

**VALLEY'S EDGE PARK
EDGEWATER, BRITISH COLUMBIA**

AMENDMENT TO DISCLOSURE STATEMENT

October 4, 2006

Prepared by:

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THE DEVELOPER: VALLEY'S EDGE PARK LTD.

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339 Parkview Crescent S.E.
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This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether the Disclosure Statement contains a misrepresentation or otherwise fails to comply with the requirements of the Real Estate Development Marketing Act. It is the responsibility of the developer to disclose plainly all material facts, without misrepresentation.

The Developer intends to market the bare land strata interests offered for sale under this Disclosure Statement using its own employees. The employees of the Developer are not licensed under the Real Estate Services Act and are not acting on behalf of the purchaser.

LIST OF EXHIBITS

“A-2”	Phase 1 – registered strata plan Phase 2 – proposed strata plan
“D-2”	Proposed Budget inclusive of Phase 2
“F-2”	Title Review – Chart and descriptions of Legal Notations, Charges Liens and Interests

TABLE OF CONTENTS

Title	1
List of Exhibits	2
1 OVERVIEW of the Amendments.....	4
2 The Development.....	4
2.4 Phasing.....	5
3 Strata Information	5
3.5 Bylaws.....	5
3.7 Budget.....	6
4 Title and Legal Matters	6
4.3 Existing Encumbrances and Legal Notations	6
4.4 Proposed Encumbrances.....	6
5 Construction and Warranties	7
5.1 Construction Dates	7
6 Approvals and Finances	8
6.1 Development Approval	8
6.2 Construction Financing.....	8
7 Miscellaneous.....	8
7.2 Purchase Agreement	8
Signature Page.....	9

1 OVERVIEW OF THE AMENDMENTS

In this Amendment, the Disclosure Statement dated April 7, 2006 is referred to as the "Disclosure Statement"; the Amendment to Disclosure Statement dated June 14, 2006 is referred to as the "First Amendment"; and this Amendment to Disclosure Statement is referred to as the "Second Amendment". An overview of this Second Amendment is as follows:

- (a) The Developer is offering for sale Strata Lots in Phase 2 with this Second Amendment;
- (b) The title section of the Disclosure Statement has been updated;
- (c) There are miscellaneous amendments chiefly arising from (a) and (b) above.

Purchasers are to be provided with the Disclosure Statement, the First Amendment and this Second Amendment.

2 THE DEVELOPMENT

2.1 General Description

The final three paragraphs of section 2.1 of the Disclosure Statement are deleted and replaced with the following:

The Development consists of approximately forty acres. Valleys' Edge Park is a multi-stage Development that will consist of two hundred and two (202) Strata Lots constructed in four (4) phases. Under this Disclosure Statement, the Developer is offering for sale the remaining unsold Strata Lots in Phase 1 as well as Strata Lots to be created in Phase 2.

The Strata Lots will be owned individually, together with a proportionate share as tenants in common in the common property including the common facilities ("Common Property") and other assets of the Strata Corporation. A copy of the registered strata plan for Phase 1 is attached as the first part of **Exhibit "A-2"**. A copy of the proposed strata plan showing the layout and approximate dimension of the Strata Lots in Phase 2 of the Development is attached as the second part of **Exhibit "A-2"**. The Strata Lots will not have civic addresses but will be assigned lot numbers within Valley's Edge Park after the construction of the Development.

The Developer will register the strata plan for the Development and complete the servicing for the utilities and construct common property roadways.

Exhibit "A-2" is attached to this Second Amendment.

2.4 Phasing

The last sentence of the second paragraph at section 2.4 of the Disclosure Statement is deleted and replaced with the following:

The Developer is currently marketing for sale remaining strata lots in Phase 1 as well as the twenty (20) Phase 2 strata lots.

3 STRATA INFORMATION

3.5 Bylaws

The paragraphs at section 3.5 of the Disclosure Statement are deleted and replaced with the following:

The Developer registered amendments to the standard bylaws contained in the *Strata Property Act*. The amended bylaws of the Strata Corporation that the Developer submitted for registration in the Land Title Office concurrently with the strata plan are substantially the same as that attached as **Exhibit "C"**. Prior to registering the bylaws the Developer added an additional section 38 requiring owners to place a Security Deposit in the amount of \$2,500 prior to commencing construction of improvements on the Strata Lots. This provision states as follows:

- 38** All owners submitting to the Administrator a proposal to construct Improvements as required by section 4 of the Design and Development Guidelines of the Statutory Building Scheme registered against title to the strata lot (the "Building Scheme") shall also provide to the Administrator, or if so directed by the Administrator, to the strata corporation, a construction security deposit of \$2,500.00, which shall be held by the Administrator (or the strata corporation) as security for any damage caused by the owner or its contractors to the roads, curb stops, manholes, landscaping or any other common works of the strata corporation. In the event that there is any such damage to the common property caused by the owner, or its contractors, then the Administrator (or the strata corporation) may deduct the cost of all necessary repairs from the security deposit and use such funds to make such repairs. Any balance remaining of the security deposit shall be returned to the owner within ten (10) days after completion of the proposed Improvements, or completion of the repairs to the common property, as the case may be. In the event that the security deposit is not sufficient to pay the cost of the repairs to the common property, then the owner shall remain liable for any shortfall and such shortfall shall be a debt immediately due to the strata corporation and shall be recoverable by the strata corporation on the same basis as if it were strata fees due pursuant to the Bylaws of the strata corporation. All capitalized terms in this section, unless otherwise

defined in these Bylaws, shall have the meaning ascribed to such term in the Building Scheme.

