

DISCLOSURE STATEMENT

of

RECLINE RIDGE

Dated: September 14, 2017

DEVELOPER: Recline Ridge Developments Ltd.

ADDRESS FOR SERVICE: Fraserwest Law Group LLP
9202 Young Road
Chilliwack, British Columbia V2P 6J4

BUSINESS ADDRESS FOR DEVELOPERS #202 – 45970 Airport Road
Chilliwack, British Columbia V2P 1A2

DEVELOPER'S BROKERAGE Kent Redekop
Homelife Salmon Arm Realty
Salmon Arm, British Columbia V1E 4P1

This Disclosure Statement relates to a development property that is not yet completed. Please refer to section 7.2 for information on the purchase agreement.

That information has been drawn to the attention of: _____

who has confirmed that fact by initialling the space provided here:

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 his address shown in the Disclosure Statement received by the purchaser, or**
- D. The developer's broker, if any, at the address shown in the purchaser's purchase agreement.**

The developer must promptly place the 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 regulation, the developer or the developer's trustee must promptly return the deposit to the purchaser.

TABLE OF CONTENTS

	Page
1. THE DEVELOPER	
1.1 Incorporation Information	5
1.2 Developer Information	5
1.3 Registered and Records Office	5
1.4 Director Names	5
1.5 Developer, Directors, Officers and Principal Holders Background	5-6
1.6 Conflicts of Interest	6
2. GENERAL DESCRIPTION	
2.1 General Description of the Development	7
2.2 Permitted Use	7
2.3 Building Construction	7
3. SERVICING INFORMATION	
3.1 Utilities and Services	7-8
4. TITLE AND LEGAL MATTERS	
4.1 Legal Description	8
4.2 Ownership	8
4.3 Existing Encumbrances and Legal Notations	8-10
4.4 Proposed Encumbrances	10
4.5 Outstanding or Contingent Litigation or Liabilities	10
4.6 Environmental Matters	10
5. CONSTRUCTION AND WARRANTIES	
5.1 Construction Dates	11
5.2 Warranties	11
6. APPROVALS AND FINANCES	
6.1 Development Approval	11
6.2 Construction Financing	11
7. MISCELLANEOUS	
7.1 Deposits	11
7.2 Purchase Agreement	11
7.3 Developer's Commitments	11
7.4 Other Material Facts	11
SIGNATURES	12
DECLARATION	12

EXHIBITS

- "1" Subdivision Plan
- "2" Building Scheme
- "3" Easement D6208
- "4" Easement KP12130
- "5" Restrictive Covenant LA136755
- "6" Easement LA136756
- "7" Covenant KT133533
- "8" Easement LA31873
- "9" Easement CA1606955
- "10" Covenant CA5174453
- "11" Statutory Right of Way CA5174457
- "12" Easement CA5174455
- "13" Purchase Agreement

1. DEVELOPER

1.1 INCORPORATION INFORMATION

Developer:	Recline Ridge Developments Ltd.
Jurisdiction of Incorporation:	British Columbia
Date of Recognition:	April 15, 2014
Incorporation Number:	BC0999660

1.2 DEVELOPER INFORMATION

The Developer, Recline Ridge Developments Ltd. was incorporated specifically for the purposes of the development of the 19 non-stratified building lots (the "Development"). The Developer does not have assets other than its interest in the Development.

1.3 REGISTERED AND RECORDS OFFICE

Recline Ridge Developments Ltd.
9202 Young Road, P.O. Box 372
Chilliwack, British Columbia V2P 6J4

1.4 DIRECTOR NAMES

Paul John De Koning

1.5 DEVELOPER, DIRECTORS, OFFICERS AND PRINCIPAL HOLDERS BACKGROUND

For the purpose of this disclosure statement, a 'principal holder' means any person holding directly or indirectly more than 10% of any class of voting securities of the issuer of those securities.

(1) Nature and Extent of Experience

Recline Ridge Development Ltd. (Developer) – no prior development experience

Paul John De Koning (Director)

- 22 years experience in residential and commercial construction
- Through Double D Developments Ltd., has been involved in managing and constructing respectively, 62, 42, 32, and 54 unit apartment buildings and a 54 unit townhouse project in Chilliwack called Harvest Square through a company named Harvest Square Developments Ltd.

(2) Additional Information

To the best of the Developer's knowledge, none of the Developer, any principal holders of the Developer, or any director or officer of the Developer or principal holders, 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.

