

**FIRST AMENDMENT TO DISCLOSURE STATEMENT**

(Amending the Disclosure Statement dated September 14, 2017.)

This First Amendment to Disclosure Statement is dated July 20, 2018.



**SUNSTONE RIDGE DEVELOPMENTS LTD.**

**Address for Service  
and Business Address**

701-1155 Robson Street  
Vancouver, B.C.  
V6E 1B5

**Real Estate Brokerage**

Whistler Real Estate Company Ltd.  
17-4308 Main Street  
Whistler, B.C.  
V0N 1B4

The Developer reserves the right to use its own employees to market the subdivision lots being offered for sale pursuant to this Disclosure Statement. Any employees of the Developer who market the offered subdivision lots on behalf of the Developer may not be licensed under the *Real Estate Services Act* (British Columbia) and are not acting on behalf of the purchasers.

**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.**

This First Amendment to Disclosure Statement amends the Disclosure Statement dated September 14, 2017 (the "**Disclosure Statement**") with respect to an offering by Sunstone Ridge<sup>2</sup> Developments Ltd. (the "**Developer**") for the sale of certain subdivision lots located in the Village of Pemberton, British Columbia in a development known as "Sunstone Pemberton". All capitalized terms used herein shall have the meanings given to them in the Disclosure Statement, unless expressly defined herein.

The Disclosure Statement is hereby amended as follows:

1. The notice of rescission right under Policy Statement 5 issued by the Superintendent on page ii is deleted in its entirety.
2. The notice of rescission right under Policy Statement 6 issued by the Superintendent on page iii is deleted in its entirety.
3. Exhibit A is deleted from the list of Exhibits after the Table of Contents.
4. Section 1.4 is amended by deleting the names "Amanda Girling, Jeremy Turner and Nyal Wilcox" and replacing them with the names "Jeremy Turner and James Dales".
5. Section 1.5(1) is amended by deleting the table in its entirety and replacing it with the following:

Party	Year(s)	Nature and Extent of Experience (including types of previous development properties)
Sunstone Ridge Developments Ltd.	9	The Developer was created specifically for the purpose of the development of the Parent Property, which includes the Development, and has no prior development experience.
James Dales	36	James Dales is a director of the Developer. He has been in the civil works and contracting industry for approximately 36 years and successfully ran his own company. He has been involved in the planning of the Development.
Jeremy Turner	13	Jeremy Turner is a director of the Developer. He has been involved in the planning of the Development and was recently involved in the development of another residential subdivision project in Pitt Meadows, BC.
Nyal Wilcox	21	Nyal Wilcox is the president of the Developer. As a former commercial real estate lawyer, he worked extensively with various developers on numerous projects. Since leaving the practice of law 12 years ago to go into private business he has overseen a small four lot subdivision in Port Coquitlam, BC, the acquisition of several commercial sites, the development of a senior's residence in Nanaimo, BC, and has been involved in the planning of the Development.

6. Section 2.1 is amended by deleting the first and second paragraphs thereof in their entirety and replacing them with the following:

"The Developer intends that the development known as "Sunstone Pemberton" (the "**Development**") shall form part of a larger residential community (the "**Community**") to be developed over an unknown number of years on several parcels of land located in the Village of Pemberton, British Columbia (the "**Village**") comprising approximately 274 acres (the "**Parent**");

**Property**"). The Developer anticipates that the Community will include parks which will be owned and operated by the Village. It is not intended that there will be any arrangements for the sharing of costs or facilities between the Development and the balance of the Community.

The Developer subdivided the Parent Property to create the Lands (as defined in Section 4.1), on which the Development will be constructed. The Development will be comprised of 39 single family residential lots (collectively, the "**Lots**", and individually a "**Lot**"), as shown in Exhibit "A-1".

7. Section 2.3 is amended by deleting the words "Parent Property is" from the first line of the last paragraph thereof and replacing them with "Lands are".
8. Paragraph 3.1(g) is amended by deleting the second sentence thereof in its entirety.
9. Section 4.1 is deleted in its entirety and replaced with the following:

"The Lands are legally described as follows:

PID: 030-329-639  
Lot 3  
District Lot 211  
Lillooet District  
Plan EPP72101

PID: 030-329-647  
Lot 4  
District Lot 211  
Lillooet District  
Plan EPP72101

The Developer anticipates that the Lots, once subdivided from the Lands, will be legally described as follows:

Lots 1-39  
District Lot 211  
Lillooet District  
Plan EPP\_\_\_\_\_."

10. Section 4.2 is deleted in its entirety and replaced with the following: "The Developer is the registered and beneficial owner of the Lands".
11. Section 4.3 is amended by deleting the words "Parent Property is" from the first line of the first paragraph thereof and replacing them with "Lands are".
12. Subparagraph 4.3(a)(v) is deleted in its entirety.
13. Section 4.3(b) is deleted in its entirety and replaced with the following:

"i. Covenant CA2219878

Covenant CA2219878 is a covenant in favour of the Village and the Ministry of Transportation and Infrastructure that requires the Developer to complete certain works, including the construction of a trail, and do certain things before a school is constructed on the portion of the Lands referred to in the agreement as the "School Lands". This covenant is currently registered against the entirety of the Parent Property; however, the intention is that the covenant will ultimately only encumber the "School Lands", which are separate from the Lands. Following the subdivision of the Parent Property and upon the request of the Developer, the Village will discharge this covenant from title to the Lands. This covenant will not encumber titles to the Lots.

ii. Mortgage CA2253671 and Assignments of Rents CA2253672

Mortgage CA2253671 is a mortgage granted by the Developer in favour of HSBC Bank Canada (the "**Lender**") in order to secure financing in respect of the Lands, and Assignment of Rents CA2253672 is an assignment of rents granted by the Developer in favour of the Lender as collateral security to Mortgage CA2253671. The Lender will provide a partial discharge of these encumbrances, insofar as they relate to any particular Lot, within a reasonable amount of time following the completion of the sale of such Lot. Mortgage CA2253671 and Assignment of Rents CA2253672 are hereinafter referred to, together, as the "**Lender's Charges**".

iii. Covenant CA2265131, Modification CA6503563, Priority Agreement CA2265132 and Priority Agreement CA6503564

Covenant CA2265131 is a restrictive covenant granted in favour of the Village which prohibits the Developer from subdividing the Lands until certain works have been completed, including, without limitation, the construction of a community garden, the installation of park amenities to be agreed upon by the Village and the construction of a trail. The Village will discharge this covenant upon the Developer fulfilling its obligations therein. This restrictive covenant is modified by CA6503563.

Priority Agreement's CA2265132 and CA6503564 grant Covenant CA2265131 and Modification CA6503563 priority over the Lender's Charges, respectively.

iv. Restrictive Covenant CA6503578 and Priority Agreement CA6503580

Restrictive Covenant CA6503578 is granted in favour of the British Columbia Railway Company ("**BCRC**") in which the Developer acknowledges that there are railway lands adjacent to or abutting the Lands (the "**Railway Lands**"). The Developer agrees not to use the Lands in any way that would adversely affect the lateral support or the stability of the slope between the Lands and the Railway Lands, nor the existing grades or the drainage patterns on or effecting the Railway Lands. The Developer also agrees not to object to the Railway Lands being used for railway purposes or to any noise or vibration or any other effect associated with such use. The Developer agrees to indemnify and save harmless the BCRC in relation to any of the items listed in this restrictive covenant.

Priority Agreement CA6503580 grants Restrictive Covenant CA6503578 priority over the Lender's Charges.

v. Covenant CA6503577 and Priority Agreement CA6503579

Covenant CA6503577 is granted in favour of the Village in which the Developer acknowledges that the Lands may be subject to and affected by noise and vibration as a result of the use of the Railway Lands. The Developer agrees to indemnify and save harmless the Village from any claims, actions and damage to or loss of property on or about the Lands.

Priority Agreement CA6503579 grants Covenant CA6503577 priority over the Lender's Charges.

vi. Easement CA6503589 and Priority Agreement CA6503590

Easement CA6503589 is a nuisance easement granted in favour of the owner of the lands located adjacent to the Lands (the "**Festival Lands**"). The Developer as grantor is granting such easement and rights to the owner of the Festival Lands in relation to any noise, vibration, dust, lights or other actions or occurrences which may cause a nuisance in relation to any outdoor performance or festival which may be carried out on the Festival Lands. The Developer agrees not to make any claim or take any action against the owner of the Festival Lands in regards to the items listed in such easement.

Priority Agreement CA6503590 grants Easement CA6503589 priority over the Lender's Charges."

14. Section 4.4 is amended by deleting each of paragraphs (c), (d) and (e) therein and replacing each of them with the words "Intentionally Deleted".

15. Section 5.1 is amended by deleting the table in its entirety and replacing it with the following:

<b>"Actual Commencement Date</b>	<b>Estimated Completion Date</b>
July 1, 2017	October 1, 2018 to December 31, 2018"

16. Section 6.1 is deleted in its entirety and replaced by the following:

"The approving officer for the Village issued a Tentative Approval Letter ("**TAL**") for the proposed subdivision to create the Lands on April 7, 2017, which TAL was re-issued by TAL S052 on June 29, 2017. On July 26, 2017 TAL S067, which is subsequent to TAL S052, was issued, TAL S067 was subsequently re-issued on September 15, 2017. TAL S052 and S067 issued on March 20, 2018 replaced the previous TAL's S052 and S067, which were then re-issued on June 20, 2018. This satisfies the Developer's obligations under Policy Statement 5 issued by the Superintendent."

17. Section 6.2 is deleted in its entirety and replaced by the following:

"The Developer has sufficient financing available from a third party lender and its own resources to constitute a "satisfactory financing commitment" for the construction of the Development (as defined in Policy Statement 6 issued by the Superintendent) but retains the right to elect to obtain additional third party financing in the future, which financing and the security therefor the Developer will cause to be discharged from title to any particular Lot conveyed to a purchaser within a reasonable time after receipt of the net sale proceeds from the purchaser of such Lot."

18. Exhibit A is deleted in its entirety.

**STATEMENT RE: 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.

**DEVELOPER'S 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 July 20, 2018.

**SUNSTONE RIDGE DEVELOPMENTS LTD.**  
by its authorized signatory:

Per:   
\_\_\_\_\_  
Authorized Signatory

**The Directors of Sunstone Ridge Developments Ltd. in their personal capacity:**

  
\_\_\_\_\_  
JAMES DALES

  
\_\_\_\_\_  
JEREMY TURNER