The bylaws are tailored to address matters specifically relating to the use of the Development as a recreational vehicle-style park. Section 4 of the bylaws contains a comprehensive body of rules. For example the bylaws set out restrictions concerning: parking, noise, quiet hours, maximum occupancy, the parking of other recreational vehicles on the Strata Lots, standards of maintenance, seasonal occupancy, pets, the erection of structures on the Strata Lots, garbage disposal, signage, fires, all-terrain vehicles, use of common amenities, clotheslines, construction and set back requirements, storage, and alterations to the Strata Lots. Purchasers are urged to review the bylaws and be familiar with the terms and restrictions. Because the Development is recreational in nature and oriented to the outdoors, it is of key importance that a detailed set of bylaws be established governing the use of the strata lots and common property by the owners.

3.7 Budget

The first paragraph under section 3.7 of the Disclosure Statement is deleted and replaced with the following:

Based on the budget prepared for the offering of Phase 1, the Developer has prepared a Strata Corporation budget that includes the Phase 2 strata lots. This estimated budget is attached as **Exhibit "D-2"**.

Exhibit "D-2" is attached to this Second Amendment.

4 TITLE AND LEGAL MATTERS

4.3 Existing Encumbrances and Legal Notations

All of the paragraphs at section 4.3 of the Disclosure Statement are deleted and replaced with the following:

A detailed list of all legal notations and encumbrances as of October 4, 2006 is provided in **Exhibit "F-2"**.

Exhibit "F-2" is attached to this Second Amendment.

4.4 Proposed Encumbrances

Paragraphs (a) through (l) inclusive at section 4.4 of the Disclosure Statement are deleted and replaced with the following:

- (a) The Developer will register a Statutory Building Scheme on title to each of the Strata Lots. The Statutory Building Scheme will provide

guidelines and restrictions on structures to be built and recreational vehicles to be placed on the Strata Lots. The document restricts the construction of a habitable structure on a Strata Lot unless the Strata Lot has been designated as a “cottage lot” in the Statutory Building Scheme. The Developer’s current intention is to designate Strata Lots 60 to 69 as “cottage lots”. The form of Statutory Building Scheme that will be registered against the Strata Lot will be substantially in the form attached as **Exhibit “G”** to this Disclosure Statement. However, the form of Statutory Building Scheme that will be registered against title to the Strata Lot will not provide for a security deposit at section 4 of Schedule 1 of the Statutory Building Scheme. These security deposit requirements are now found in the registered strata corporation bylaws at section 38;

- (b) The Developer will register a Restrictive Covenant against those Strata Lots that will be designated “Recreational Vehicle Lots”. This Covenant will not permit “Cottages” to be constructed on Recreational Vehicle Lots and will enforceable by the remainder parcel owned by the Developer until such time as Strata Lot 202 is created, being the Lodge Strata Lot (described further as section 7.3.2 below). Upon the creation of Strata Lot 202, the Developer intends to arrange for Strata Lot 202 to have the benefit of and the ability to enforce this Covenant. With respect to Phase 2, the Developer’s current intention is to register the Restrictive Covenant against Strata Lots 50 to 59;
- (c) An Easement of 3 meters will be granted across the frontage of all Strata Lots in Phase 2 in favour of the common property of the Strata Corporation. This easement will permit the construction of a utilities service corridor and permit snow that is cleared from the common property roadways to be stored in the easement area; and
- (d) As provided in section 7.2, the Contract of Purchase and Sale will require the buyer to grant to the Developer an Option to Purchase, in respect of Cottage Strata Lots, and a Right of First Refusal, each to be registered concurrently with the conveyance of the Strata Lot to the buyer.

5 CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

The paragraph at section 5.1 of the Disclosure Statement is deleted and replaced with the following:

The construction of servicing and utilities within Phase 1 and Phase 2 is complete.

6 APPROVALS AND FINANCES

6.1 Development Approval

The paragraph at section 6.1 of the Disclosure Statement is deleted and replaced with the following:

The Ministry of Transportation has granted Preliminary Layout Approval for Phases 1 and 2.

6.2 Construction Financing

In the First Amendment, the replacement paragraph set out at heading *3 Construction Financing* is further amended by stating that the Developer has arranged for unconditional financing for both Phases 1 and 2. The replacement paragraph is therefore deleted and replacement with the following:

The Developer will complete construction of servicing and utilities. The Developer has arranged unconditional financing with CareVest Capital Corp. for the completion of this construction for both Phases 1 and 2. The Developer has made arrangements with its lender to provide partial discharges of the mortgage financing from title to each Strata Lot upon the conveyance of such Strata Lot to a purchaser.

7 MISCELLANEOUS

7.2 Purchase Agreement

The following is added as subparagraph (d) in section 7.2 of the Disclosure Statement:

- d) the buyer will be required to provide to the Administrator appointed under the Statutory Building Scheme or to the Strata Corporation a construction security deposit of \$2,500 to be held as security for any damage caused by the buyer to the common areas or works of the Strata Corporation over the course of constructing improvements on the Strata Lot.

SIGNATURES

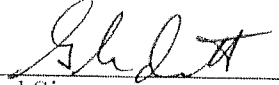
Section 22 of the Real Estate Development Marketing Act provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement, if any, and any omission to state a material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

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 October 4, 2006.

SIGNED THIS 5 DAY OF October, 2006.

VALLEY'S EDGE RESORT LTD.

Per:



Authorized Signatory

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Glen Ortt
Director