To the best of the Developer's knowledge, none of the Developer, or any principal holders of the Developer, or any director or officer of the Developer or principal holders, 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.

To the best of the Developer's knowledge, none of the directors, officers or principal holders of the Developer, or any directors or officers of the principal holders, 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

- (a) 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
- (b) 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 CONFLICT OF INTERESTS

There are no existing or potential conflicts of interest among the developer, manager, any directors, officers and principal holders of the developer and manager, any directors and officers of the principal holders, and 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.

2. GENERAL DESCRIPTION

2.1 GENERAL DESCRIPTION OF THE DEVELOPMENT

The Development is a single-family residential subdivision made up of 19 subdivision lots (referred to individually as a "Subdivision Lot" or collectively as "Subdivision Lots") which vary in size from 1.0 ha to 5.28ha.

The Development is located in Tappen, British Columbia.

A copy of the Subdivision Plan is attached hereto as Exhibit "1".

2.2 PERMITTED USE

Zoning

The Development is unzoned. The Subdivision Lots may be used for residential purposes.

Purchasers may obtain further information about zoning requirements and permissible uses by contacting the Columbia Shuswap Regional District, development services department at 250-832-8194

2.3 BUILDING CONSTRUCTION

Purchasers will be responsible for the construction of improvements on the Subdivision Lots. A building permit must be obtained by the Columbia Shuswap Regional District, prior to construction of improvements. Construction of improvements are also subject to a Building Scheme, particulars of which are set out in Exhibit "2".

3. SERVICING INFORMATION

(i) Water

The Developer will drill a well on each Subdivision Lot. Purchasers are responsible for the installation of the water pump, wiring, and water conduit.

(ii) Electricity

Electricity is available at the property line of each Subdivision Lot from BC Hydro. Purchasers are responsible for contacting BC Hydro and an electrical firm in order to connect hydro from the road to any improvement constructed on the Subdivision Lot.

(iii) Sewerage

Each purchaser will be responsible for the construction of their own septic disposal system to the specifications of Interior Health.

(iv) Natural gas

Natural gas service is provided by Terasen Gas and is available at the property line of each Subdivision Lot. Purchasers are responsible for contacting Terasen Gas in order to arrange the connection.

(v) Fire protection

The Development is in the Electoral Area C fire service area and the closest fire hall is Tappen/Sunnybrae.

(vi) Telephone

Telephone service is provided in the Development by Telus. Purchasers are responsible for contacting Telus in order to arrange connection.

(vii) Access

Access to the development will be by way of a paved access road. Each lot will have a gravel access from the paved, main road, installed by the Developer including culvert if required.

4. TITLE AND LEGAL MATTERS

4.1 LEGAL DESCRIPTION

Lots 1-19 Section 29 Township 21 Range 10 West of the 6th Meridian Kamloops
Division Yale District Plan EPP55009

4.2 OWNERSHIP

Title to the development property is in the name of the Developer.

4.3 EXISTING ENCUMBRANCES AND LEGAL NOTATIONS

Legal Notations:

CA5131221	Title may be affected by a permit under part 26 of the <i>Local Government Act</i>
D6208	Easement –for the benefit of the Developer restricting building within a certain distance from the area outlined on the attached plan which is located to the south of the Development as a result of provisions of <i>the Explosives Act</i> and regulations. (see Exhibit “3”)
KP12130	Watercourse and Pumphouse Easement –for the benefit of the Developer over certain lands described in

the easement, to allow for the construction and operation of a water pumping station and water transmission system. (see Exhibit "4")

LA136755 Restrictive Covenant – for the benefit of the Developer, prohibiting a public road way within the easement area on the adjacent land. (see Exhibit "5")

LA136756 Easement – Easement for the benefit of the Developer for access to a road way on the adjacent land. (see Exhibit "6")

Encumbrances:

KT133533 Covenant - in favour of the Crown restricting any building, unit, or structure from being within 15 meters of the natural boundary of Carlson Creek (the location of which can be seen in the area described as Detail A of Exhibit "A") and also prohibiting any building, unit or structure from being less than 1.5 meters above the natural boundary of Carlson Creek in order to minimize the chance of flood damages from the creek. (see Exhibit "7")

KX165529 Statutory Building Scheme – building scheme filed by the Developer which restricts the use of the Subdivision Lots including the size, type, height, colour and other attributes of all improvements to be constructed in the Development.

