2013) there was a structure which straddled the boundary of Strata Lots 60 and 61.
- (x) Covenant CA2967197 in favour of the Crown and the Regional District of East Kootenay against Strata Lots 58, 59 and 60 stating that no construction or disturbance of any kind shall occur on an area shown in bold on Plan EPP20410 and EPP27036 due to the presence of a potential natural geotechnical hazard.

- (xi) Statutory Rights of Way registered under numbers CA2652033 and CA 2652034 over the Common Property of Strata Plan EPS832 in favour of Water Utility and Sewer Utility respectively for the purpose of constructing, installing, maintaining and operating a water system, a sewage collection system and ancillary works as well as any components necessary for power, propane, telecommunications and television cable service
- (xii) Statutory Rights of Way registered under numbers CA3112813 and CA3112814 over the Common Property of Strata Plan EPS832 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc. respectively for the purpose of telecommunications, data transmission and distributing electricity. Proposed Encumbrances

The following are encumbrances that the Developer may register against title to the Development:

- (c) Any and all encumbrances required by any municipality, regional or provincial government body or by any utility provider.

4.4 Outstanding or Contingent Litigation or Liabilities

Outstanding or contingent litigation or liabilities known to the Developer that might affect the Strata Corporation or any Remaining Strata Lot owner can be described as follows:

- (a) Upgrading or provision of 3 phase power to the water system to be completed by the Developer pursuant to Section 3.8.1 of this Disclosure Statement;
- (b) Upgrading or provision of 3 phase power to the waste water treatment facility to be completed by the Developer.
- (c) Strata Lots 1 to 35 are in the process of completing geotechnical remediation which must be completed prior to the ability of the owner of a Strata Lot in this group of lots to obtain a building permit from the Regional District of East Kootenay. This is the obligation of the Strata Corporation, which will be paid for by Special Levy as approved on July 30, 2019 and is attached hereto as Schedule "K". This work was commenced on September 4th, 2019 and is scheduled to be completed by May 1st, 2020.
- (d) Power is required to be installed to all Remaining Strata Lots which is the responsibility of the Strata Corporation, which will be paid for by Special Levy as approved on July 30, 2019 and is attached hereto as Schedule "K". This work is scheduled to commence on April 1st, 2020 and completed by June 1st, 2020.
- (e) Pursuant to paragraph 6.2 of Policy Statement 2, Developer confirms that it has adequate capital to complete its' obligations to complete the utilities and other services associated with the Remaining Strata Lots.

4.5 Environmental Matters

There are no known environmental issues associated with any of the Remaining Strata Lots. Note should be taken of the previously disclosed geotechnical issues identified in sections 4.3(b)(x) and section 4.4(c).

5. CONSTRUCTION AND WARRANTIES

5.1 Construction

The Strata Plan for EPS 832 was deposited in the Kamloops Land Titles Office on January 24th, 2013. The Remaining Strata Lots are subject to some additional construction of electrical service and geotechnical remediation as set out herein in paragraphs 4.4(c) and (d).

5.2 Warranties

There are no construction or other warranties with respect to the Remaining Strata Lots.

6. APPROVALS AND FINANCES

6.1 Development Approval

All development approvals relating to the development, construction and servicing of the Development were obtained by the Previous Developer and with the exception of the completion of the items noted in paragraphs 4.5 (c) and (d), no further development approvals are required in connection with the Remaining Strata Lots.

7. MISCELLANEOUS

7.1 Deposits

All deposits payable by purchasers of Remaining Strata Lots under any **PSA** (as defined in Section 7.2 of this Disclosure Statement) will be held by the Developer's lawyer, Gordon Leffler, Barrister and Solicitor, of 1361 7th Avenue, Fernie, British Columbia V0B 1M0, in trust and in the manner required by the Act.

7.2 Purchase Agreement

A copy of the Developer's preferred form of purchase agreement with respect to the sale and purchase of a Remaining Strata Lot is attached as Exhibit "L" to this Disclosure Statement (the "**PSA**").

7.3 Developer's Commitments

Some or all of the following Developer's commitments may be completed after completion of the sale of Remaining Strata Lots. The Developer will endeavour to cause the water and sewer utility companies to complete any upgrades to the water and sewer systems servicing the Remaining Strata Lots if so required by governmental authorities.

7.4 Other Material Facts

The Developer is not aware of any other material facts relating to the offering and sale of the Remaining Strata Lots not otherwise disclosed herein.

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 defenses available under section 22 of the Act.

DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Remaining Strata Lots, comprising portions of the Development referred to above, as required by the *Real Estate Development Marketing Act of British Columbia*, as of October 23, 2019.

KV Properties Inc, by its authorized signatory:

Per: _____
Reto Barrington

Per: _____
Reto Barrington
Director
KV Properties Inc.