

**NICOLA ESTATES
BARE LAND STRATA LOTS**
Nicola Lake, British Columbia

CONSOLIDATED DISCLOSURE STATEMENT

August 31, 2021

Real Estate Development Marketing Act

Developer:

NICOLA LAKESHORE ESTATES INC.

Address for Service in BC:

300 – 180 Seymour Street, Kamloops, BC V2C 2E3

Attn: Scott Huyghebaert

Business Address:

106 – 1121 McFarlane Way, Merritt, BC V1K 1B9

Developer's Marketing/Real Estate Agent

Nicola Estates Bare Land Strata Lots will be marketed by the Developer's in-house sales employees, who may or may not, be licensed under the *Real Estate Services Act*, and who will be acting on behalf of the Developer and will not be acting on behalf of the purchaser.

TO PURCHASERS:

This Disclosure Statement relates to a development property that is not yet completed. Please refer to Section 7.2 of this Disclosure Statement for information on the purchase agreement. That information has been drawn to the attention of _____, who has confirmed that fact by initialing in the space provided here. By the same initial, the purchaser also acknowledges that the purchaser has received, and has been given the opportunity to read the Disclosure Statement prior to signing the purchase agreement.

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 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 purchaser's deposits with a brokerage, lawyer or notary public who must place the deposit 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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DISCLOSURE STATEMENT

1. THE DEVELOPER

1.1 The Developer

The Developer is a company incorporated under the laws of the Province of British Columbia on April 15, 1994 (Incorporation Number 470906).

1.2 Purpose of the Developer

The Developer was specifically incorporated to hold and develop the subdivision lands and holds no other assets than those of the lands.

1.3 Registered and Records Office

300 – 180 Seymour Street
Kamloops, BC V2C 2E3
Attn: Scott Huyghebaert

1.4 Directors

Chanchal S. Bal
James Thomas Rabbitt
Frank Rizzardo
Sukhdev Singh Sandur

1.5 The Developer's Background

The Developer has developed and marketed the original Nicola Lakeshore Estates. The Directors of the Developer have been developing real estate properties since 1996 in British Columbia, with a combination of multiple family lots and commercial lots.

- a) 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 any principal holder, within 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.
- 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 any principal holder, within five years before the date of the Developer's declaration attached to the Disclosure Statement, 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 has instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

- c) To the best of the Developer's knowledge, neither any director, officer or any principal holder of the Developer, nor any director or officer of the principal holder of the Developer, within five years before the date of the Developer's Phased Strata Plan Declaration attached to the Disclosure Statement, has been a director or officer or the principal holder of any other developer that, while that person was acting in that capacity, that the 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 has 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

The Developer is not aware of any existing or potential conflicts of interest among the Developer, manager, any directors, officers or principal holders of the Developer and manager, any directors or officers of the principal holders, and any person providing goods or services to the Developer, manager or holders of the development strata lots in connection with the development which could reasonably be expected to affect the purchaser's purchase decision.

2. GENERAL DESCRIPTON

2.1 General Description of the Development

- (a) The Development – Nicola Estates Bare Land Strata (the "Development") is a development consisting of 4 phases totaling 39 bare land strata lots, plus a resort office.

The lots are all bare land strata lots. The strata lots are intended for residential recreational use or resort use in accordance with the respective zoning referenced in Section 2.2 hereof. The approximate location of the Development is shown on a Site Plan attached hereto as **Schedule 1**. The approximate location of each strata lot is set out in **Schedule 2**.

- (b) Location – The Development is situated about mid-lake on the northwest shore of Nicola Lake approximately 12 km from Highway 5 at Nicola Ranch. The Development is immediately to the northeast of Monck Park Provincial Campsite.

- (c) Phased Development – This Development is a phased development. Should any land be a remainder due to timing of the construction/marketing, then the Developer reserves the right to develop that property in accordance with available zoning bylaws. Purchasers will be required, as a condition of the purchase of a strata lot, not to oppose the further development by the Developer of the lands adjoining the Development, but will be required by paragraph 11 of the Contract attached hereto as **Schedule 6** to support the further development. Prospective Purchasers should review Paragraph 11 of **Schedule 6** to understand this obligation.

2.2 Permitted Use

A copy of the Thompson Nicola Regional District (“TNRD”) Zoning Bylaw is attached as **Schedule 5**. The use of the strata lots will comply with the Restrictive Covenants described in paragraphs 4.4(b) hereof and the Statutory Building Scheme described in paragraph 4.4(c) hereof.

The properties are now within the LR 2 zoning of the TNRD zoning plan. The TNRD has approved a Development Variance Permit (“DVP”) establishing a minimum parcel size for the 39 strata lots. The strata lots maybe rented by the owners for long and short term rentals. The main use for the parcels is residential use (not resort C-4). The TNRD contact is Dan Wallace, Planner, and can be reached at 250-377-8673 or danwallace@tnrd.bc.ca.

2.3 Building Construction

- (a) Types of Building – The Developer may construct one or more homes either as show, custom or spec homes. Each Purchaser will be responsible for construction of his/her own home on the strata lot he/she purchases and for complying with all applicable building restrictions. There will be a Statutory Building Scheme registered against the title to each of the strata lots covered by a covenant. A copy of the Statutory Building Scheme for lots 75-77 is attached as **Schedule 4 & 4 (a)**, and a Statutory Building Scheme for the Strata is also attached.
- (b) Type of Construction – All buildings shall be in accordance with the Statutory Building Scheme and TNRD Bylaws. A building permit will be required from the TNRD. But reviewed and approved by the developer for fit and finish for overall project.

2.4 Phasing

Nicola Estates Resort Bare Land Strata Lots will consist of 4 phases as follows (provided that the Developer may consolidate any 2 or more phases into a single phase):

- Phase 1: Strata Lots 1-9
- Phase 2: Strata Lots 10-28
- Phase 3: Strata Lots 29-34
- Phase 4: Strata Lots 35-39

NOTE:

Purchasers are cautioned that the Developer is entitled not to proceed with subsequent phases. The Ministry of Transportation and Infrastructure (“MOTI”) has approved the phasing and will sign the Form P, the Phased Strata Plan Declaration, which is attached as **Schedule 8**.

3. STRATA INFORMATION**3.1 Unit Entitlement**

The Unit Entitlement specifies the share of an owner in the common property, common facilities and other assets of the Strata Corporation. It is also the figure used to determine the owner’s contribution toward the common expenses. The Unit Entitlement for each of the Nicola Estate Resort strata lots will be one (1). The Form V Schedule of Unit Entitlement registered with the Phased Strata Plan is attached as **Schedule 9**.

3.2 Voting Rights

The owner of each Nicola Estates strata lot is entitled to one (1) vote.

3.3 Common Property and Facilities

(a) (i) Nicola Estates Common Property – The Common Property of the Nicola Estates will include the following:

- Lanes (excluding roads A & B, as shown on the Nicola Estates plan, which will be the property of the Strata, curbing and lanes
- Landscaped features
- Paths and trails
- Water & Sewer * & Storm Water

(ii) The Water & Sewer main Utilities within the common land – will be owned by Nicola Lakeshore Water Utility Co. Ltd.

(b) Shared Amenities and Recreation Facilities – It is intended that Nicola Estates Resort will be developed as an integrated community. The recreational facilities such as trails, which the Developer builds in the Development will be for the use and enjoyment of the owners of all strata lots and subdivided lots in the Development, regardless of where those recreational facilities are located within the Development, and the operating costs thereof shall be paid by the owners of the strata lots and subdivided lots in the Development, office (collectively, the “Community Amenities”).

The Community Amenities will be administered by the strata council (the “Community Amenities Council”).

- (c) **Initial Capital Cost** – The initial capital cost of the Community facilities, will be paid by the Developer.
- (d) **Operating and Maintaining the Community Amenities** – will be carried out by the strata corporation in accordance with the *Strata Property Act of BC*.
- (e) **Equitable Charge** – The Developer may register an equitable charge over subdivided lots which form part of a strata plan, to secure the payment obligations hereunder which are applicable thereto.

3.4 Limited Common Property

Limited Common Property (“Limited Common Property”) consists of areas within the Common Property that may be designated for the exclusive use of one or more strata lot owners.

No Limited Common Property has been designated for any of the Nicola Estates strata lots.

3.5 Bylaws

The bylaws of the strata corporation created upon the filing of the strata plan for the Phase 1 Nicola Estates (the “Nicola Estates”) are attached hereto as **Schedule 10** (the “Bylaws”). Pet restrictions are contained in Sections 3(3) & 3(4) thereof.

3.6 Parking

Parking for owners will be within their respective Nicola Estates strata lots. In addition to any visitor parking available within any strata lot, visitor parking may be located within the road allowance of the strata road shown on the Nicola Estates plan in designated areas, but those areas are not part of the Development and the Developer offers no assurance of the availability of this parking..

3.7 Budget

Attached as **Schedule 11** is the most recent strata corporation budget for Phases 1 and 2 for the 12 month period after the deposit of the Phase 1 Strata Plan in the Land Title Office.

Schedule 11 also includes the estimated Monthly Strata Fees for the individual strata lots in Phases 1 and 2.

Pursuant to Section 7 of the *Strata Property Act*, the Developer must pay the Strata Corporation’s expenses up to the end of the month in which there is the first conveyance of a strata lot to a Purchaser. Pursuant to Section 14 of the *Strata Property Act*, after that month and before the first annual budget takes effect, if the Strata Corporation’s expenses exceed the estimated expenses in the interim budget, then the Developer must pay the

excess to the Strata Corporation. In addition to paying the amount of the excess expenses, where those excess expenses are more than 10% or more than 20% of the amounts estimated in the interim budget, Section 3.1(1) of the *Regulations* requires the Developer to pay to the Strata Corporation a further amount equal to two times (if the excess is more than 10%) or three times (if the excess is more than 20%) of the amount of the excess.

3.8 Utilities and Services

Because the Development is located outside of the boundaries of a municipality, certain services are being provided by the Regional District, while other utilities will be provided by the Nicola Lakeshore Water Utility Co. Ltd. (in this paragraph 3.8 called the "Utility") or others. Utility charges begin with the transfer of title to a Purchaser.

- (a) Water Service – Water services have been constructed in the overall Development by the Developer to the lot line of each strata lot in the Development. The well from which the water is provided and the entire infrastructure for the delivery of water to the strata lots has been transferred to the Utility by the Developer. The water system will deliver a maximum of 500 gallons per day to each dwelling for domestic use at an approximate basic rate of \$45.00 per month/dwelling. Water use will be metered by a meter required to be installed by each purchaser. Water use in excess of 500 gallons per day will be separately billed by the Utility at the rates established from time to time. The Purchasers will not be permitted to construct wells on any strata lots. The strata lot purchaser must purchase a water meter & transponder from the utility.

The Comptroller of Water has assigned CPCN No.: 1606 to this Development, attached as **Schedule 21**.

- (b) Sanitary Sewer Service – Sewer services have been constructed by the Developer for the overall Development to the lot line of each strata lot. The infrastructure for the sewer service has been transferred to the Utility. The Utility will charge approximately \$61.00 per month/dwelling for commercial properties for the sewer services, subject to adjustment from time to time.

All sewage will be treated, pumped into the treated irrigation reservoir or into two infiltration fields. The treated liquid waste from this treatment plant will be treated and provided as water available to the Development for irrigation purposes. The Developer has received approval for the system from the Ministry of Environment.

A strata lot Purchaser must provide plans for approval and no plans will be approved unless such plans include provision for the installation of a grinder pump, which pump will be provided by the "Utility", at the Purchaser's cost, prior to closing.

- (c) Electrical Service – Electrical service infrastructure has been provided to the overall Development. Each strata lot will be connected to the electrical service by BC Hydro. Connection and hook up charges, as well as monthly usage charges, will be billed by BC Hydro to the Purchaser of a strata lot. It is contemplated that 100 amp services will be provided.
- (d) Telephone Service – Telephone service infrastructure will be provided by the Development at the Developer's cost. Connection and hook up charges, as well as monthly usage charges, will be billed by TELUS to the purchaser of a strata lot.
- (e) Access – Access to the overall Development is by way of a paved road known as Monck Park Road. The Developer has constructed Waterside Trail and the strata road to access strata lots. Monck Park Road & Waterside Trail roads are public road maintained by the Province of British Columbia. The roads built by the Developer have been built to provincial Ministry of Transportation and Infrastructure standards and have been dedicated to and maintained by the Crown (Ministry of Transportation and Infrastructure). The finished road has an additional parking lane provided for boat trailers. The access to the Nicola Estates Resort will be constructed off of Waterside Trail
- (f) Schools – There are no schools in the immediate Monck Park area, the nearest schools are in Merritt, BC, approximately 15 km from the Development. Purchasers are advised that they are responsible for transportation of students to schools.
- (g) Garbage – There is no garbage pickup at the Development. Garbage drop off facilities have been constructed by the Developer on the site at the operations building and will be hauled to the Lower Nicola Refuse Site, operated by the TNRD, on Highway 8 west of Merritt, approximately 31 km from the Development. Recycled products are hauled to Kelowna some 150 km from the development. A monthly user charge will be billed by the Utility to the property owner which will vary to volume dropped off, currently set at \$21.02/month/dwelling, subject to adjustment.
- (h) Gas – There is a grid propane service installed that will provide metered propane to each home. Strata lot owners will need to pay a hook up fee and monthly rental & usage fee to the Propane Company directly.
- (i) Fire – There is a fire fighting readiness charge in the amount of \$4.00 / month to cover the cost of a suppression response truck only. There is no organized fire suppression crews in the Development, but the Strata has 3 fire hydrants on site.

3.9 Strata Management Contract

The Nicola Estates will enter into a property management contract with a licensed company to manage the legal requirements of the strata.

3.10 Insurance

As required under the *Strata Property Act*, the Nicola Estates Strata Corporation must obtain insurance for Common Property, common assets and facilities, as well as liability insurance. Each owner is responsible for fire, liability and other insurance relating to its improvements and strata lot.

3.11 Rental Disclosure Statement

The Developer will not rent/lease any of the Nicola Estates strata lots prior to sale. Attached as **Schedule 14** is a copy of the blank Rental Disclosure Statement in Form J under Section 139 of the *Strata Property Act*, which will be filed with the Superintendent of Real Estate, if unit rentals apply before lot sales. Property is LR 2, which allows rentals, which will be completed and registered with the office of the Superintendent of Real Estate should this change.

4. TITLE OF THE DEVELOPMENT

4.1 Legal Description of the Development

The legal description of the Development is:

Kamloops Assessment Area

Parcel Identifier: 026-485-699

Lot 75, DL 530, Kamloops Division Yale District, Plan KAP79399
("Lot 75")

Parcel Identifier: 026-485-702

Lot 76, DL 530, Kamloops Division Yale District, Plan KAP79399
("Lot 76")

Parcel Identifier: 026-485-711

Lot 77, DL 530, Kamloops Division Yale District, Plan KAP79399
("Lot 77")

Lots 75, 76 and 77 are herein collectively called the "Property"

4.2 Ownership

Registered Owner: Nicola Lakeshore Estates Inc.

4.3 Existing Encumbrances and Legal Notations

Encumbrances: The following encumbrances are registered against the title to the Development.

Charges

Lot 75

Statutory Right of Way, Registration Number KX14557, dated 2005/02/04, in favour of BC Hydro and Power Authority, Inter Alia;

Statutory Right of Way, Registration Number KX14558, dated 2005/02/04, in favour of Telus Communications Inc, Inter Alia;

Statutory Right of Way, Registration #KX89971, dated 2005/07/08, in favour of Nicola Lakeshore Water Utility Co. Ltd., Inter Alia;

Covenant, Registration Number KX160024, dated 2005/11/07, in favour of The Crown in Right of the Province of British Columbia as Represented by the Minister of Transportation, Thompson-Nicola Regional District, Inter Alia. This is a flood plain covenant that requires that no building, mobile or modular home be built within 30 meters of the natural boundary of Nicola Lake. It also prohibits the construction of any building for habitation or the storage of good damageable by flood where the underside of the floor system is below 348.4 meters (a copy of this Covenant is attached hereto as **Schedule 17**);

Priority Agreement, Registration Number KX160025, dated 2005/11/07, Inter Alia;

Covenant, Registration Number KX160026, dated 2005/11/07, in favour of Thompson-Nicola Regional District, Inter Alia. This covenant is what is commonly known as a "wildfire covenant". It requires the use of only Class B roofing materials and the maintenance of fuel reduced buffers around buildings. It requires gutters to be screened and requires wood burning appliances to have spark arresters (a copy is attached hereto as **Schedule 16**);

Covenant, Registration Number KX160028, dated 2005/11/07, in favour of The Crown in Right of Canada Thompson-Nicola Regional District The Crown in Right of British Columbia, Inter Alia. This Covenant prohibits the removal of natural features, including driftwood, standing dead trees from within 30 meters of the natural boundary of Nicola Lake. Planting of vegetation is limited to xeric native species. Vegetation may be removed to create a shoreline access trail (one per residential lot) not to exceed 1.5 meters in width;

Priority Agreement, Registration Number KX160029, dated 2005/11/07, Inter Alia;

Statutory Building Scheme, Registration Number KX160060, dated 2005/11/07, Inter Alia There is a restrictive covenant in the nature of a building scheme

registered by the Developer in order to control the type and size of buildings in the Development. Construction of improvements will not be allowed unless they comply with the design guidelines in the building scheme. The building scheme is in the form attached hereto as **Schedule 4**;

Rent Charge, Registration Number KX160061, dated 2005/11/07, in favour of Nicola Lakeshore Water Utility Co. Ltd., Inter Alia A Rent Charge is registered in favour of Nicola Lakeshore Water Utility Co. Ltd. to secure payment of the utility charges referred to in paragraphs 3.8(a), 3.8(b), 3.8(g) and 3.8(i) and is attached hereto as **Schedule 18.**;

Covenant, Registration Number LA146875, dated 2006/10/23, in favour of Thompson-Nicola Regional District, Inter Alia. This Covenant restricts the number of residential units on Lot 75, 76 and 77 to two per lot. This Covenant will be discharged prior to the transfer of a strata lot to a Purchaser;

Statutory Right of Way, Registration Number LA49172, dated 2006/10/26, in favour of Nicola Lakeshore Water Utility Co. Ltd., Inter Alia;

Modification, Registration Number LA66486, dated 2007/06/11, Inter Alia;

Covenant, Registration Number LB92597, dated 2007/08/03, in favour of Thompson Nicola Regional District, Inter Alia This covenant restricts the number of one bedroom equivalent units constructed on Lot 75 to 16 units, Lot 76 to 15 units and Lot 77 to 15 units. ;

Statutory Right of Way, Registration Number CA6631301, dated 2018/02/16, in favour of Nicola Lakeshore Water Utility Co. Ltd., Inter Alia;

Statutory Right of Way, Registration Number CA8454456, dated September 25, 2020, in favour of The Crown in Right of The Province of British Columbia as represented by the Minister of Transportation. This is a right of way for the protection of the highway (Monck Park Road) adjacent to the Development by the construction of drainage works.

Covenant, Registration Number CA8454457, dated September 25, 2020, in favour of The Crown in Right of The Province of British Columbia as represented by the Minister of Transportation. The Covenant requires the owner not to interfere with the rights granted under Statutory Right of Way, Registration Number CA8454456 and to hold The Minister of Transportation harmless against any claims made by any person using the Statutory Right of Way.

Statutory Right of Way, Registration Number CA8454458, dated September 25, 2020, in favour of The Crown in Right of The Province of British Columbia as represented by the Minister of Transportation. This is a right of way for the construction of a detour of Monck Park Road over the Development while the Developer constructs drainage and other works near Monck Park Road. The

Developer expects this Statutory Right of Way to be discharged before a Strata Lot is transferred to a Purchaser.

Covenant, Registration Number CA8454459, dated September 25, 2020, in favour of The Crown in Right of The Province of British Columbia as represented by the Minister of Transportation. This Covenant requires the Developer to construct the temporary detour referred to in CA8454458. The Developer expects this Covenant to be discharged before a Strata Lot is conveyed to a Purchaser.

Lot 76

Statutory Right of Way, Registration Number KX14557, dated 2005/02/04 in favour of British Columbia Hydro and Power Authority, Inter Alia;

Statutory Right of Way, Registration Number KX145858,, dated 2005/02/04, in favour of Telus Communications Inc., Inter Alia;

Statutory Right of Way, Registration Number KX89971, dated 2005/07/08, in favour of Nicola Lakeshore Water Utility Co. Ltd., Inter Alia;

Covenant, Registration Number KX160024, dated 2005/11/07, in favour of The Crown in Right of the Province of British Columbia as Represented by the Minister of Transportation, Thompson-Nicola Regional District, Inter Alia. This is a flood plain covenant that requires that no building, mobile or modular home be built within 30 meters of the natural boundary of Nicola Lake. It also prohibits the construction of any building for habitation or the storage of good damageable by flood where the underside of the floor system is below 348.4 meters (a copy of this Covenant is attached hereto as **Schedule 17**);

Priority Agreement, Registration Number KX160025, dated 2005/11/07, Inter Alia;

Covenant, Registration Number KX160026, dated 2005/11/07, in favour of Thompson-Nicola Regional District, Inter Alia. This covenant is what is commonly known as a “wildfire covenant”. It requires the use of only Class B roofing materials and the maintenance of fuel reduced buffers around buildings. It requires gutters to be screened and requires wood burning appliances to have spark arresters (a copy of this Covenant is attached hereto as **Schedule 16**);

Covenant, Registration Number KX160028, dated 2005/11/07, in favour of The Crown in Right of Canada Thompson-Nicola Regional District The Crown in Right of British Columbia, Inter Alia This Covenant prohibits the removal of natural features, including driftwood, standing dead trees from within 30 meters of the natural boundary of Nicola Lake. Planting of vegetation is limited to xeric native species. Vegetation may be removed to create a shoreline access trail (one per residential lot) not to exceed 1.5 meters in width;

Priority Agreement, Registration Number KX160029, dated 2005/11/07, Inter Alia;

Statutory Building Scheme, Registration Number KX160060, dated 2005/11/07, Inter Alia There is a restrictive covenant in the nature of a building scheme registered by the Developer in order to control the type and size of buildings in the Development. Construction of improvements will not be allowed unless they comply with the design guidelines in the building scheme. The building scheme is in the form attached hereto as **Schedule 4**;

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Lot 77

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Statutory Right of Way, Registration Number KX145858,, dated 2005/02/04, in favour of Telus Communications Inc., Inter Alia;

Statutory Right of Way, Registration Number KX89971, dated 2005/07/08, in favour of Nicola Lakeshore Water Utility Co. Ltd., Inter Alia;

Covenant, Registration Number KX160024, dated 2005/11/07, in favour of The Crown in Right of the Province of British Columbia as Represented by the Minister of Transportation, Thompson-Nicola Regional District, Inter Alia. This is a flood plain covenant that requires that no building, mobile or modular home be build within 30 meters of the natural boundary of Nicola Lake. It also prohibits the construction of any building for habitation or the storage of good damageable by flood where the underside of the floor system is below 348.4 meters (a copy of this Covenant is attached hereto as **Schedule 17**);

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Covenant, Registration Number KX160028, dated 2005/11/07, in favour of The Crown in Right of Canada Thompson-Nicola Regional District The Crown in Right of British Columbia, Inter Alia This Covenant prohibits the removal of natural features, including driftwood, standing dead trees from within 30 meters of the natural boundary of Nicola Lake. Planting of vegetation is limited to xeric native species. Vegetation may be removed to create a shoreline access trail (one per residential lot) not to exceed 1.5 meters in width;

Priority Agreement, Registration Number KX160029, dated 2005/11/07, Inter Alia;

Statutory Building Scheme, Registration Number KX160060, dated 2005/11/07, Inter Alia There is a restrictive covenant in the nature of a building scheme registered by the Developer in order to control the type and size of buildings in the Development. Construction of improvements will not be allowed unless they comply with the design guidelines in the building scheme. The building scheme is in the form attached hereto as **Schedule 4**;

Rent Charge, Registration Number KX160061, dated 2005/11/07, in favour of Nicola Lakeshore Water Utility Co. Ltd., Inter Alia A Rent Charge is registered in favour of Nicola Lakeshore Water Utility Co. Ltd. to secure payment of the utility charges referred to in paragraphs 3.8(a), 3.8(b), 3.8(g) and 3.8(i) and is attached hereto as **Schedule 18**;

Covenant, Registration Number LA146875, dated 2006/10/23, in favour of Thompson-Nicola Regional District; Inter Alia This Covenant restricts the number of residential units on Lot 75, 76 and 77 to two per lot. This Covenant will be discharged prior to the transfer of a Strata Lot to a Purchaser;

Statutory Right of Way, Registration Number LA49172, dated 2006/10/26, in favour of Nicola Lakeshore Water Utility Co. Ltd., Inter Alia;

Modification, Registration Number LA66486, dated 2007/06/11, Inter Alia;

Covenant, Registration Number LB92597, dated 2007/08/03, in favour of Thompson Nicola Regional District, Inter Alia This covenant restricts the number of one bedroom equivalent units constructed on Lot 75 to 16 units, Lot 76 to 15 units and Lot 77 to 15 units;

Statutory Right of Way, Registration Number CA6631301, dated 2018/02/16, in favour of Nicola Lakeshore Water Utility Co. Ltd., Inter Alia;

Statutory Right of Way, Registration Number CA8454456, dated September 25, 2020, in favour of The Crown in Right of The Province of British Columbia as represented by the Minister of Transportation. This is a right of way for the protection of the highway (Monck Park Road) adjacent to the Development by the construction of drainage works.

Covenant, Registration Number CA8454457, dated September 25, 2020, in favour of The Crown in Right of The Province of British Columbia as represented by the Minister of Transportation. The Covenant requires the owner not to interfere with the rights granted under Statutory Right of Way, Registration Number

CA8454456 and to hold The Minister of Transportation harmless against any claims made by any person using the Statutory Right of Way.

Statutory Right of Way, Registration Number CA8454458, dated September 25, 2020, in favour of The Crown in Right of The Province of British Columbia as represented by the Minister of Transportation. This is a right of way for the construction of a detour of Monck Park Road over the Development while the Developer constructs drainage and other works near Monck Park Road. The Developer expects this Statutory Right of Way to be discharged before a Strata Lot is transferred to a Purchaser.

Covenant, Registration Number CA8454459, dated September 25, 2020, in favour of The Crown in Right of The Province of British Columbia as represented by the Minister of Transportation. This Covenant requires the Developer to construct the temporary detour referred to in CA8454458. The Developer expects this Covenant to be discharged before a Strata Lot is conveyed to a Purchaser.

4.4 Proposed Encumbrances

The following encumbrances are or will be registered against the title to the Development prior to the completion of the sale of the lots.

(a) Kidco Investments Inc. may register a construction mortgage (which will be amended for this contemplated part of the development) against the title to the Development to fund the construction of the services required to be constructed pursuant to the PLA, which mortgage will be partially discharged from the title to each strata lot as the sale of that strata lot is completed.

4.5 Outstanding or Contingent Litigation or Liabilities

There is no litigation against the Developer or against the development property or anything affecting the Developer's ability to develop the Property at this date.

4.6 Environmental Matters

- (a) Changes from Natural State - There will be no changes from the natural state of any of the strata lots in the Development, other than normal clearing, paving, servicing and landscaping in accordance with the Ministry of Environment and Department of Fisheries/Oceans Regulations and Restrictive Covenants.
- (b) Condition of Soil and Subsoil - The Developer, as well as the Purchasers, shall comply with all governmental requirements and regulations with respect to the condition of the soil and subsoil in connection with the construction and servicing of the Development.

- (c) The developer has completed a hydrological report and has constructed the Upland drainage with related structures in accordance with ministry of Water Permit number CP2020-102324 (Supersedes CP2018-61153) Golder Report attached as **Schedule 20**

5. CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

All 39 lots have been serviced and finally received MOTI approval August 25, 2021

5.2 Warranties

Not applicable.

6. APPROVALS AND FINANCES

6.1 Development Approval

- (a) Subdivision – A Preliminary Layout Review (“PLR”) for the Development has been issued and attached as **Schedule 3**.
- (b) Zoning – The property is properly zoned for the Development as residential/commercial resort. Attached as **Schedule 5** is a copy of the current TNRD Zoning Bylaw LR2 applicable to the Development, along with the Development Variance Permit approval attached as **Schedule 7**.
- (c) Occupancy Restriction – There are no occupancy restrictions other than those contained in the bylaws of the TNRD, attached as **Schedule 5**.

6.2 Construction Financing

- (a) Project Financing – Kidco Investments Inc., a private lender, will be financing the construction and servicing of the Development. Purchasers shall be required to provide a deposit not to exceed ten (10%) percent of the purchase price of the strat lot they propose to purchase. The financing is in favor of the Kidco Investments Inc. is secured by a mortgage over the Development (as described in paragraph 4.4(a)). This mortgage will be registered.

The following process will be followed to the letter to provide the purchaser a right of rescission:

Any agreement of purchase and sale entered into by the purchaser of strata lots referred to in this disclosure prior to acceptance and delivery to the purchaser of the amendment shall:

- (i) be terminable at the option of the purchaser for a period of seven days after receipt of the amended disclosure if the amendments materially affect the offering, or if the amended disclosure is not received within twelve months after acceptance of the initial disclosure;
 - (ii) require that no greater than 10% of the purchase price be paid by way of deposit or otherwise;
 - (iii) require that all such funds, including where applicable interest earned, be returned to the purchaser forthwith upon notice of termination by the purchaser without deduction;
 - (iv) all such funds will be held in a trust account of a licensee under the *Real Estate Development Marketing Act*, a solicitor or a notary public until completion of the transaction or earlier termination.
- (b) Purchase Financing – The Developer has made no arrangements for financing the purchase of the strata lots.

7. MISCELLANEOUS

7.1 Deposits

Where required under the *Real Estate Development Marketing Act*, all deposits and other monies received from purchasers shall be held in trust at the law firm of Morelli Chertkow, #300 – 180 Seymour Street, Kamloops, BC V2C 2E3, in the manner required by the *Real Estate Development Marketing Act* until such time as:

- (a) Registration of the Strata Plan is completed in the Land Title Office;
- (b) Title is raised for the strata lot; and
- (c) An instrument evidencing the interest of the purchaser in the strata lot has been filed for registration in the Land Title Office.

7.2 Purchase Agreement

The Developer intends to offer each individual strata lot in the Development for sale.

Attached, as **Schedule 6**, is the form of Offer to Purchase (the “Purchase Contract”), which the Developer intends to use in connection with the sale of the strata lots, unless otherwise agreed between the Developer and the Purchaser or as determined by the Development.

- (a) Section 5(h) of the Purchase Contract requires that the Purchaser not oppose any development of any lands owned by the Developer:

(b) Section 5(a) of the Purchase Contract provides that no assignment of the Purchase Contract will be permitted; and

(c) Interest on the deposit monies, if any, shall be the property of the Purchaser and not adjusted or credited to the Developer at the time of completion.

(d) Either the developer or the purchaser can request an extension of time for completing that purchase agreement. The developer or purchaser may require or refuse an extension for 2 months without any increase in costs to either party.

(e) 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 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 purchaser's deposits with a brokerage, lawyer or notary public who must place the deposit 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.

(f) Risk: The Lot shall be at the risk of the Vendor until the Adjustment Date of actual possession by the purchaser, whichever occurs first, and in the event of loss or damage to the same occurring before such time by reason of fire, tempest, lightning, earthquake, flood or other act of God, explosion or civil commotion, the Purchaser may at his option, cancel this Contract and shall thereupon be entitled to the return of

any deposit monies paid hereunder. The Lot shall be at risk of the Purchaser from the Adjustment Date or actual possession by the purchaser, whichever occurs first.

(g) **Time:** Time shall be of the essence hereof. In the event that the purchase and sale contemplated by this agreement is not completed on the Completion Date or the Completion Date as extended pursuant to Paragraph 3 hereof, as a result of the Purchaser's default, the Vendor may, at its election, cancel this agreement and the amount paid by the purchaser as a deposit shall be absolutely forfeited to the Vendor as liquidated damages or the Vendor may, at its option, elect not to cancel this Agreement, but retain the deposit without prejudice to the rights of the Vendor to obtain from the Purchaser by an action for specific performance or otherwise, payment in full of the purchase price or pursue the Purchaser for damages arising out of the Purchaser's failing to complete this Contract of Purchase and Sale or pursue any other remedy available to the Vendor.

7.3 Developer's Commitments

The Developer has entered into contracts with respect to the Development. The Developer will enter into a contract with the Nicola Lakeshore Water Utility Co. Ltd. to provide water, sewer and garbage management services and fire suppression response truck to the Development. The Developer will also enter into a contract with the Nicola Lakeshore Water Utility Co. Ltd. for the financing of reserve funds required for the operation of the Utility. The Developer has entered into a contract with Eco fluid for sewer treatment plant components. The Developer will also enter into contract relative to servicing of this Development should the need arise.

7.4 Other Material Facts

- (a) **Strata Lot Taxes** – Each strata lot owner will be responsible for real property taxes for their strata lot. Property taxes are levied by and payable to the Provincial Taxing Authority.
- (b) **Strata Lot Expenses** – All utilities will be separately metered or assessed to each strata lot and will be the responsibility of each strata lot owner. Estimated costs for such utilities are set out in paragraphs 3.8.

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 Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of August 31, 2021

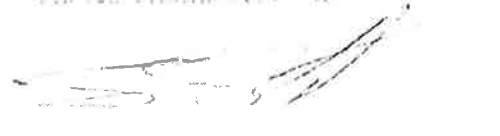
DEVELOPER:

Nicola Lakeshore Estates Inc.

Per:


Frank Rizzardo, Secretary

Signed by the Directors:

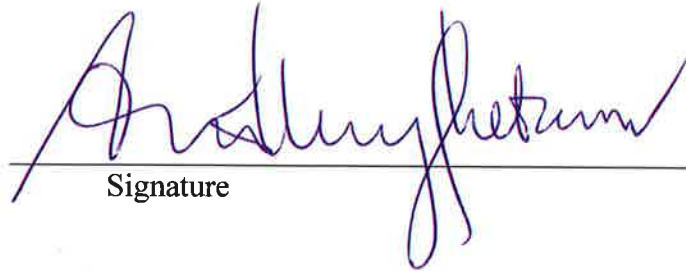

Frank Rizzardo
James Thomas Rabbitt
Chanchal S. Bai
Sukhdev Singh Sandur

SOLICITOR'S CERTIFICATE

IN THE MATTER OF THE *REAL*)
ESTATE DEVELOPMENT)
MARKETING ACT and the Disclosure)
Statement for the property legally)
Described as:)
))
))
Kamloops Assessment Area)
Parcel Identifier: 026-485-699)
Lot 75, DL 530, KDYD, Plan KAP79399)
Parcel Identifier: 026-485-702)
Lot 76, DL 530, KDYD, Plan KAP79399)
Parcel Identifier: 026-485-711)
Lot 77, DL 530, KDYD, Plan KAP79399)
)

I, Scott Huyghebaert, a member of the Law Society of British Columbia, HEREBY CERTIFY that I have read over the above described Disclosure Statement dated November 24, 2020 and have reviewed the same with the Developer therein named, and that the facts contained in items 4.1, 4.2 and 4.3 of the Disclosure Statement are correct.

DATED at KAMLOOPS, in the Province of British Columbia, this 24th day of November, 2020.



Signature

SCHEDULES TO THIS DISCLOSURE STATEMENT

1. Site Plan
2. Subdivision Plan
3. Preliminary Layout Approval
4. Statutory Building Scheme
- 4 (a) Statutory Building Scheme for Strata
5. TNRD Zoning Bylaw C-4
6. Offer to Purchase
7. Development Variance Permit Approval
8. Form P – Phased Strata Plan Declaration
9. Form V – Schedule of Unit Entitlement
10. Strata Bylaws
11. Strata Corporation Budget
12. Projected Nicola Estates Resort budget for first year after completion
13. Property Management Contract
14. Form J - Rental Disclosure Statement
15. Fishery Protection Covenant
16. Wildland Interface Covenant
17. Flood Plain Covenant
18. Rent Charge
19. Construction Permit
20. Golder Report