Building Plans must be approved by the Developer. Potential purchasers should review the Statutory Building Scheme. (see Exhibit "2")

LA31873 Easement – in favour of the owner of an adjacent property to permit a water pipe to cross Lot 11 and 12 and for the adjacent property owner to access Lot 11 and 12 in order to maintain the water line. (see Exhibit "8") Easement area can be seen on Detail C of the subdivision plan.

CA1606955 Easement – in favour of the owner of an adjacent property to allow access to the easement area as described therein and as visible on the subdivision plan as the dotted area on Lot 11 and 12 with respect to the maintenance of a septic system. (see Exhibit "9")

No building, excavation or other activities may be undertaken in the easement area including which could

interfere with the rights granted to the adjacent property owner in the easement.

- CA5174453 Covenant – section 219 covenant requiring a geotechnical engineer to approve the location of any proposed building in the Development in accordance with the engineering reports attached to the covenant (see Exhibit “10”).
- CA5174457 Statutory Right of Way – in favour of her majesty the Queen (the “Transferee”) to provide access to the right of way area located on Lot 14 and Lot 15 (shown on the reference plan”) to construct, maintain, repair ext... the “works” in relation to storm and drainage water
- The owner of Lot 14 and 15 must not to interfere with use of the Statutory Right of Way through building or otherwise and may not blast or excavate without written approval of Transferee. (see Exhibit “11”)
- CA5174455 Statutory Right of Way – Same as the above described statutory right of way except in relation to Lot 1 as shown on the attached reference plan. (see Exhibit “12”)
- CA4794794 Statutory Right of Way - BC Hydro
CA4794817 Statutory Right of Way - BC Hydro
- CA4794795 Statutory Right of Way - Telus Communications Inc.
CA4794818 Statutory Right of Way - Telus Communications Inc.

4.4 PROPOSED ENCUMBRANCES

N/A

4.5 OUTSTANDING OR CONTINGENT LITIGATION OR LIABILITIES

There are no outstanding contingent litigation or liabilities.

4.6 ENVIRONMENTAL MATTERS

The Developer is not aware of the Development lands being at risk of flooding, and the Developer is not aware any environmental contamination concerns with respect to the Development lands.

5. CONSTRUCTION AND WARRANTIES

5.1 CONSTRUCTION DATES

The actual date of commencement of construction was April 14, 2014 and the actual date for completion of construction was May 11, 2016.

5.2 WARRANTIES

None

6. APPROVALS AND FINANCES

6.1 DEVELOPMENT APPROVAL

A subdivision plan was deposited in the land title office on May 11, 2016 and was registered September 8, 2017.

6.2 CONSTRUCTION FINANCING

The Developer will be providing their own funds to create and service the Subdivision Lots. No mortgage will be registered against the Development Lands.

7. MISCELLANEOUS

7.1 DEPOSITS

All deposits and other monies received shall be held in the trust account of the buyer's agent, the vendor's solicitor, or the conveyancing notary public, until such time as the title or other interest contracted for is conveyed and assured to the Purchaser, or is otherwise paid out by operation of law.

7.2 PURCHASE AGREEMENT

A copy of the proposed purchase agreement is attached hereto as Exhibit "13."

7.3 DEVELOPER'S COMMITMENTS

NIL

7.4 OTHER MATERIAL FACTS

The Development is within a Wildlife Interface area and may be subject to a hazard of wildfires. Purchasers can obtain further information regarding the risk of fire by contacting the Ministry of Forests or consulting the following sources:

www.for.gov.bc.ca/protect
<http://bcwildfire.ca/prevention/firesmart.htm>

SIGNATURES

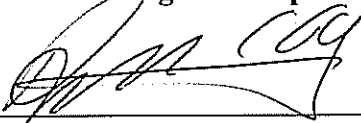
DEEMED RELIANCE

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

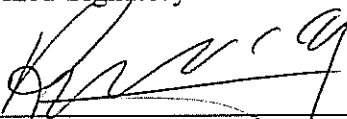
The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of September 14, 2017.

Signed: **Recline Ridge Developments Ltd.**



Per: **PAUL JOHN DE KONING**
Authorized Signatory

Sept 14 / 2017
Dated:



PAUL JOHN DE KONING, Director

Sept 14 / 2017
Dated: